

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

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

Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2022

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Introductory Section

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ATLANTIC COUNTY
SPECIAL SERVICES
SCHOOL DISTRICT

Dr. Philip Guenther
Superintendent
pguenther@acitech.org

Mr. Nicholas Brown
School Business Administrator
nbrown@acsssd.net

March 17, 2023

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

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

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

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



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

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

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

2) ECONOMIC CONDITION AND OUTLOOK: The district's enrollment in 2021-2022 was 282 students on October 15, 2021, down 22 students from the same point in 2020. The economic environment in New Jersey continues to have a major impact on the state's educational system. Sending districts have experienced changes in their State Aid allocations throughout the implementation of the School Funding Reform Act and these changes have impacted some Districts' ability to provide services to their resident students. Although our district does not directly receive state aid, the changes to sending districts have had an impact on our budget planning, particularly in light of changing student enrollment. We will continue to closely monitor actual student enrollment numbers, modify spending as needed, and gather data in order to effectively and realistically project tuition revenues for the 2023-2024 budget.



In 2022, the Atlantic City Casino Industry continued to face challenges, including the lingering effects from the pandemic, a difficult economy and high inflation. However, the industry demonstrated resilience after the pandemic, with in-person winnings from players surpassing pre-pandemic levels of 2019. Phase 2 of the Atlantic City Gateway Project is slated to wrap up in the fall of 2022 and includes a 400-bed residential building. The \$22.4 million National Aerospace Research & Technology Park was constructed on a 58-acre park adjacent to the FAA William Hughes Technical Center and has been completed. This project is a major step in diversifying the region's economy and places Atlantic County in a position to leverage the economic possibilities of the aviation industry.

3) MAJOR INITIATIVES: We continue to work to ensure that we maintain high quality special education programs and services while maximizing efficiency through a county-wide shared service for students with severe disabilities. With our enhanced technology infrastructure, we continue to support the expanded use of technology for instruction, and communication with all stakeholders. Students who require assistive technology or augmentative communication devices are provided individual devices and programs based on their needs. All teachers and students have access to a laptop computer or tablet to facilitate individualized programs which include the use of self-paced on-line instructional and assessment platforms. Classrooms are equipped with interactive boards to facilitate different learning styles as well as creativity and collaboration. We continue to utilize enhanced technology to communicate with families and sending districts. Teachers, case managers, and administrators are able to engage directly with parents through an advanced messaging communication platform, and meetings with sending districts and parents can be scheduled virtually if needed.

We have expanded our Transitions to Work program with additional students engaged in work-based learning experiences under the direction of job coaches and mentors in school and at healthcare facilities, and community-based organizations throughout Atlantic County.

Through our new collective bargaining agreement, a daily common planning period has been established for all staff members to promote an inter-professional approach to monitoring student progress and assessing individual student needs. Collaborative program meetings and professional development activities are scheduled during this time. Targeted professional development is also facilitated through university partnerships and special education consultants.



We are proud to offer a continuum of programs and services to address the unique needs of our students as we help them develop and grow toward their potential.

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

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

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2022.



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

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

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

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

10) OTHER INFORMATION:

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



ATLANTIC COUNTY
SPECIAL SERVICES
SCHOOL DISTRICT

Dr. Philip Guenther
Superintendent
pguenther@acitech.org

Mr. Nicholas Brown
School Business Administrator
nbrown@acsssd.net

11) ACKNOWLEDGMENTS:

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

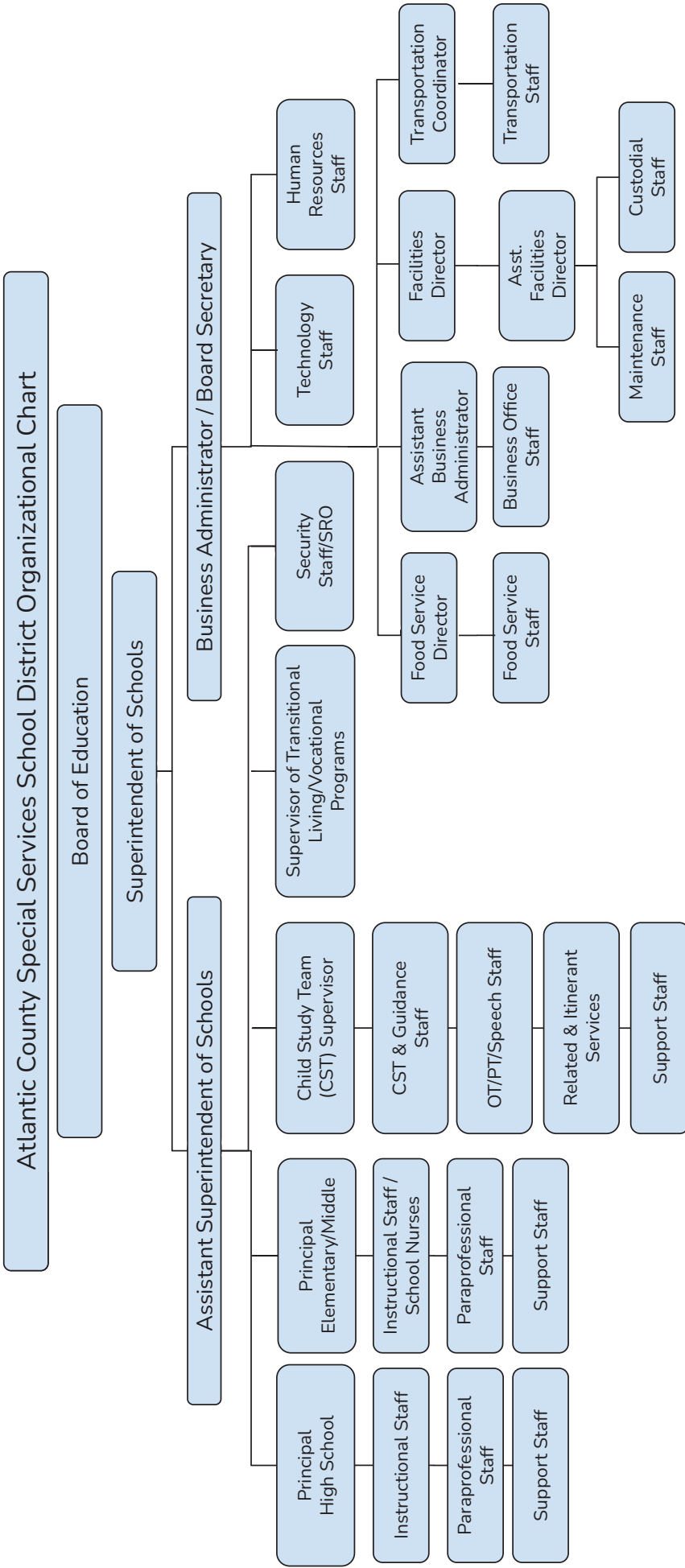
Respectfully submitted,

Philip J. Guenther

Philip J. Guenther, Ed.D.
Superintendent

Nicholas Brown

Nicholas Brown
Business Administrator/
Board Secretary



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

MAYS LANDING, NEW JERSEY

ROSTER OF OFFICIALS

June 30, 2022

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Mark W. Ludwick, President	2023
Augustus Harmon, Vice President	2022
Roy Foster	2022
Ellen Hyatt	2022
Patricia Marshall	2023
Richard Sless	2023
Kathleen Quish	Ex-officio
Leslie White-Coursey, Executive Regional Superintendent	Ex-officio

Other Officials

Philip J. Guenther, Ed. D., Superintendent

Kerri McGinley, Ed. D., Assistant Superintendent

Lauren Flynn, Board Secretary/Business Administrator (through 6/30/2022)

Nicholas Brown, Board Secretary/Business Administrator (effective 8/1/2022)

** - Marilyn Gallagher, deceased 12/21/2021; will be replaced by Ellen Hyatt as of 3/2/2022.

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

Architect of Record

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

Attorneys

Nehmad, Perillo & Davis
4030 Ocean Heights Avenue
Egg Harbor Township, NJ 08234

Audit Firm

Ford Scott & Associates, LLC
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Ocean City, NJ 08226

Official Depository

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Mays Landing, NJ 08330

Insurance Agent

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Egg Harbor Township, NJ 08234

Jeffery Dunn
Glenn Insurance
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David Miller
CJ Adams Company
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Northfield, NJ 08225

School Physicians

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

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

Financial Section

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FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

1535 HAVEN AVENUE • OCEAN CITY, NJ • 08226

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www.ford-scott.com

Independent Auditor's Report

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

Report on the 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 Atlantic County Special Services School District (a component unit of the County of Atlantic), in the County of Atlantic, New Jersey, as of and for the year ended June 30, 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 Atlantic County Special Services School District (a component unit of the County of Atlantic), 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 Atlantic County Special Services School District (a component unit of the County of Atlantic) 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 Atlantic County Special Services School District (a component unit of the County of Atlantic)'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 Atlantic County Special Services School District (a component unit of the County of Atlantic)'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 17, 2023, on our consideration of the Atlantic County Special Services School District (a component unit of the County of Atlantic)'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 Atlantic County Special Services School District (a component unit of the County of Atlantic)'s internal control over financial reporting and compliance.

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

Leon P. Costello

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

March 17, 2023

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Required Supplemental Information
Part I

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MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Atlantic County Special Services School District's (a component unit of the County of Atlantic) ("District") annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2022. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statement.

FINANCIAL HIGHLIGHTS

- The net position of the District increased approximately \$4,725,000 due to changes in proportion of pension and post-retirement benefit liabilities.
- The State of New Jersey reimbursed the District \$461,764 during the fiscal year ended June 30, 2022 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. The State also contributed \$2,623,957 for TPAF Pension Contributions on-behalf of the district and post-retirement benefits provided to former district employees. These amounts, which are not budgeted, are included as both a revenue and appropriation in the financial statements.
- During the fiscal year ended June 30, 2022, the District's governmental activities revenues were approximately \$4,035,000 more than total expenses. During the prior fiscal year, revenues exceeded expenditures by approximately \$3,624,000.
- In the District's business-type activities, net position increased \$691,000 as a result of an excess of revenues over expenses.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

Government-wide Statements

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

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

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

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

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

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

Fund Financial Statements

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

The District has three kinds of funds:

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

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net position. The District's governmental activities net position increased between fiscal years 2022 and 2021 as a result of an excess of revenues over expenses. The business-type activities net position increased due to the excess of revenues over expenses.

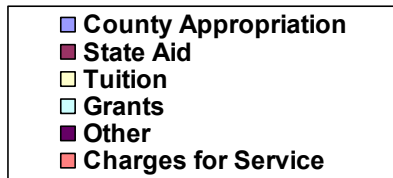
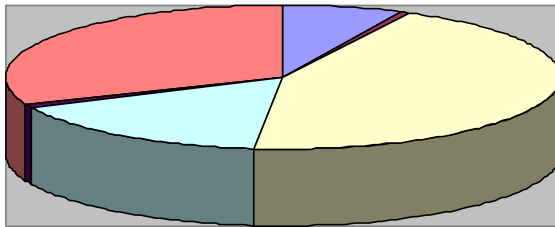
	Governmental Activities		Business-type Activities	
	2022	2021	2022	2021
Current and other assets	\$ 8,154,192	7,307,824	4,831,669	4,038,662
Capital assets	17,194,711	17,942,147	1,120,734	1,304,501
Total assets	25,348,903	25,249,971	5,952,403	5,343,163
Deferred Outflows of Resources	157,240	911,797		
Total deferred outflows of resources	157,240	911,797	-	-
Long-term liabilities	7,765,858	11,035,004	148,776	174,263
Other liabilities	130,795	193,982	4,681	60,557
Total liabilities	7,896,653	11,228,986	153,457	234,820
Deferred Inflows of Resources	8,503,782	9,862,193		
Total deferred inflows of resources	8,503,782	9,862,193	-	-
Net position				
Invested in capital assets	17,194,711	17,942,147	1,120,734	1,304,501
Restricted	3,679,754	2,156,163		
Unrestricted	(11,768,757)	(15,027,721)	4,678,212	3,803,842
Total net position	\$ 9,105,708	5,070,589	5,798,946	5,108,343

Changes in net position. The total revenue of the District increased approximately \$2,446,000 due to changes in the assumptions related to the State funding of pension plans.

Approximately 44% of the District's revenue comes from tuition contracts with various districts within Atlantic County and the surrounding Counties. The County of Atlantic levies property taxes on properties located in the county. This tax is collected by the various municipalities and remitted to the County on a quarterly basis. A portion of this tax levy is appropriated in the County's annual budget and remitted to the District. The District expenses are primarily related to instruction, administration, and plant operations.

	2022		2021	
	Amount	Percentage	Amount	Percentage
County Appropriation	\$ 2,070,597	7.04%	\$ 2,070,597	6.50%
Unrestricted State aid	158,582	0.54%	181,816	0.57%
Tuition	12,979,063	44.10%	14,671,125	46.03%
Charges for Services	9,177,876	31.19%	7,069,151	22.18%
Operating Grants and Contributions	4,817,590	16.37%	7,591,201	23.82%
Other	224,422	0.76%	290,341	0.91%
Totals	<u>\$ 29,428,130</u>	<u>100.00%</u>	<u>31,874,231</u>	<u>100.00%</u>

2022 Revenue



Governmental Activities

The following schedule summarizes the governmental and business-type activities of the District during the 2022 and 2021 fiscal years.

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues						
Program revenue						
Charges for services	12,979,063	14,671,125	9,177,876	7,069,151	22,156,939	21,740,276
Operating Grants	4,537,441	7,377,181	280,149	214,020	4,817,590	7,591,201
General revenues						
County Appropriation	2,070,597	2,070,597			2,070,597	2,070,597
State aid entitlements	158,582	182,790			158,582	182,790
Other	295,561	381,920	(71,139)	(92,553)	224,422	289,367
Total revenues	<u>20,041,244</u>	<u>24,683,613</u>	<u>9,386,886</u>	<u>7,190,618</u>	<u>29,428,130</u>	<u>31,874,231</u>
Expenses						
Instruction:						
Other special instruction	6,824,737	9,913,130	-	-	6,824,737	9,913,130
Other instruction	642,312	771,759	-	-	642,312	771,759
Support services:						
Student & instruction related services	3,371,642	4,388,391	-	-	3,371,642	4,388,391
District administration services	625,754	765,358	-	-	625,754	765,358
General & business admin services	1,716,517	1,994,808	-	-	1,716,517	1,994,808
Plant operations & maintenance	2,647,134	3,127,971	-	-	2,647,134	3,127,971
Pupil transportation	8,507	7,224	-	-	8,507	7,224
Capital Outlay	169,522	-	-	-	169,522	-
Business-type activities			8,696,283	7,534,653	8,696,283	7,534,653
Total expenses	<u>16,006,125</u>	<u>20,968,641</u>	<u>8,696,283</u>	<u>7,534,653</u>	<u>24,702,408</u>	<u>28,503,294</u>
(Deficiency) before Transfers	4,035,119	3,714,972	690,603	(344,035)	4,725,722	3,370,937
Transfers		(90,000)		90,000	-	-
Increase/(Decrease) in net position	<u>4,035,119</u>	<u>3,624,972</u>	<u>690,603</u>	<u>(254,035)</u>	<u>4,725,722</u>	<u>3,370,937</u>

Business-type Activities

Revenues of the District's business-type activities increased approximately 31% when compared to the previous fiscal year while expenditures increased 15% over the past fiscal year.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As of the year end, the governmental funds reported a combined fund balance of \$8,023,397 which is \$909,555 higher than the beginning of the year. The change is due to better management of expenditures within the District.

General Fund Budgetary Highlights

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

After adjusting total revenue reported on Exhibit C-1 for the Reimbursed TPAF Social Security Contribution and On-behalf TPAF Pension Contributions, which are not budgeted, the District's budgeted revenue exceeded the actual revenues by \$23,154. This is a result of an less tuition students received than anticipated. Again, after adjusting for the Reimbursed TPAF Social Security Contribution and On-behalf TPAF Pension Contributions, actual expenditures were below the budgeted appropriations by \$2,807,806. The most significant variances occurred in the area of health benefits. Audit exhibit C-1 does not include current year depreciation expense.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2022, the District had invested \$18.3 million (net of accumulated depreciation) in a broad range of capital assets, including land, buildings, vehicles and machinery. This amount represents a net decrease (including additions and deductions) of \$931,203 or 5%, over last year.

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Land	\$ 636,272	636,272	73,500	73,500	709,772	709,772
Buildings and Improvement:	15,662,701	16,306,214	289,434	309,082	15,952,135	16,615,296
Machinery and Equipment	895,738	999,661	757,800	921,919	1,653,538	1,921,580
Total	<u>\$ 17,194,711</u>	<u>17,942,147</u>	<u>1,120,734</u>	<u>1,304,501</u>	<u>18,315,445</u>	<u>19,246,648</u>

Long-term Debt

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The district's enrollment declined in the 2021-2022 school year. Although our district does not receive state aid directly, reductions in aid to the sending districts impacts our budgetary planning, particularly in light of declining enrollment. Certified tuition rates are beginning to increase but are still below the actual tuition rates charged in 2021-2022 budget due to the increase fund balance position. We continue to closely monitor actual enrollment numbers and make modifications to spending as needed. Declining enrollment and the district's fund balance position will reflect the budgeting strategies for the 2023-2024 budget.

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

The COVID-19 pandemic has created economic uncertainty with respect to enrollment and funding of unanticipated expenditures for sanitizing, cleaning and PPE supplies. Atlantic County Special Services provided in-person instruction during the 2020-2021 school year. Being able to open school with a regular full-time schedule made a difference in retaining existing students, however the district continues to see a decrease in enrollment. The district is seeing fewer new student referrals from the sending districts. The district has taken measures

to set aside funds to offset unanticipated operating costs and reduced enrollment projections for the 2021-2022 school year.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

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DISTRICT - WIDE FINANCIAL STATEMENTS

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Atlantic County Special Services School District
(A Component Unit of the County of Atlantic)
Statement of Net Position
6/30/2022

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 7,906,814	2,984,012	10,890,826
Receivables, net	247,378	1,838,421	2,085,799
Inventory		9,236	9,236
Capital assets not being depreciated:			
Land	636,272	73,500	709,772
Capital assets, net of accumulated depreciation	16,558,439	1,047,234	17,605,673
Total Assets	<u>25,348,903</u>	<u>5,952,403</u>	<u>31,301,306</u>
DEFERRED OUTFLOW OF RESOURCES			
Deferred Outflows Related to Pensions	157,240		157,240
Total Deferred Outflows of Resources	<u>157,240</u>	<u>-</u>	<u>157,240</u>
LIABILITIES			
Other payables	116,750	4,681	121,431
Unearned Revenue	14,045		14,045
Noncurrent liabilities:			
Due within one year	-	-	-
Due beyond one year	270,843	148,776	419,619
Net Pension Liability	7,495,015		7,495,015
Total liabilities	<u>7,896,653</u>	<u>153,457</u>	<u>8,050,110</u>
DEFERRED INFLOW OF RESOURCES			
Deferred Inflows Related to Pensions	8,503,782		8,503,782
Total Deferred Inflows of Resources	<u>8,503,782</u>	<u>-</u>	<u>8,503,782</u>
NET POSITION			
Invested in capital assets, net of related debt	17,194,711	1,120,734	18,315,445
Restricted for:			
Other purposes	3,679,754		3,679,754
Unrestricted	(11,768,757)	4,678,212	(7,090,545)
Total net position	<u>\$ 9,105,708</u>	<u>5,798,946</u>	<u>14,904,654</u>

Atlantic County Special Services School District
(A Component Unit of the County of Atlantic)
Statement of Activities
For the Year Ended June 30, 2022

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
			Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total	
Governmental activities:								
Instruction:								
Other special instruction	3,850,650	2,974,087	12,979,063	2,094,450	8,248,776			8,248,776
Other instruction	362,405	279,907		174,122	(468,190)			(468,190)
Support services:								
Student & instruction related services	1,902,346	1,469,296		914,005	(2,457,637)			(2,457,637)
School administrative services	353,063	272,691		169,634	(456,120)			(456,120)
General and business administrative services	968,493	748,024		465,324	(1,251,193)			(1,251,193)
Plant operations and maintenance	1,493,565	1,153,569		717,601	(1,929,533)			(1,929,533)
Pupil transportation	4,800	3,707		2,305	(6,202)			(6,202)
Unallocated benefits	6,901,281	(6,901,281)			-			-
Unallocated depreciation					-			-
Capital Outlay	169,522				(169,522)			(169,522)
Total governmental activities	16,006,125	-	12,979,063	4,537,441	1,510,379	-		1,510,379
Business-type activities:								
Food Service	367,333		82,354	280,149		(4,830)		(4,830)
Transportation	4,338,384		4,555,685			217,301		217,301
Instruction	3,990,566		4,539,837			549,271		549,271
Total business-type activities	8,696,283		9,177,876	280,149		761,742		761,742
Total primary government	\$ 24,702,408		22,156,939	4,817,590	1,510,379	761,742		2,272,121
General revenues:								
Taxes:								
County Appropriation					2,070,597			2,070,597
Federal and State aid not restricted					158,582			158,582
Other restricted miscellaneous revenue					20,804			20,804
Rents and Royalties					87,700			87,700
Miscellaneous Income					192,527			192,527
Loss on Disposal of Fixed Assets					(5,470)		(71,139)	(76,609)
Total general revenues, special items, extraordinary items and transfers					2,524,740	(71,139)		2,453,601
Change in Net Position					4,035,119	690,603		4,725,722
Net Position—beginning					5,070,589	5,108,343		10,178,932
Net Position—ending					9,105,708	5,798,946		14,904,654

FUND FINANCIAL STATEMENTS

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Atlantic County Special Services School District
(A Component Unit of the County of Atlantic)
Balance Sheet
Governmental Funds
June 30, 2022

	General Fund	Special Revenue Fund	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 7,856,666	50,148	7,906,814
Due from other funds	67,237		67,237
Receivables from other governments	118,556	81,282	199,838
Other Accounts Receivables	47,540		47,540
Total assets	8,089,999	131,430	8,221,429
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	1,893	-	1,893
Unearned Revenue	-	14,045	14,045
Payroll Liabilities and Withholdings	114,857		114,857
Due to other funds		67,237	67,237
Total liabilities	116,750	81,282	198,032
Fund Balances:			
Restricted for:			
Unemployment Compensation	107,138		107,138
Student Activities		50,148	50,148
Committed to:			
Capital Reserve	3,517,868		3,517,868
Maintenance Reserve	956,171		956,171
Designated for subsequent years expenditures	2,145,668		2,145,668
Assigned to:			
Encumbrances	161,886		161,886
Unassigned:			
General fund	1,084,518		1,084,518
Total Fund balances	7,973,249	50,148	8,023,397
Total liabilities and fund balances	\$ 8,089,999	131,430	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 17,194,711

Long-term pension liabilities are not due and payable in the current period and therefore are not reported in the funds. (15,841,557)

Some liabilities, such as compensated absences, are not due and payable in the current period and therefore are not reported in the funds. (270,843)

Net position of governmental activities \$ 9,105,708

Atlantic County Special Services School District
(A Component Unit of the County of Atlantic)
Statement of Revenues, Expenditures, And Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2022

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
REVENUES			
County Appropriation	\$ 2,070,597		2,070,597
Tuition - from LEAs	12,310,055		12,310,055
Other tuition	451,950		451,950
Non resident fees	217,058		217,058
Rents and Royalties	87,700		87,700
Other restricted miscellaneous revenue	20,804		20,804
Miscellaneous	192,527	96,027	288,554
State sources	3,719,421	7,121	3,726,542
Federal sources	138,582	141,213	279,795
Total revenues	<u>19,208,694</u>	<u>244,361</u>	<u>19,453,055</u>
EXPENDITURES			
Current:			
Other special instruction	4,857,477	16,886	4,874,363
Other instruction	458,752		458,752
Support services and undistributed costs:			
Student & instruction related services	2,284,962	123,132	2,408,094
School administrative services	446,926		446,926
Other administrative services	490,120		490,120
Central Services	508,319		508,319
Admin Information Technology	227,531		227,531
Plant operations and maintenance	1,890,635		1,890,635
Pupil transportation	6,077		6,077
Unallocated Benefits	6,901,281		6,901,281
Capital outlay	216,053	115,349	331,402
Total expenditures	<u>18,288,133</u>	<u>255,367</u>	<u>18,543,500</u>
Excess (Deficiency) of revenues over expenditures	<u>920,561</u>	<u>(11,006)</u>	<u>909,555</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	-		-
Total other financing sources and uses	<u>-</u>		<u>-</u>
Net change in fund balances	920,561	(11,006)	909,555
Fund balance—July 1	7,052,688	61,154	7,113,842
Fund balance—June 30	<u>\$ 7,973,249</u>	<u>50,148</u>	<u>8,023,397</u>

Atlantic County Special Services School District
(A Component Unit of the County of Atlantic)
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2022

Total net change in fund balances - governmental funds (from B-2) \$ 909,555

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

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

Loss on the disposal of assets	(5,470)	
Depreciation expense	(903,846)	
Capital outlays	<u>161,880</u>	(747,436)

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

District pension contributions - PERS	740,939	
Cost of benefits earned net of employee contributions	<u>3,116,378</u>	3,857,317

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

15,683

Change in net assets of governmental activities	<u><u>\$ 4,035,119</u></u>	
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Atlantic County Special Services School District
(A Component Unit of the County of Atlantic)
Statement of Net Position
Proprietary Funds
June 30, 2022

	Business-type Activities - Enterprise Funds				Totals
	Food Service	Transportation	Itinerant/ Shared Services	County Programs	
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 51,037	813,093	1,980,034	139,848	2,984,012
Accounts receivable					
Federal	20,359				20,359
State	302				302
Other	657	856,480	931,648	28,975	1,817,760
Inventory	9,236				9,236
Total current assets	81,591	1,669,573	2,911,682	168,823	4,831,669
Noncurrent assets:					
Land and Improvements		73,500			73,500
Buildings and Improvements		575,080			575,080
Furniture, machinery & equipment	282,244	2,577,373			2,859,617
Less accumulated depreciation	(243,633)	(2,143,830)			(2,387,463)
Total noncurrent assets	38,611	1,082,123	-	-	1,120,734
Total assets	120,202	2,751,696	2,911,682	168,823	5,952,403
LIABILITIES					
Current liabilities:					
Accounts Payable	-	-	-	428	428
Other Current Liabilities	2,318	1,935			4,253
Total current liabilities	2,318	1,935	-	428	4,681
Noncurrent Liabilities					
Compensated Absences	-	148,776			148,776
Total noncurrent liabilities	-	148,776	-	-	148,776
Total liabilities	2,318	150,711	-	428	153,457
NET POSITION					
Invested in capital assets net of related debt	38,611	1,082,123			1,120,734
Unrestricted	79,273	1,518,862	2,911,682	168,395	4,678,212
Total net position	\$ 117,884	2,600,985	2,911,682	168,395	5,798,946

Atlantic County Special Services School District
(A Component Unit of the County of Atlantic)
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2022

	Business-type Activities -				Totals
	Enterprise Fund				
	Food Service	Transportation	Itinerant/ Shared Services	County Programs	
Operating revenues:					
Charges for services:					
Daily sales - non-reimbursable programs	\$ 82,354				82,354
Transportation Fees		4,555,685			4,555,685
Fees for Service			4,458,053		4,458,053
County Aid Payments				81,784	81,784
Total operating revenues	<u>82,354</u>	<u>4,555,685</u>	<u>4,458,053</u>	<u>81,784</u>	<u>9,177,876</u>
Operating expenses:					
Cost of sales - Reimbursable Programs	90,776				90,776
Cost of sales - Nonreimbursable Programs	36,229				36,229
Salaries and wages	120,106	1,368,123	1,531,704	56,452	3,076,385
Employee Benefits	85,838	1,409,687	1,076,050	-	2,571,575
Other Purchased Services	30,560	25,336	1,302,521	-	1,358,417
Transportation Operations		449,933			449,933
Contracted Services		959,628			959,628
Travel				7,213	7,213
Materials and supplies	832	16,041	13,360	3,266	33,499
Depreciation	2,992	109,636			112,628
Total Operating Expenses	<u>367,333</u>	<u>4,338,384</u>	<u>3,923,635</u>	<u>66,931</u>	<u>8,696,283</u>
Operating income/(loss)	<u>(284,979)</u>	<u>217,301</u>	<u>534,418</u>	<u>14,853</u>	<u>481,593</u>
Nonoperating revenues/(expenses):					
State sources:					
State school lunch program	3,685				3,685
Federal sources:					
National school breakfast program	88,164				88,164
National school lunch program	156,493				156,493
Food Distribution Program	31,807				31,807
Loss on Disposal of Fixed Assets	(1,592)	(69,547)			(71,139)
Total nonoperating revenues/(expenses)	<u>278,557</u>	<u>(69,547)</u>	<u>-</u>	<u>-</u>	<u>209,010</u>
Income/(Loss) before contributions & transfers	<u>(6,422)</u>	<u>147,754</u>	<u>534,418</u>	<u>14,853</u>	<u>690,603</u>
Transfers in					
Operating transfer in - general fund	-				-
Total transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	(6,422)	147,754	534,418	14,853	690,603
Total net position—beginning	124,306	2,453,231	2,377,264	153,542	5,108,343
Total net position—ending	<u>\$ 117,884</u>	<u>2,600,985</u>	<u>2,911,682</u>	<u>168,395</u>	<u>5,798,946</u>

Atlantic County Special Services School District
(A Component Unit of the County of Atlantic)
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2022

Business-type Activities -
Enterprise Funds

	Food Service	Transportation	Itinerant/ Shared Services	County Programs	Totals
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$ 81,898	4,568,453	4,105,327	89,789	8,845,467
Payments to employees	(120,106)	(1,393,610)	(1,531,704)	(56,452)	(3,101,872)
Payments for benefits	(85,838)	(1,409,687)	(1,076,050)	-	(2,571,575)
Payments for suppliers	(126,455)	(1,460,285)	(1,362,207)	(10,051)	(2,958,998)
Net cash provided by/(used for) operating activities	<u>(250,501)</u>	<u>304,871</u>	<u>135,366</u>	<u>23,286</u>	<u>213,022</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
State Sources	4,158				4,158
Federal Sources	268,938				268,938
Operating subsidies and transfers to other funds	-		-	-	-
Net cash provided by/(used for) non-capital financing activities	<u>273,096</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>273,096</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchase of Assets					-
Net cash (used for) capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest and dividends					-
Net cash provided by (used for) investing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents	22,595	304,871	135,366	23,286	486,118
Balances—beginning of year	28,442	508,222	1,844,668	116,562	2,497,894
Balances—end of year	<u>51,037</u>	<u>813,093</u>	<u>1,980,034</u>	<u>139,848</u>	<u>2,984,012</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating profit/(loss)	(284,979)	217,301	534,418	14,853	481,593
Adjustments to reconcile operating (loss) to net cash provided by (used for) operating activities					
Depreciation and net amortization	2,992	109,636			112,628
Federal Commodities	31,807				31,807
(Increase)/Decrease in accounts receivable, net	(456)	12,768	(352,726)	8,005	(332,409)
Increase/(Decrease) in accounts payable	-	(11,282)	(46,326)	428	(57,180)
(Increase)/Decrease in Inventory	766				766
Increase/(Decrease) in Other Liabilities	(631)	1,935	-		1,304
Increase/(Decrease) in Compensated Absences	-	(25,487)			(25,487)
Total adjustments	<u>34,478</u>	<u>87,570</u>	<u>(399,052)</u>	<u>8,433</u>	<u>(268,571)</u>
Net cash provided by/(used for) operating activities	<u>\$ (250,501)</u>	<u>304,871</u>	<u>135,366</u>	<u>23,286</u>	<u>213,022</u>

**Atlantic County Special Services School
(A Component Unit of the County of Atlantic)
Notes to the Financial Statements
June 30, 2022**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. REPORTING ENTITY:

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

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

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

**Atlantic County Special Services School
(A Component Unit of the County of Atlantic)
Notes to the Financial Statements
June 30, 2022**

B. BASIC FINANCIAL STATEMENTS - GOVERNMENT-WIDE STATEMENTS:

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

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

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

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

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

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

**Atlantic County Special Services School
(A Component Unit of the County of Atlantic)
Notes to the Financial Statements
June 30, 2022**

C. BASIC FINANCIAL STATEMENTS - FUND FINANCIAL STATEMENTS

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

The following fund types are used by the District:

1. Governmental Funds:

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

- a. **General fund** is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.
- b. **Special revenue funds** are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for a specific purpose.

Fund Balances – Governmental Funds

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

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

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

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

**Atlantic County Special Services School
(A Component Unit of the County of Atlantic)
Notes to the Financial Statements
June 30, 2022**

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

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

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

2. Proprietary Funds:

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

- a. Enterprise funds** are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designated to recover similar costs. The District’s enterprise fund is comprised of the following:
- Food Service Fund – This fund accounts for the revenues and expenses pertaining to the District’s cafeteria operations.
 - Transportation Fund – This fund accounts for the revenues and expenses pertaining to the transportation services provided to other district within the State.
 - Itinerant/Shared Service Fund – This fund accounts for the revenues and expenses pertaining to the various itinerant services provided to other districts within the County. This fund also accounts for the shared service agreements with the Atlantic County Institute of Technology.
 - County Programs Fund – This fund accounts for the revenues and expenses pertaining to agreements with Atlantic County government to provide educational services for the County.

**Atlantic County Special Services School
(A Component Unit of the County of Atlantic)
Notes to the Financial Statements
June 30, 2022**

3. Fiduciary Funds:

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

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

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

D. BASIS OF ACCOUNTING

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

1. Accrual:

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

**Atlantic County Special Services School
(A Component Unit of the County of Atlantic)
Notes to the Financial Statements
June 30, 2022**

2. Modified Accrual:

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

E. FINANCIAL STATEMENT AMOUNTS

1. Cash and Cash Equivalents:

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

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

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

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

2. Investments:

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

**Atlantic County Special Services School
(A Component Unit of the County of Atlantic)
Notes to the Financial Statements
June 30, 2022**

3. Inventories:

Inventories in the general fund consist of expendable supplies held for the District’s use and are carried at cost using the first-in, first-out method. Inventories in the enterprise fund are valued at cost, which approximates market, using the first-in, first –out method. As of June 30, 2022, the District did not have inventory in the general fund and had the following inventory in the enterprise fund:

Food	\$ 6,255
Supplies	2,981
	\$ 9,236

4. Capital Assets:

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

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

5. Revenues:

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

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

**Atlantic County Special Services School
(A Component Unit of the County of Atlantic)
Notes to the Financial Statements
June 30, 2022**

6. Expenditures:

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

7. Compensated Absences:

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

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

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

8. Interfund Activity:

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

**Atlantic County Special Services School
(A Component Unit of the County of Atlantic)
Notes to the Financial Statements
June 30, 2022**

9. Budgets/Budgetary Control:

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

	From	To
Multiple Disabilities-Salaries of Teachers	206,662	
Multiple Disabilities-Other Salaries for Instruction	269,322	
Cognitive Severe-Other Salaries for Instruction		130,500
Required Maintenance for School Facilities-Cleaning		262,100

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

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

10. Encumbrances:

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

**Atlantic County Special Services School
(A Component Unit of the County of Atlantic)
Notes to the Financial Statements
June 30, 2022**

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

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

11. Tuition Receivable

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

12. Use of Estimates

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

13. Allocation of Costs

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

14. Pensions

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

F. RECENT ACCOUNTING PRONOUNCEMENTS NOT YET EFFECTIVE

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

**Atlantic County Special Services School
(A Component Unit of the County of Atlantic)
Notes to the Financial Statements
June 30, 2022**

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

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

In April 2022, the Governmental Accounting Standards Board (GASB) issued Statement No. 99, "Omnibus 2022". This statement is effective for various dates based on the topics and will not have any effect on the District's financial reporting.

In June 2022, the Governmental Accounting Standards Board (GASB) issued Statement No. 100, "Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62". This statement is effective for fiscal years beginning after June 15, 2023 and will not have any effect on the District's financial reporting.

In June 2022, the Governmental Accounting Standards Board (GASB) issued Statement No. 101, "Compensated Absences". This statement is effective for fiscal years beginning after December 15, 2023 and will not have any effect on the District's financial reporting.

NOTE 2. INVESTMENTS

As of June 30, 2022, the District had no investments.

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

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

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

**Atlantic County Special Services School
(A Component Unit of the County of Atlantic)
Notes to the Financial Statements
June 30, 2022**

NOTE 3. CASH

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. The District’s policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 18A:20-37 that are treated as cash equivalents. As of June 30, 2022, \$0 of the District’s bank balance of \$11,743,879 was exposed to custodial credit risk.

NOTE 4. CAPITAL RESERVE FUND

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

Funds placed in the capital reserve account are restricted to capital projects in the district’s approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question a one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A-23:2.13(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its LRFP.

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

Beginning balance, July 1, 2021	\$ 1,767,668
Interest Earnings	200
Tranferred In	1,750,000
Tranferred Out	-
Ending Balance, June 30, 2022	\$ 3,517,868

**Atlantic County Special Services School
(A Component Unit of the County of Atlantic)
Notes to the Financial Statements
June 30, 2022**

NOTE 5. MAINTENANCE RESERVE ACCOUNT

A maintenance reserve account was established by the Atlantic County Special Services School District on June 25, 2012, for the accumulation of funds for use as maintenance expenditures in subsequent fiscal years. The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

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

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	\$ 956,071
Interest Earnings	100
Anticipated in Budget	(267,100)
Transferred from Current Budget	267,100
Ending balance, June 30, 2022	\$ 956,171

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**Atlantic County Special Services School
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NOTE 6. FIXED ASSETS

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

	<u>Balance June 30, 2021</u>	<u>Additions</u>	<u>Disposals/ Adjustments</u>	<u>Balance June 30, 2022</u>
Governmental Activities:				
Capital assets that are not being depreciated:				
Land	\$ 636,272			636,272
Total capital assets not being depreciated	<u>636,272</u>	<u>-</u>	<u>-</u>	<u>636,272</u>
Bldg and bldg improve	29,659,568	132,025		29,791,593
Machinery & equipment	2,331,538	29,855	(54,675)	2,306,718
Total at historical cost	<u>31,991,106</u>	<u>161,880</u>	<u>(54,675)</u>	<u>32,098,311</u>
Less accum depr for:				
Bldg and improve	(13,353,354)	(775,538)		(14,128,892)
Equipment	(1,331,877)	(128,308)	49,205	(1,410,980)
Total accum deprec	<u>(14,685,231)</u>	<u>(903,846)</u>	<u>49,205</u>	<u>(15,539,872)</u>
Total capital assets being depr, net of accum depr	<u>17,305,875</u>	<u>(741,966)</u>	<u>(5,470)</u>	<u>16,558,439</u>
Governmental activities capital assets, net	<u>17,942,147</u>	<u>(741,966)</u>	<u>(5,470)</u>	<u>17,194,711</u>
Business-type activities:				
Capital assets that are not being depreciated:				
Land	\$ 73,500			73,500
Total capital assets not being depreciated	<u>73,500</u>	<u>-</u>	<u>-</u>	<u>73,500</u>
Building and improve	575,080			575,080
Equipment	3,346,536		(486,919)	2,859,617
Less accum depr for:				
Building and improve	(265,998)	(19,648)		(285,646)
Equipment	(2,424,617)	(92,980)	415,780	(2,101,817)
Business-type activities capital assets, net	<u>\$ 1,304,501</u>	<u>(112,628)</u>	<u>(71,139)</u>	<u>1,120,734</u>

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Depreciation expense is charged to governmental functions as follows:

Other special instruction	\$	389,510
Other instruction		36,659
Student & instruction related services		192,430
School administrative expenses		35,714
General and business administration		97,967
Plant operations and maintenance		151,080
Pupil Transportation		486
		\$ 903,846

NOTE 7. GENERAL LONG-TERM DEBT

Governmental Activities

Long-term liability activity for the year ended June 30, 2022 was as follows:

	Balance June 30, 2021	Issued	Retired	Balance June 30, 2022	Amounts Due Within One Year
Net Pension Liability	\$ 10,748,478		3,253,463	7,495,015	
Compensated Absences Payable	286,526	49,041	64,724	270,843	
Total	\$ 11,035,004	49,041	3,318,187	7,765,858	-

Business Type Activities

Long-term liability activity for the year ended June 30, 2022 was as follows:

	Balance June 30, 2021	Issued	Retired	Balance June 30, 2022	Amounts Due Within One Year
Compensated Absences Payable	174,263		25,487	148,777	
	\$ 174,263	-	25,487	148,777	-

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NOTE 8. PENSION PLANS

Description of Plans

All required employees of the District are covered by either the Public Employees' Retirement System, the Teachers' Pension and Annuity Fund or the Defined Contribution Retirement Program which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of the Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625 or the reports can be accessed on the internet at:

<http://www.state.nj.us/treasury/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.

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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.

Funding Policy

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 7.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The current TPAF rate is 35.24% and the PERS rate is 15.98% of covered payroll. The School District's contributions to TPAF for the years ending June 30, 2022, 2021 and 2020 were \$2,623,957, \$1,920,389 and \$1,539,700 respectively, and paid by the State of New Jersey on behalf of the Board, equal to the required contributions for each year. The School District's contributions to PERS for the years ending June 30, 2022, 2021 and 2020 were \$740,939, \$721,041, and \$751,151. 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 \$613,063, \$601,820, and \$571,201, respectively, to the TPAF for post-retirement medical benefits on behalf of the Board. Also, in accordance with NJSA 18A:66-66 the State of New Jersey reimbursed the Board \$461,764, \$485,245, and \$497,472, during the same fiscal years for the employer's share of social security contributions for TPAF members as calculated on their base salaries. These amounts, which are not required to be budgeted, have been included in the financial statements, and the combining and individual fund and account group statements and schedules as revenues and expenditures in accordance in GASB standards.

For the DCRP, members contribute at a uniform rate of 5.5% of their base salary. Employers are required to contribute at a set rate of 3.0% of base salary. There were 20 employees enrolled in the DCRP for the year ended June 30, 2022.

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Vesting and Benefit Provisions

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

Significant Legislation

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

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

- New members of the PERS and TPAF hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of $\frac{1}{4}$ of 1% for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the systems is increased from age 63 to 65 for Tier 5 members.
- Increases in active member contribution rates. PERS active member rates increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years. For fiscal year 2013, the member contribution rates increased in October 2012. The phase-in of the additional incremental member contribution rates for PERS members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.

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- 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 and TPAF from the amount of annual compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of PERS and TPAF to 1/60th from 1/55th, and it provided that new members of PERS and TPAF have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of PERS and TPAF will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. The law also requires the State to make its full pension contribution, defined as 1/7th 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 and TPAF with disability insurance coverage similar to that provided by the State to individuals enrolled in the State's Defined Contribution Retirement Program.

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

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NOTE 9: PUBLIC EMPLOYEES RETIREMENT SYSTEM

In 2012, the Governmental Accounting Standards Board issued GASB statement 68. This statement is effective for fiscal years beginning after June 15, 2014. This statement changes the method of reporting the District's pension liabilities. However, due to the fact that the District reports on the regulatory basis of accounting, no financial statement impact will be recognized.

The following represents the District's pension liabilities as June 30, 2021:

Public Employees' Retirement System

The District has a liability of \$7,495,015 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 0.06326775980%, which would be a decrease of 4.01% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the District would have recognized pension expense of \$3,116,378. At June 30, 2022, the District would report 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	\$ 118,206	53,655
Changes of assumptions	39,034	2,668,274
Changes in proportion		3,807,469
Net difference between projected and actual earnings on pension plan investments		1,974,384
Total	\$ 157,240	8,503,782

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Amounts that would be 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	\$	(3,251,949)
2023		(2,321,884)
2024		(1,583,129)
2025		(1,190,042)
2026		463
Total	\$	<u><u>(8,346,542)</u></u>

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 base 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.

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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:

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%

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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:

	Decrease -6.00%	Rate -7.00%	Increase -8.00%
District's proportionate share of the net pension liability	\$ 8,926,542.16	7,495,015.00	6,281,887.03

Pension plan fiduciary net position.

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

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NOTE 10. 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		31,167,202.00
Total	\$	31,167,202.00

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 \$733,378 and revenue of \$733,378 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%

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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-Median 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.

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 Equ	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%

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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:

	1% Decrease -6.00%	Current Discount Rate -7.00%	1% Increase -8.00%
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.

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NOTE 11. 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.

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.

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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)

**Atlantic County Special Services School
(A Component Unit of the County of Atlantic)
Notes to the Financial Statements
June 30, 2022**

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.

**Atlantic County Special Services School
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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%.

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>

**Atlantic County Special Services School
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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 \$1,760,136 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.

**Atlantic County Special Services School
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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)
2023	(1,182,303,041)
2024	(1,182,303,041)
2025	(1,182,303,041)
2026	(840,601,200)
Thereafter	347,612,410
Total	\$ (5,222,200,954)

(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.

**Atlantic County Special Services School
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Notes to the Financial Statements
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NOTE 12. COMPENSATED ABSENCES

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

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

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

NOTE 13. DEFERRED COMPENSATION

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

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

**Atlantic County Special Services School
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June 30, 2022**

NOTE 14. RISK MANAGEMENT

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

Property and Liability Insurance - The District maintains commercial insurance coverage for property, liability and surety bonds. During the fiscal year ended June 30, 2022 the District did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

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

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earned</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2021-2022 \$	-	23,260		2,756	107,138
2020-2021	-	20,969	674	26,899	86,634
2019-2020	15,000	24,608	1,612	80,162	91,890

NOTE 15 LITIGATION

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

**Atlantic County Special Services School
(A Component Unit of the County of Atlantic)
Notes to the Financial Statements
June 30, 2022**

NOTE 16. FUND BALANCE APPROPRIATED

General Fund - Of the \$7,973,249 General Fund balance at June 30, 2022, \$2,145,668 has been appropriated and included as anticipated revenue for the year ending June 30, 2023; \$3,517,868 has been reserved for future capital activity; \$956,171 has been reserved for future maintenance activity; \$107,138 is reserved for Unemployment Compensation Claims; \$161,886 has been reserved for encumbrances; and \$1,084,518 is unreserved and undesignated.

NOTE 17. SUBSEQUENT EVENTS

The District has evaluated subsequent events through March 17, 2023, the date on which the financial statements were available to be issued, and no items were identified that require disclosure.

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Required Supplementary Information
Part II

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BUDGETARY COMPARISON SCHEDULES

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Atlantic County Special Services School District
 (A Component Unit of the County of Atlantic)
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
County Appropriation	\$ 2,070,597		2,070,597	2,070,597	-
Tuition- from LEAs	12,574,797		12,574,797	12,310,055	(264,742)
Other Tuition	460,000		460,000	451,950	(8,050)
Non-Resident Fees	112,725		112,725	217,058	104,333
Rents and Royalties	82,700		82,700	87,700	5,000
Interest Earned on Capital Reserve Funds	200		200	200	-
Interest Earned on Maintenance Reserve Funds	100		100	100	-
Other Restricted Miscellaneous Revenues	-		-	20,504	20,504
Miscellaneous	65,000		65,000	192,527	127,527
Total - Local Sources	15,366,119	-	15,366,119	15,350,691	(15,428)
State Sources:					
Safety Grant		20,000		20,000	20,000
Reimbursed TPAF Social Security Contributions (non-budgeted)				461,764	461,764
On-behalf TPAF Post Retirement Contributions (non-budgeted)				613,063	613,063
On-behalf TPAF LTDI (non-budgeted)				637	637
On-behalf TPAF Pension Contributions (non-budgeted)				2,623,957	2,623,957
Total - State Sources	-	20,000	-	3,719,421	3,719,421
Federal Sources:					
Medical Assistance Program	100,000		100,000	138,582	38,582
Total - Federal Sources	100,000	-	100,000	138,582	38,582
Total Revenues	15,466,119	20,000	15,466,119	19,208,694	3,742,575

Atlantic County Special Services School District
 (A Component Unit of the County of Atlantic)
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES:					
Current Expense:					
Behavioral Disabilities					
Salaries of Teachers	534,002	-	534,002	486,323	47,679
Other Salaries for Instruction	158,519	-	158,519	55,596	102,923
Purchased Professional-Educational Services	73,000	(750)	72,250	5,614	66,636
General Supplies	17,771	7,650	25,421	17,867	7,554
Other Objects	5,550	(1,000)	4,550	1,094	3,456
Total Behavioral Disabilities	788,842	5,900	794,742	566,494	228,248
Multiple Disabilities					
Salaries of Teachers	1,750,832	(206,662)	1,544,170	1,463,728	80,442
Other Salaries for Instruction	1,083,436	(269,322)	814,114	511,254	302,860
Purchased Professional-Educational Services	73,750	(20,500)	53,250	16,402	36,848
Other Purchased Services	4,200	-	4,200	-	4,200
General Supplies	26,922	35,200	62,122	55,997	6,125
Other Objects	29,375	(1,400)	27,975	26,170	1,805
Total Multiple Disabilities	2,968,515	(462,684)	2,505,831	2,073,551	432,280
Autism					
Salaries of Teachers	842,518	(6,500)	836,018	739,818	96,200
Other Salaries for Instruction	252,478	(5,737)	246,741	150,860	95,881
Purchased Professional-Educational Services	30,000	-	30,000	23,499	6,501
General Supplies	33,728	12,237	45,965	42,302	3,663
Other Objects	10,219	-	10,219	1,489	8,730
Total Autism	1,168,943	-	1,168,943	957,968	210,975
Preschool Disabilities - Full-Time					
Salaries of Teachers	148,932	2,500	151,432	150,410	1,022
Other Salaries for Instruction	68,901	2,500	71,401	55,189	16,212
Purchased Professional-Educational Services	64,000	(57,800)	6,200	-	6,200
General Supplies	1,000	-	1,000	999	1
Other Objects	400	-	400	108	292
Total Preschool Disabilities - Full-Time	283,233	(52,800)	230,433	206,706	23,727
Home Instruction					
Salaries of Teachers	-	2,500	2,500	657	1,843
Total Home Instruction	-	2,500	2,500	657	1,843

Atlantic County Special Services School District
 (A Component Unit of the County of Atlantic)
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
Extended School Year					
Salaries of Teachers	213,453	6,600	220,053	156,785	63,268
Other Salaries for Instruction	104,500	(25,000)	79,500	31,858	47,642
Purchased Professional-Educational Services	84,000	(20,000)	64,000	11,177	52,823
Other Purchased Services	50	-	50	-	50
General Supplies	3,500	(2,200)	1,300	1,037	263
Other Objects	7,500	-	7,500	-	7,500
Total Extended School Year	413,003	(40,600)	372,403	200,857	171,546
Cognitive - Severe					
Salaries of Teachers	449,461	80,000	529,461	491,020	38,441
Other Salaries for Instruction	39,463	130,500	169,963	132,653	37,310
Purchased Professional-Educational Services	231,703	-	231,703	223,882	7,821
General Supplies	4,369	4,500	8,869	3,689	5,180
Total Cognitive - Severe	724,996	215,000	939,996	851,244	88,752
Total Special Education - Instruction	6,347,532	(332,684)	6,014,848	4,857,477	1,157,371
Other Instructional Programs - Instruction					
Salaries	432,511	33,200	465,711	457,248	8,463
Purchased Services	-	2,200	2,200	896	1,304
Supplies and Materials	5,000	(2,200)	2,800	608	2,192
Total Other Instructional Programs - Instruction	437,511	33,200	470,711	458,752	11,959
Total Instruction	6,785,043	(299,484)	6,485,559	5,316,229	1,169,330
Undistributed Expenditures - Health Services:					
Salaries	145,623	30,000	175,623	174,067	1,556
Purchased Professional and Technical Services	115,450	(41,100)	74,350	46,850	27,500
Other Purchased Services	2,048	-	2,048	214	1,834
Supplies and Materials	8,260	-	8,260	2,613	5,647
Other Objects	450	-	450	85	365
Total Undistributed Expenditures - Health Services	271,831	(11,100)	260,731	223,829	36,902

Atlantic County Special Services School District
 (A Component Unit of the County of Atlantic)
 Budgetary Comparison Schedule
 General Fund
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	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
Undistributed Expenditures - Other Support Services - Salaries - Speech, OT, PT & Related Services:					
Salaries	1,195,567	14,000	1,209,567	1,169,450	40,117
Purchased Professional and Educational Services	2,500	(1,300)	1,200	-	1,200
Supplies and Materials	4,000	4,400	8,400	6,471	1,929
Total Undistributed Expenditures - Other Support Services - Students - Speech, OT, PT & Related Services:	1,202,067	17,100	1,219,167	1,175,921	43,246
Undistributed Expenditures - Other Support Services - Students - Child Study Team:					
Salaries of Other Professional Staff	575,034	6,000	581,034	570,370	10,664
Salaries of Secretarial and Clerical Assistants	59,469	-	59,469	59,469	-
Other Salaries	112,465	-	112,465	112,465	-
Purchased Professional and Educational Services	35,000	(18,000)	17,000	299	16,701
Other Purchased Services	7,500	-	7,500	5,840	1,660
Supplies and Materials	3,198	(1,000)	2,198	1,710	488
Other Objects	850	-	850	845	5
Total Undistributed Expenditures - Other Support Services - Students - Child Study Team:	793,516	(13,000)	780,516	750,998	29,518
Undistributed Expenditures - Improvement of Instructional Serv.					
Salaries of Supervisors of Instruction	121,261	-	121,261	121,261	-
Other Salaries	2,400	-	2,400	2,334	66
Purchased Professional and Educational Services	1,000	-	1,000	-	1,000
Other Purchased Services	1,000	-	1,000	106	894
Other Objects	850	-	850	845	5
Total Undistributed Expenditures - Improvement of Instructional Serv.	126,511	-	126,511	124,546	1,965
Undistributed Expenditures - Educational Media Serv./Sch. Library					
Salaries	1,500	-	1,500	-	-
Purchased Professional and Technical Services	-	-	-	-	1,500
Total Undistributed Expenditures -Edu. Media Serv/Sch Library	1,500	-	1,500	-	1,500
Undistributed Expenditures - Instructional Staff Training Services					
Purchased Professional - Educational Services	13,000	(4,000)	9,000	4,864	4,136
Other Purchased Services	1,000	-	1,000	-	1,000
Supplies and Materials	2,550	4,000	6,550	131	6,419
Other Objects	4,900	-	4,900	4,673	227
Total Undistributed Expenditures -Instructional Staff Training Services	21,450	-	21,450	9,668	11,782

Atlantic County Special Services School District
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 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
Undistributed Expenditures - Support Services - Gen. Admin.:					
Salaries	179,413	(17,851)	161,562	161,562	-
Legal Services	60,000	37,768	97,768	84,961	12,807
Audit Fees	32,000	(2,000)	30,000	30,000	-
Architectural/Engineering Services	41,465	(2,000)	39,465	20,245	19,220
Other Purchased Professional Services	14,000	41,520	55,520	55,518	2
Communications/Telephone	48,900	(15,636)	33,264	33,262	2
Other Purchased Services	74,550	3,410	77,960	77,785	175
General Supplies	7,367	(2,900)	4,467	4,436	31
BOE In-House Training/Meeting Supplies	3,000	2,015	5,015	4,667	348
Miscellaneous Expenditures	5,650	(1,109)	4,541	4,529	12
BOE Membership Dues and Fees	10,000	3,200	13,200	13,155	45
Total Undistributed Expenditures - Support Services - Gen. Admin.	476,345	46,417	522,762	490,120	32,642
Undistributed Expenditures - Support Serv. - School Admin.:					
Salaries of Principals/Assistant Principals	236,922	-	236,922	236,922	-
Salaries of Secretarial and Clerical Assistants	170,701	(6,000)	164,701	148,825	15,876
Other Purchased Services	56,600	(8,000)	48,600	40,030	8,570
Supplies and Materials	5,350	14,150	19,500	17,987	1,513
Other Objects	11,400	(150)	11,250	3,162	8,088
Total Undistributed Expenditures - Support Serv. - School Admin.	480,973	-	480,973	446,926	34,047
Undistributed Expenditures - Central Services					
Salaries	416,531	(26,250)	390,281	375,695	14,586
Unused Vacation Payment to Terminated/Retired Staff	-	-	-	-	-
Purchased Professional Services	118,110	3,645	121,755	121,749	6
Miscellaneous Purchased Services	7,500	1,250	8,750	5,970	2,780
Supplies and Materials	10,000	-	10,000	4,905	5,095
Miscellaneous Expenses	1,500	-	1,500	-	1,500
Total Undistributed Expenditures - Central Services	553,641	(21,355)	532,286	508,319	23,967
Undistributed Expenditures - Admin. Info. Tech.					
Salaries	84,719	5,000	89,719	88,213	1,506
Purchased Technical Services	61,875	(5,000)	56,875	52,897	3,978
Other Purchased Services	500	-	500	-	500
Supplies and Materials	60,111	36,000	96,111	86,421	9,690
Other Objects	250	-	250	-	250
Total Undistributed Expenditures - Admin. Info. Tech.	207,455	36,000	243,455	227,531	15,924

Atlantic County Special Services School District
 (A Component Unit of the County of Atlantic)
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
Undistributed Expenditures - Required Maintenance for School Facilities of Plant Services:					
Salaries	221,942	-	221,942	211,731	10,211
Cleaning, Repair and Maintenance Services	316,503	262,100	578,603	265,565	313,038
Lead Testing in Drinking Water	12,500	-	12,500	8,997	3,503
General Supplies	100,200	(11,082)	89,118	74,004	15,114
Other Objects	2,500	-	2,500	1,138	1,362
Total Undistributed Expenditures - Required Maintenance for School Facilities	653,645	251,018	904,663	561,435	343,228
Undistributed Expenditures - Custodial Services:					
Salaries	453,432	(20,000)	433,432	421,994	11,438
Purchased Professional and Technical Services	8,950	(171)	8,779	1,390	7,389
Cleaning, Repair, and Maintenance Services	44,620	7,171	51,791	47,955	3,836
Other Purchased Property Services	26,000	-	26,000	24,492	1,508
Insurance	110,000	(12,600)	97,400	83,587	13,813
General Supplies	67,000	(7,450)	59,550	55,659	3,891
Energy (Natural Gas)	120,000	2,000	122,000	87,225	34,775
Energy (Electricity)	373,000	21,300	394,300	367,460	26,840
Energy (Gasoline)	2,000	850	2,850	1,897	953
Total Undistributed Expenditures - Custodial Services	1,205,002	(8,900)	1,196,102	1,091,659	104,443
Undistributed Expenditures - Care & Upkeep of Grounds					
Cleaning, Repair, and Maintenance Services	37,313	(3,800)	33,513	20,982	12,531
General Supplies	12,000	3,000	15,000	13,928	1,072
Total Undistributed Expenditures - Care & Upkeep of Grounds	49,313	(800)	48,513	34,910	13,603
Undistributed Expenditures - Security					
Salaries	172,605	(5,500)	167,105	150,762	16,343
Purchased Professional and Technical Services	49,550	-	49,550	45,740	3,810
General Supplies	3,500	5,500	9,000	6,029	2,971
Total Undistributed Expenditures - Security	225,655	-	225,655	202,531	23,124
Undistributed Expenditures - Student Transportation Services:					
Contracted Services - (Other than Between Home and School) - Vendors	168,650	(16,800)	151,850	6,077	145,773
Total Undistributed Expenditures - Student Transportation Serv.	168,650	(16,800)	151,850	6,077	145,773

Atlantic County Special Services School District
 (A Component Unit of the County of Atlantic)
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
Unallocated Benefits:					
Social Security Contributions	290,000	15,000	305,000	302,945	2,055
Other Retirement Contributions - PERS	450,000	38,000	488,000	482,741	5,259
Other Retirement Contributions - Deferred PERS Pymt	6,500	-	6,500	2,017	4,483
Unemployment Compensation	10,000	-	10,000	-	10,000
Worker's Compensation	265,000	-	265,000	250,177	14,823
Health Benefits	2,872,000	(77,000)	2,795,000	2,137,349	657,651
Tuition Reimbursement	45,000	(500)	44,500	2,200	42,300
Other Employees Benefits	18,500	-	18,500	11,251	7,249
Unused Sick Payment to Terminated/Retired Staff	12,940	500	13,440	13,180	260
Total Unallocated Benefits	3,969,940	(24,000)	3,945,940	3,201,860	744,080
Reimbursed TPAF Social Security Contributions (non-budgeted)				461,764	(461,764)
On-behalf TPAF Post Retirement Contributions (non-budgeted)				613,063	(613,063)
On-behalf TPAF LTDI (non-budgeted)				637	(637)
On-behalf TPAF Pension Contributions (non-budgeted)				2,623,957	(2,623,957)
Total On-behalf Contributions	-	-	-	3,699,421	(3,699,421)
Total Undistributed Expenditures	10,407,494	254,580	10,662,074	12,755,751	(2,093,677)
Interest Earned on Maintenance Reserve	100	-	100	100	-
Total Current Expense	17,192,637	(44,904)	17,147,733	18,072,080	(924,347)
Capital Outlay:					
Interest Earned on Capital Reserve	200	-	200	200	-
Equipment:					
Multiple Disabilities	4,093	15,122	19,215	6,954	12,261
Cognitive - Severe	4,093	16,000	20,093	3,981	16,112
Undistributed Expenditures:					
Admin Info Tech	-	-	-	-	-
Required Maintenance for School Fac.	18,923	9,521	28,444	28,346	98
Care and Upkeep of Grounds	-	4,261	4,261	-	4,261
Total Equipment	27,309	44,904	72,213	39,481	32,732

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

For the Fiscal Year Ended June 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
Facilities Acquisition and Construction Services:					
Architectural/Engineering Services	156,572	20,000	176,572	176,572	-
Construction Services	156,572	20,000	176,572	176,572	-
Total Facilities Acquisition and Construction Services	183,881	64,904	248,785	216,053	32,732
Total Capital Outlay	17,376,518	20,000	17,396,518	18,288,133	(891,615)
Total Expenditures	(1,910,399)	-	(1,930,399)	920,561	2,850,960
Excess (Deficiency) of Revenues Over (Under) Expenditures					
Other Financing Sources (Uses):					
Refund of Prior Year's Revenue					
Operating Transfers Out:					
Transfer to Food Service Fund - Board Contribution	(40,000)		(40,000)		40,000
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,950,399)		(1,970,399)	920,561	2,890,960
Fund Balances, July 1	7,052,688		7,052,688	7,052,688	-
Fund Balances, June 30	\$ 5,102,289		5,082,289	7,973,249	2,890,960
Reconciliation of Fund Balance:					
Restricted Fund Balance:					
Unemployment Compensation				107,138	
Committed Fund Balance:					
Capital Reserve				3,517,868	
Maintenance Reserve				956,171	
Designated for Subsequent Year's Expenditures				2,145,668	
Assigned Fund Balance:					
Reserve for Encumbrances				161,886	
Unassigned Fund Balance				1,084,518	
				7,973,249	
Reconciliation to Governmental Funds Statements (GAAP)					
Last State Aid Payment Not Recognized on GAAP Basis					-
Fund Balance per Governmental Funds (GAAP)				7,973,249	

Atlantic County Special Services School District
 (A Component Unit of the County of Atlantic)
 Budgetary Comparison Schedule
 Special Revenue Fund
 For the Fiscal Year Ended June 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Revenue from Local Sources	\$ 65,000	68,256	133,256	96,027	(37,229)
Total - Local Sources	65,000	68,256	133,256	96,027	(37,229)
State Sources:					
Other Restricted Entitlements	-	7,121	7,121	7,121	-
Total - State Sources	-	7,121	7,121	7,121	-
Federal Sources:					
Small Rural School Achievement (REAP)		49,385	49,385	49,385	-
CRRSA - ESSER II		91,828	91,828	91,828	-
Total - Federal Sources	-	141,213	141,213	141,213	-
Total Revenues	65,000	216,590	281,590	244,361	(37,229)

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

Special Revenue Fund

For the Fiscal Year Ended June 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES:					
Instruction					
General Supplies	-	30,931	30,931	16,886	14,045
Total instruction	-	30,931	30,931	16,886	14,045
Support Services					
Cleaning Repairs and Maintenance		26,368	26,368	26,368	-
General Supplies		43,942	43,942	43,942	-
Student Activities	65,000	-	65,000	52,822	12,178
Total support services	65,000	70,310	135,310	123,132	12,178
Facilities acquisition and construction services:					
Instructional Equipment		38,454	38,454	38,454	-
Construction Services		76,895	76,895	76,895	-
Total facilities acquisition and construction services	-	115,349	115,349	115,349	-
Total expenditures	65,000	216,590	281,590	255,367	26,223
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	-	-	(11,006)	(11,006)
Fund Balance, July 1				61,154	
Fund Balance, June 30				50,148	
Restricted:					
Student Activities				50,148	
Total Fund Balance				50,148	

ATLANTIC COUNTY SPRECIAL SERVICES SCHOOL DISTRICT
(A Component Unit of the County of Atlantic)
Required Supplementary Information
Budgetary Comparison Schedule
Note to Required Supplementary Information
For the Fiscal Year Ended June 30, 2022

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

		General Fund	Special Revenue
Sources/inflows of resources			
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	C-1; C-2	\$ 19,208,694	244,361
Difference - budget to GAAP:			
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized			
Prior year			
Current year			
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.			
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.			
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	B-2	19,208,694	244,361
Uses/outflows of resources			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	C-2	18,288,133	255,367
Differences - budget to GAAP:			
Encumbrances for supplies and equipment ordered but but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes			
Prior year			
Current year			
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.			
Net transfers (outflows) to enterprise fund.			
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	B-2	\$ 18,288,133	255,367

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Required Supplementary Information
Part III

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013
District's proportionate of the net pension liability (asset)	0.0632677598%	0.0659117225%	0.0772245320%	0.0846731219%	0.0968321010%	0.1111737820%	0.1163600000%	0.1250800000%	0.1220000000%
District's proportionate of the net pension liability (asset)	\$ 7,495,015	\$ 10,748,478	\$ 13,914,315	\$ 16,671,716	\$ 22,540,965	\$ 32,926,485	\$ 26,119,602	\$ 23,417,955	\$ 23,359,742
District's covered payroll	\$ 4,457,576	\$ 4,370,729	\$ 4,571,254	\$ 4,873,381	\$ 5,975,866	\$ 6,833,374	\$ 6,988,957	\$ 8,719,053	\$ 8,676,108
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	168.14%	245.92%	304.39%	342.10%	377.20%	481.85%	373.73%	268.56%	269.24%
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 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.

ATLANTIC COUNTY SPECIAL SERVICES SCHOOL DISTRICT
 (A Component Unit of the County of Atlanti
 Schedule of District Contributions
 Public Employee Retirement System
 Last Nine Fiscal Years

	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	740,939	721,041	751,147	842,224	897,046	987,652	1,000,350	1,000,872	908,418
Contributions in relation to the contractually required contribution	740,939	721,041	751,147	842,224	897,046	987,652	1,000,350	1,000,872	908,418
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-
District's covered-employee payroll	4,457,576	4,370,729	4,571,254	4,873,381	5,975,866	6,833,374	6,988,957	8,719,053	8,676,108
Contributions as a percentage of covered-employee payroll	16.62%	16.50%	16.43%	17.28%	15.01%	14.45%	14.31%	11.48%	10.47%

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

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

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013
District's proportion of the net pension liability (asset)	0.068961%	0.068961%	0.070716%	0.068926%	0.066279%	0.06628%	0.07846%	0.08300%	0.08200%
District's proportionate of the net pension liability (asset)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability (asset) associated with the District	31,167,202	45,410,263	43,399,217	50,222,271	60,321,128	60,321,128	\$49,593,171	\$44,293,160	\$ 41,665,099
Total	<u>31,167,202</u>	<u>45,410,263</u>	<u>43,399,217</u>	<u>50,222,271</u>	<u>60,321,128</u>	<u>60,321,128</u>	<u>49,593,171</u>	<u>44,293,160</u>	<u>\$ 41,665,099</u>
District's covered payroll	6,486,730	6,840,952	6,843,176	7,257,826	7,115,052	7,080,193	7,197,007	8,522,183	\$ 8,480,208
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	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 Teachers' Pension and Annuity Fund; District records

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

ATLANTIC COUNTY SPECIAL SERVICES SCHOOL DISTRICT
(A Component Unit of the County of Atlantic)
Schedule of the District's Proportionate Share of the Net OPEB Liability
Public Employee Retirement System and Teachers' Pension and Annuity Fund
Last 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	\$ 91,123,204	\$ 105,538,824	\$ 67,529,504	\$ 75,531,668	\$ 89,009,148	\$ 96,530,933
Total	\$ 91,123,204	\$ 105,538,824	\$ 67,529,504	\$ 75,531,668	\$ 89,009,148	\$ 96,530,933
District's covered payroll	10,944,306	11,211,681	11,414,430	12,131,207	13,090,918	13,913,567
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	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	2,999,007	1,887,672	2,026,063	2,500,857	3,007,375	
Interest Cost	2,363,832	2,398,690	2,962,931	3,241,462	2,808,744	
Change in Benefit Terms	(96,990)					
Differences between Expected & Actual	(17,969,764)	16,226,296	(11,986,522)	(8,602,276)	(11,352,178)	
Changes in Assumptions	89,900	19,278,316	1,006,870	(8,667,637)	75,915	
Member Contributions	60,432	55,690	61,448	69,804		
Benefit Payments	(1,862,037)	(1,837,344)	(2,072,954)	(2,019,690)	(2,061,641)	
Change in Total Opeb Liability	(14,415,620)	38,009,320	(8,002,164)	(13,477,480)	(7,521,785)	
State's proportionate share of the net OPEB liability (asset) associated with the District - Beginning Balance	105,538,824	67,529,504	75,531,668	89,009,148	96,530,933	
Ending Balance	\$ 91,123,204.0	\$ 105,538,824	\$ 67,529,504	\$ 75,531,668	\$ 89,009,148	
State's proportionate share of the net OPEB liability associated with the District - as a percentage of its covered-employee payroll	832.61%	941.33%	591.62%	622.62%	679.93%	

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

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

SPECIAL REVENUE FUND

ATLANTIC COUNTY SPECIAL SERVICES SCHOOL DISTRICT
 (A Component Unit of the County of Atlantic)
 Special Revenue Fund
 Combining Schedule of Revenue and Expenditures
 Budgetary Basis
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Small Rural School Achievement (REAP)	CRRSA ESSER II	SDA Capital Grant	Safety Grant	Student Activity Fund	Education Foundation Grant	Total 2022
REVENUES:							
State Sources			7,121				7,121
Federal Sources	49,385	91,828		48,256	41,816	5,955	141,213
Local Sources							96,027
Total revenues	49,385	91,828	7,121	48,256	41,816	5,955	244,361
EXPENDITURES:							
Instruction:							
General supplies	10,931					5,955	16,886
Total instruction	10,931					5,955	16,886
Support services:							
Cleaning, Repairs and Maintenance				26,368			26,368
General Supplies		22,054		21,888			43,942
Student Activities					52,822		52,822
Total support services		22,054		48,256	52,822		123,132
Facilities acquisition and const. serv.:							
Instructional equipment	38,454						38,454
Construction Services		69,774	7,121				76,895
Total facilities acquisition and construction services	38,454	69,774	7,121				115,349
Total expenditures	49,385	91,828	7,121	48,256	52,822	5,955	255,367
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)					(11,006)		(11,006)
Fund Balance, July 1					61,154		61,154
Fund Balance, June 30							50,148

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Statistical Section

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

	Fiscal Year Ending June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental activities										
Invested in capital assets, net of related debt	22,911,095	22,029,125	21,491,916	20,804,347	20,064,288	20,045,747	19,081,151	18,303,791	17,942,147	17,194,711
Restricted	431,660	502,986	510,492	1,024,333	1,661,682	1,089,745	1,036,574	1,194,898	2,156,163	3,679,754
Unrestricted	2,805,165	2,237,148	(21,773,111)	(20,901,443)	(20,504,881)	(20,882,022)	(20,631,068)	(18,203,153)	(15,027,721)	(11,768,757)
Total governmental activities net position	26,147,920	24,769,259	229,297	927,237	1,221,089	253,470	(513,343)	1,295,536	5,070,589	9,105,708
Business-type activities										
Invested in capital assets, net of related debt	2,119,606	1,753,014	1,534,772	1,782,430	1,549,132	1,406,575	1,213,518	1,248,522	1,304,501	1,120,734
Restricted	1,638,304	1,503,127	2,255,100	2,363,799	2,673,412	2,928,500	3,570,730	4,113,856	3,803,842	4,678,212
Unrestricted	3,757,910	3,256,141	3,789,872	4,146,229	4,222,544	4,335,075	4,784,248	5,362,378	5,108,343	5,798,946
Total business-type activities net position	5,877,516	5,009,155	5,324,644	6,131,659	6,444,788	6,670,150	9,568,496	9,724,756	10,216,686	11,597,892
District-wide										
Invested in capital assets, net of related debt	25,030,701	23,782,139	23,026,688	22,586,777	21,613,420	21,452,322	20,294,669	19,552,313	19,246,648	18,315,445
Restricted	431,660	502,986	510,492	1,024,333	1,661,682	1,089,745	1,036,574	1,194,898	2,156,163	3,679,754
Unrestricted	4,443,469	3,740,275	(19,518,011)	(18,537,644)	(17,831,469)	(17,953,522)	(17,060,338)	(14,089,297)	(11,223,879)	(7,090,545)
Total district net position	\$ 29,905,830	28,025,400	4,019,169	5,073,466	5,443,633	4,588,545	4,270,905	6,657,914	10,178,932	14,904,654

Source: ACFR Schedule A-1

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

	Fiscal Year Ending June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental activities										
Instruction										
Other special education	7,601,339	7,845,081	7,807,307	6,674,720	13,150,586	15,342,977	11,186,765	9,535,986	9,913,130	6,824,737
Other instruction	769,477	761,457	855,485	840,012	1,269,274	1,508,517	716,677	634,180	771,759	642,312
Support Services:										
Student & instruction related services	3,011,649	3,038,669	2,884,228	2,575,716	5,315,899	5,997,389	4,638,765	3,817,777	4,388,391	3,371,642
General administrative services	604,907	631,216	672,983	590,498	933,999	1,168,796	866,764	616,266	765,358	625,554
School administrative services	1,089,890	1,115,928	1,174,994	1,237,757	2,437,219	2,910,094	2,145,912	1,710,011	1,994,808	1,716,517
Plant operations and maintenance	775,391	1,653,937	1,607,410	1,514,807	3,308,944	3,951,888	3,029,622	2,779,580	3,127,971	2,647,134
Pupil transportation	38,272	27,389	29,214	19,583	25,989	42,296	52,037	24,186	7,224	8,507
Unallocated Benefits	6,734,753	6,750,637	9,043,970	9,080,398						
Capital Outlay					74,634	59,166	5,451	116,939	-	169,522
Unallocated Depreciation	916,307	889,920	798,079	841,464						
Unallocated activities expenses	21,541,985	22,714,234	24,673,670	23,374,955	26,516,554	30,961,123	22,641,993	19,234,925	20,968,641	16,006,125
Total governmental activities										
Business-type activities:										
Food service	681,868	709,251	695,013	585,800	596,363	541,655	485,191	438,497	323,362	367,333
Transportation	7,725,596	7,510,045	7,345,473	7,130,778	6,548,940	5,888,134	5,381,802	4,881,204	3,750,611	4,338,384
Teachers Aide Services	4,042,881	3,462,620	3,499,857	3,650,622	4,071,467	4,468,163	4,455,719	4,060,654	3,460,680	3,990,566
Other					14,243	56,065	3,167	-	-	-
Total business-type activities expense	12,450,335	11,681,916	11,540,343	11,367,200	11,233,013	10,954,017	10,325,879	9,380,355	7,534,653	8,696,283
Total district expenses	33,992,320	34,396,150	36,214,013	34,742,155	37,749,567	41,935,140	32,967,872	28,615,280	28,503,294	24,702,408
Program Revenues										
Governmental activities:										
Charges for services:										
Instruction (tuition)	17,045,538	17,511,058	17,300,771	18,249,748	17,688,459	14,652,684	13,329,154	14,961,744	14,671,125	12,979,063
Operating grants and contributions	1,763,872	1,555,966	3,673,677	3,637,239	4,888,197	8,778,626	6,026,617	3,763,082	7,377,181	4,537,441
Total governmental activities program revenues	18,809,410	19,067,024	20,974,448	21,886,987	22,576,656	23,431,310	19,355,771	18,724,826	22,048,306	17,516,504
Business-type activities:										
Charges for services:										
Food service	273,208	249,915	238,480	244,334	254,708	253,516	213,267	127,786	55,992	82,354
Transportation	7,988,914	7,137,544	7,552,623	6,650,694	6,143,004	5,932,797	5,670,735	4,752,423	3,185,147	4,555,685
Teachers Aide Services	3,571,220	3,428,023	3,686,080	3,889,285	4,467,413	4,622,046	4,724,732	4,765,054	3,828,012	4,539,837
Other					27,075	-	-	-	-	-
Operating grants and contributions	195,504	231,665	228,814	217,241	211,657	193,405	178,570	134,010	214,020	280,149
Total business-type activities program revenues	12,028,846	11,047,147	11,705,997	11,001,554	11,103,857	11,001,764	10,787,304	9,779,273	7,283,171	9,458,025
Total district program revenues	30,838,256	30,114,171	32,680,445	32,888,541	33,680,513	34,433,074	30,143,075	28,504,099	29,331,477	26,974,529
Net (Expense)/Revenue										
Governmental activities	(2,732,575)	(3,647,210)	(3,699,222)	(1,487,968)	(3,939,898)	(7,549,813)	(3,286,222)	(510,099)	1,079,665	1,510,379
Business-type activities	(421,469)	(634,769)	165,654	(365,646)	(129,156)	47,747	461,425	398,918	(251,482)	761,742
Total district-wide net expense	(3,154,044)	(4,281,979)	(3,533,568)	(1,853,614)	(4,069,054)	(7,502,066)	(2,824,797)	(111,181)	828,183	2,272,121
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Property taxes levied for general purposes, net	2,039,796	2,050,096	2,050,096	2,050,096	2,050,096	2,050,096	2,050,096	2,070,597	2,070,597	2,070,597
Federal & State Aid - not restricted	215,658	116,233	610,235	215,447	1,582,346	4,077,210	213,882	187,186	181,816	158,582
Miscellaneous income	432,343	223,087	161,438	170,365	155,767	128,555	151,337	110,775	332,013	213,331
Rents and Royalties	(139,126)	(133,000)	(305,976)	(250,000)	(200,000)	(64,784)	96,800	(190,000)	(90,000)	87,700
Transfers	803	12,133	60,582	16,641	183,779	94,490	21,055	599	(6,461)	-
Cancellation of Prior Year Payables										(5,470)
Loss on the Disposal of Fixed Assets										-
Gain on the Disposal of Fixed Assets										-
Adjustment to Fixed Assets										-

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

	Fiscal Year Ending June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
County Bond Proceeds						37,848	-	-	-	-
Refund of Prior Year Revenue					628,900					
Receivable Cancelled			(57,373)				(13,761)		(5,458)	
Total governmental activities	<u>2,549,474</u>	<u>2,268,549</u>	<u>2,519,002</u>	<u>2,185,908</u>	<u>4,233,750</u>	<u>6,582,194</u>	<u>2,519,409</u>	<u>2,318,978</u>	<u>2,545,307</u>	<u>2,524,740</u>
Business-type activities:										
Miscellaneous Income	139,126	133,000	305,976	250,000	200,000	64,784	-	190,000	90,000	-
Transfers	2,608		62,101		9,641					
Cancellation of Prior Year Payables	296,824				(4,170)		(12,252)		(92,553)	(71,139)
Adjustment to Capital Assets								(10,788)		
Loss on Disposal of Fixed Assets								179,212	(2,553)	(71,139)
Cancellation of student balances	438,568	133,000	368,077	250,000	205,471	64,784	(12,252)	2,498,190		
Total business-type activities	<u>2,988,032</u>	<u>2,401,549</u>	<u>2,887,079</u>	<u>2,435,908</u>	<u>4,439,221</u>	<u>6,646,978</u>	<u>2,507,157</u>	<u>2,498,190</u>	<u>2,542,754</u>	<u>2,453,601</u>
Total district-wide										
	<u>(183,101)</u>	<u>(1,378,661)</u>	<u>(1,180,220)</u>	<u>697,940</u>	<u>283,852</u>	<u>(967,619)</u>	<u>(766,813)</u>	<u>1,808,879</u>	<u>3,624,972</u>	<u>4,035,119</u>
Change in Net Position	<u>17,069</u>	<u>(501,769)</u>	<u>533,731</u>	<u>(115,646)</u>	<u>76,315</u>	<u>112,531</u>	<u>449,173</u>	<u>578,130</u>	<u>(254,035)</u>	<u>690,603</u>
Governmental activities										
Business-type activities	<u>\$ (166,032)</u>	<u>(1,880,430)</u>	<u>(646,489)</u>	<u>582,294</u>	<u>370,167</u>	<u>(855,088)</u>	<u>(317,640)</u>	<u>2,387,009</u>	<u>3,370,937</u>	<u>4,725,722</u>
Total district										

Source: ACFR Schedule A-2

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

	Fiscal Year Ending June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund										
Restricted										
Committed										
Assigned	\$ 1,040,663	1,013,012	-	31,721	3,995,442	3,769,158	3,205,970	2,919,680	86,634	107,138
Unassigned	2,293,645	1,804,831	2,405,779	3,653,911	75,671	143,184	226,865	154,430	4,018,543	6,619,707
Reserved	431,660	309,691	489,731	1,024,333	2,767,342	2,296,163	1,556,486	2,543,752	388,495	161,886
Unreserved					-				2,559,016	1,084,518
Total general fund	3,765,968	3,127,534	2,895,510	4,709,965	6,838,455	6,208,505	4,989,321	5,617,862	7,052,688	7,973,249
All Other Governmental Funds										
Restricted, reported in:										
Special Revenue fund									61,154	50,148
Assigned, reported in:										
Capital projects fund					545,260	-				
Unreserved, reported in:										
Capital projects fund		193,295	20,761	-	1,000	-				
Total all other governmental funds	\$ -	193,295	20,761	-	546,260	-	-	-	61,154	50,148

Source: ACFR Schedule B-1

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues										
County Appropriation	2,039,796	2,050,096	2,050,096	2,050,096	2,050,096	2,050,096	2,050,096	2,070,597	2,070,597	2,070,597
Tuition charges	17,045,538	17,511,058	17,300,771	18,249,748	17,529,522	14,475,034	13,132,234	14,749,684	14,443,443	12,762,005
Interest Earnings	7,631	5,189	1,315	751	120	120	120	300	974	20,804
Rents & Royalties						75,000	96,800	135,467	62,800	87,700
Miscellaneous	441,731	227,935	194,428	171,096	360,093	326,374	403,782	363,497	620,238	505,612
State sources	1,753,872	1,550,836	1,817,040	1,880,708	2,058,082	6,115,623	2,576,673	2,608,969	3,008,035	3,726,542
Federal sources	208,639	111,326	473,389	201,036	362,502	206,294	213,882	187,186	255,987	279,795
Total revenue	21,497,207	21,456,440	21,837,039	22,553,435	22,360,416	23,248,541	18,473,587	20,115,700	20,462,074	19,463,055
Expenditures										
Instruction										
Other special instruction	7,601,339	7,845,081	7,607,307	6,674,720	6,498,631	6,435,827	6,125,895	6,043,580	5,640,046	4,874,363
Other instruction	769,477	761,457	855,485	840,012	627,238	632,769	392,454	401,922	432,741	458,752
Support Services:										
Student & instruction related services	3,011,649	3,038,669	2,884,228	2,575,716	2,626,960	2,515,689	2,540,197	2,419,576	2,460,660	2,408,094
General administrative services	604,907	631,216	672,983	590,498	384,566	411,630	388,851	366,180	390,486	490,120
School Administrative services	407,138	411,047	450,136	514,285	461,555	490,268	474,642	390,568	429,152	446,926
Business administrative services	682,752	704,881	724,858	723,472	819,836	809,050	786,254	717,566	728,044	735,850
Plant operations and maintenance	1,654,930	1,644,725	1,620,719	1,559,994	1,635,183	1,657,725	1,659,093	1,761,603	1,753,917	1,890,635
Pupil transportation	38,272	27,369	29,214	19,583	12,848	17,741	28,496	15,328	4,051	6,077
Unallocated employee benefits	6,708,050	6,699,085	6,846,339	6,902,753	6,919,388	10,854,307	7,115,220	6,954,214	6,794,887	6,901,281
Capital outlay	88,611	17,162	247,561	108,708	145,002	756,708	168,028	227,221	386,733	331,402
Total expenditures	21,567,125	21,780,712	21,938,830	20,509,741	20,131,207	24,581,714	19,679,130	19,297,758	19,020,717	18,543,500
Excess (Deficiency) of revenues over (under) expenditures	(69,918)	(324,272)	(101,791)	2,043,694	2,229,209	(1,333,173)	(1,205,543)	817,942	1,441,357	909,555
Other Financing sources (uses)										
Contributed Services										
Cancellation of Prior Year Payables	803	12,133	60,582		16,641	183,779	-	599	-	-
County Bond Proceeds					628,900	37,848	-	-	-	-
Increase in Capital Reserve					392,100	(94,190)	(150,000)	230,559	-	-
Transfer to Capital Reserve					(392,100)	94,290	150,100	(230,559)	-	-
Transfer from Emergency Reserve						(2,336)	(150,000)	103,400	-	-
Decrease in Maintenance Reserve						2,356	150,020	(103,400)	-	-
Transfer from Maintenance Reserve						55,216	-	-	-	-
Transfers In						(120,000)	-	(190,000)	(90,000)	-
Transfers out	(139,126)	(133,000)	(305,976)	(250,000)	(200,000)	(13,761)	-	-	(5,458)	-
Refund of Prior Year's Revenue										
Appropriations Cancelled										
Total other financing sources (uses)	(138,323)	(120,867)	(302,767)	(250,000)	445,541	156,963	(13,641)	(189,401)	(95,458)	-
Net change in fund balances	(208,241)	(445,139)	(404,558)	1,793,694	2,674,750	(1,176,210)	(1,219,184)	628,541	1,345,899	909,555
Debt service as a percentage of noncapital expenditures	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

Source: ACFR Schedule B-2

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

Fiscal Year Ended June 30,	Interest	Non-Resident Fees	Rent	Shared Services	Miscellaneous	Total
2013	7,631	129,518		111,281	183,913	432,343
2014	5,189	118,769		55,486	43,643	223,087
2015	1,315	108,286		48,376	3,461	161,438
2016	751	110,635		23,375	35,604	170,365
2017	8,919	158,937		105,621	41,107	314,584
2018	10,775	522,060	196,920	76,055	41,725	847,535
2019	37,534	196,920	96,800	36,894	76,909	445,057
2020	80,594	212,060	135,467	20,332	9,849	458,302
2021	57,705	227,682	62,800	43,574	230,734	622,495
2022	23,600	217,058	87,700	2,270	187,461	518,089

Source: District Records

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

<u>Function/Program</u>	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Instruction	10	10	10	10	12	7	7	5	5	5
Regular	61	59	59	49	50	46	45	44	41	41
Special Education instruction	135	142	142	142	94	81	73	63	61	61
Other special education instruction	5	4	4	4	2	-	-	-	-	-
Other instruction	-	-	-	-	-	-	-	-	-	-
Nonpublic school programs	-	-	-	-	-	-	-	-	-	-
Support Services:										
Student & instruction related services	45	43	43	31	32	31	31	24	28	28
General administrative services	2	2	2	2	2	2	2	2	2	2
School administrative services	8	8	8	7	7	6	6	6	6	6
Business administrative services	12	12	12	12	12	11	11	9	8	8
Plant operations and maintenance	14	16	16	16	16	17	17	19	19	19
Pupil transportation	135	132	132	114	83	76	68	65	68	68
Food Service	9	8	8	6	6	5	5	5	4	4
Total	436	436	436	393	316	282	265	242	242	242

Source: District Personnel Records

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

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary School	Middle School	High School				
2013	439	21,550,106	49,089	10.47%	71	6:2:1	6:2:1	434	389	-0.91%	89.63%	
2014	431	21,763,500	50,495	2.86%	69	6:1	6:1	431	389	-0.67%	90.12%	
2015	406	21,727,341	53,516	5.98%	69	6:1	6:1	406	381	-5.82%	93.84%	
2016	390	20,508,259	52,585	-1.74%	59	6:1	6:1	387	348	-4.68%	89.92%	
2017	371	19,986,205	53,871	2.45%	62	6:1	6:1	365	329	-5.68%	90.14%	
2018	345	23,825,006	69,058	28.19%	53	6:1	6:1	348	308	-4.66%	88.51%	
2019	309	19,511,102	63,143	-8.57%	52	6:1	6:1	320	282	-8.05%	88.13%	
2020	322	19,070,537	59,225	-6.20%	49	6:1	6:1	321	297	0.31%	92.52%	
2021	309	18,633,984	60,304	1.82%	46	6:1	6:1	309	259	-3.74%	83.82%	
2022	282	18,212,098	64,582	7.09%	46	6:1	6:1	282	243	-3.74%	86.17%	

Sources: District records, ASSA and Schedules J-4

Note: Enrollment based on annual October district count.

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

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

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

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
District Building										
Main Campus - Mays Landing (2003)										
Square Feet	177,000	177,000	177,000	177,000	177,000	177,000	177,000	177,000	177,000	177,000
Capacity (students)	508	508	508	508	508	508	508	508	508	508
Enrollment	439	431	406	390	371	345	345	322	309	309
Other Facilities										
Transportation - Mays Landing										
Square Feet	5,700	5,700	5,700	5,700	5,700	5,700	5,700	5,700	5,700	5,700

Number of Schools at June 30, 2022
Main Campus = 1
Other = 1

Source: District records, ASSA

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

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

School Facilities	Project # (s)	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Mays Landing Campus	N/A	\$ 561,435	444,857	508,468	381,405	473,708	453,382	481,470	427,027	465,837	484,235
Grand Total		<u>\$ 561,435</u>	<u>444,857</u>	<u>508,468</u>	<u>381,405</u>	<u>473,708</u>	<u>453,382</u>	<u>481,470</u>	<u>427,027</u>	<u>465,837</u>	<u>484,235</u>

Atlantic County Special Services School District
Insurance Schedule
June 30, 2022
Unaudited

	<u>Coverage</u>	<u>Deductible</u>
Property, Inland Marine & Automobile Physical Damage Limit of Liability - per occurrence	121,357,989	5,000
Extra Expense	50,000,000	
Loss of Rents	42,800	
Loss of Business Income/Tuition	46,272,506	
Valuable Papers	10,000,000	
Public Official Bonds School Business Administrator	75,000	500
Comprehensive General Liability Coverage Limit	31,000,000	
Electronic Data Processing	3,000,000	1,000
Package Policy Crime Coverage	1,000,000	1,000
Board Member Accident Limit of Liability Aggregate	100,000 500,000	
Student Accident (Compulsory) Maximum Benefit	1,000,000	
Student Accident (Catastrophic) Maximum Benefit	5,000,000	25,000
Volunteer Accident Maximum Benefit	250,000	
Boiler and Machinery	100,000,000	5,000
Automobile Liability	31,000,000	1,000
Standard Worker's Compensation & Employer's Liability Policy Workers Compensation-Coverage A Employers' Liability Agreement-Coverage B	Statutory 2,000,000	
School Board Legal Liability Coverage A Coverage B each occurrence policy period	31,000,000 100,000 300,000	5,000 5,000
Pollution Liability per occurrence policy period	1,000,000 11,000,000	25,000 75,000
Cyber Risk Liability	2,000,000	20,000

Source: District Records.

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Single Audit Section

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K-1

**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**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America 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 Atlantic County Special Services School District (a component unit of the County of Atlantic), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Atlantic County Special Services School District (a component unit of the County of Atlantic)'s basic financial statements, and have issued our report thereon dated March 17, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Atlantic County Special Services School District (a component unit of the County of Atlantic)'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 Atlantic County Special Services School District (a component unit of the County of Atlantic)'s internal control. Accordingly, we do not express an opinion on the effectiveness of 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 Atlantic County Special Services School District (a component unit of the County of Atlantic)'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

Leon P. Costello

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

March 17, 2023



FORD - SCOTT

& 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
Atlantic County Special Services School District
(a component unit of the County of Atlantic)
Mays Landing, New Jersey

Report on Compliance for Each Major Federal & State Program

Opinion on Each Major Federal & State Program

We have audited the Atlantic County Special Services School District (a component unit of the County of Atlantic)'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Atlantic County Special Services School District (a component unit of the County of Atlantic)'s major federal and state programs for the year ended June 30, 2022. The Atlantic County Special Services School District (a component unit of the County of Atlantic)'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 Atlantic County Special Services School District (a component unit of the County of Atlantic) complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major 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 Atlantic County Special Services School District (a component unit of the County of Atlantic) 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 Atlantic County Special Services School District (a component unit of the County of Atlantic)'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 Atlantic County Special Services School District (a component unit of the County of Atlantic)'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 Atlantic County Special Services School District (a component unit of the County of Atlantic)'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 Atlantic County Special Services School District (a component unit of the County of Atlantic)'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 Atlantic County Special Services School District (a component unit of the County of Atlantic)'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 Atlantic County Special Services School District (a component unit of the County of Atlantic)'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

Leon P. Costello

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

March 17, 2023

ATLANTIC COUNTY SPECIAL SERVICES SCHOOL DISTRICT
(A Component Unit of the County of Atlantic)
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2022

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2021	Carryover Amount	Cash Received	Budgetary Expenditures			(MEMO) Passed Through to Sub-Recipients	Adjustment	Repayment of Prior Years' Balances	Balance at June 30, 2022		
									Pass Through	Source	Total				(Accounts Receivable)	Deferred Revenue	Due to Grantor
U. S. Department of Agriculture																	
Passed-through State Department of Education:																	
Enterprise Fund:																	
Food Distribution Program	10.565	21 NU304N1099	N/A	7/1/20 - 6/30/21	31,807			31,807	(31,807)	(31,807)							
School Breakfast Program	10.553	22 NU304N1099	N/A	7/1/21 - 6/30/22	88,164	(6,147)		(88,164)		(88,164)							
National School Lunch Program	10.555	21 NU304N1099	N/A	7/1/20 - 6/30/21	156,493	(10,944)		(156,493)	(156,493)								
National School Lunch Program	10.555	22 NU304N1099	N/A	7/1/21 - 6/30/22	104,487	(28,935)											
Emergency Operational Cost Program - Schools	10.555	202121H170341	N/A	7/1/20 - 6/30/21	26,935	(614)	614										
P-EBT Administrative Cost Reimbursement	10.649	202121S90941	N/A	7/1/20 - 6/30/21	614												
Total U.S. Department of Agriculture					(44,640)		300,745	(276,464)	(276,464)	(276,464)					(20,359)		
U.S. Department of Education																	
Passed-through State Department of Education:																	
General Fund:																	
Special Education Medicaid Aid	83.778	2105NJ5MAP	N/A	7/1/21 - 6/30/22	138,592			138,592	(138,592)	(138,592)							
Total General Fund								138,592	(138,592)	(138,592)							
Special Revenue Fund:																	
Small Rural School Achievement Program	84.358A	S358B200030	N/A	7/1/21 - 6/30/22	49,385			49,385	(49,385)	(49,385)							
Coronavirus Aid Relief, and Economic Security A	84.425	S425D20027	N/A	3/13/20 - 9/30/22	91,828			10,546	(91,828)	(91,828)					(91,282)		
Total Special Revenue Fund								59,931	(141,213)	(141,213)					(91,282)		
Total Federal/Financial Awards					\$ (44,640)			499,258	(566,258)	(566,258)					(101,641)		

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

**Atlantic County Special Services School
(A Component Unit of the County of Atlantic)
Notes to the Schedules of Expenditures of Awards and Financial Assistance
June 30, 2022**

NOTE 1. GENERAL

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

NOTE 2. BASIS OF ACCOUNTING

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

NOTE 3. RELATIONSHIP TO GENERAL-PURPOSE FINANCIAL STATEMENTS

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

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

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

**Atlantic County Special Services School
(A Component Unit of the County of Atlantic)
Notes to the Schedules of Expenditures of Awards and Financial Assistance
June 30, 2022**

	General fund	Food service fund	Total
State Assistance:			
Actual amounts (budgetary) "revenues" from the Schedule of Expenditures of State Financial Assistance	\$ 3,719,421	3,685	3,723,106
Difference – budget to "GAAP" Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.			-
Total State revenue as reported on the statement of revenues, expenditures and changes in fund balances	\$ 3,719,421	3,685	3,723,106

**Atlantic County Special Services School
(A Component Unit of the County of Atlantic)
Notes to the Schedules of Expenditures of Awards and Financial Assistance
June 30, 2022**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Food Service Fund</u>	<u>Total</u>
Federal Assistance:				
Actual amounts (budgetary) "revenues" from the Schedule of Expenditures of Federal Awards	\$ 138,582	141,213	276,464	556,259
Difference - budget to "GAAP" Grant accounting budgetary basis differs from "GAAP" in that encumbrances are recognized as expenditures, and the related revenue is recognized.				-
Total Federal revenue as reported on the statement of revenue, expenditures, and changes in fund balance	<u>\$ 138,582</u>	<u>141,213</u>	<u>276,464</u>	<u>556,259</u>

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5. OTHER

The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2022. For the Single Audit Determination, the State of New Jersey Department of Education requires the TPAF Pension contribution be included to determine if the District exceeds the \$750,000 threshold. This amount is then excluded from the major program determination. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2022.

ATLANTIC COUNTY SPECIAL SERVICES SCHOOL DISTRICT
(a component unit of the County of Atlantic)
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Exhibit K-6

Part I -- Summary of Auditor's Results

Financial Statement Section

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

Federal Awards Section

Not Applicable

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

Type of auditor's report on compliance for major programs _____

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

Identification of major programs:

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

Dollar threshold used to determine Type A programs: _____

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

**EGG HARBOR TOWNSHIP SCHOOL DISTRICT
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Part I -- Summary of Auditor's Results

State Awards Section

Internal Control over major programs:

1) Material weakness(es) identified? _____ yes X no

2) Significant deficiencies identified _____ yes X none reported

Type of auditor's report on compliance for major programs

_____ Unmodified _____

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

_____ yes X no

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
<u>22-495-034-5095-002</u>	<u>Reimbursed TPAF Social Security Contributions</u>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

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

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

**ATLANTIC COUNTY SPECIAL SERVICES SCHOOL DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF ATLANTIC)
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Part 2 -- Schedule of Financial Statement Findings

None

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

None

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

None

STATUS OF PRIOR YEAR FINDINGS

None