

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, 2023



# TABLE OF CONTENTS

<b>INTRODUCTORY SECTION</b>		Page
	Letter of Transmittal	1-6
	Organizational Chart	7
	Roster of Officials	8
	Consultants and Advisors	9-10
<b>FINANCIAL SECTION</b>		
	<b>Independent Auditor's Report</b>	11-13
	<b>Required Supplementary Information - Part I</b>	
	Management's Discussion and Analysis	14-24
	<b>Basic Financial Statements</b>	
A	District-wide Financial Statements:	
	A-1 Statement of Net Position	25
	A-2 Statement of Activities	26
B	Fund Financial Statements	
	Governmental Funds:	
	B-1 Balance Sheet	27
	B-2 Statement of Revenues, Expenditures, and Changes in Fund Balances	28
	B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	29
	Proprietary Funds:	
	B-4 Statement of Net Position	30
	B-5 Statement of Revenues, Expenses, and Changes in Net Assets	31
	B-6 Statement of Cash Flows	32
	Fiduciary Funds:	
	B-7 Statement of Fiduciary Net Assets	N/A
	B-8 Statement of Changes in Fiduciary Net Assets	N/A
	<b>Notes to the Financial Statements</b>	33-60
	<b>Required Supplemental Information - Part II</b>	
C	Budgetary Comparison Schedules	
	C-1 Budgetary Comparison Schedule - General Fund	61-68
	C-1a Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual	N/A
	C-1b Community Development Block Grant - Budget to Actual	N/A
	C-2 Budgetary Comparison Schedule - Special Revenue Fund	69-70

## TABLE OF CONTENTS (continued)

Notes to the Required Supplementary Information	Page
C-3 Budget-to-GAAP Reconciliation	71
 <b>Required Supplementary Information - Part III</b>	
L Schedules Related to Accounting and Reporting for Pensions (GASB 68)	
L-1 Schedule of the District's Proportionate Share of the Net Pension Liability - PERS	72
L-2 Schedule of District Contributions	73
L-3 Schedule of the District's Proportionate Share of the Net Pension Liability - TPAF	74
M Schedules Related to Accounting and Reporting for OPEB (GASB 75)	
M-1 Schedule of the District's Proportionate Share of the Net OPEB Liability - PERS & TPAF	75
 <b>Other Supplementary Information</b>	
D School Based Budget Schedules:	
D-1 Combining Balance Sheet	N/A
D-2 Blended Resource Fund - Schedule of Expenditures Allocated by Resource Type - Actual	N/A
D-3 Blended Resource Fund - Schedule of Blended Expenditures - Budget and Actual	N/A
E Special Revenue Fund:	
E-1 Combining Schedule of Revenues and Expenditures Special Revenue Fund - Budgetary Basis	76
E-2 Preschool Education Aid Schedule of Expenditures - Budgetary Basis	N/A
F Capital Projects Fund:	
F-1 Summary Schedule of Project Expenditures	N/A
F-2 Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance	N/A
F-2a Schedules of Project Revenue and Expenditures	N/A
G Proprietary Funds	
Enterprise Fund:	
G-1 Combining Statement of Net Position	N/A
G-2 Combining Statement of Revenues, Expenses, and Changes in Fund Net Position	N/A
G-3 Combining Statement of Cash Flows	N/A
Internal Service Fund:	
G-4 Combining Statement of Net Assets	N/A
G-5 Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets	N/A
G-6 Combining Statement of Cash Flows	N/A

## TABLE OF CONTENTS (continued)

		Page
H	Fiduciary Funds:	
	H-1 Combining Statement of Fiduciary Net Position	N/A
	H-2 Combining Statement of Changes in Fiduciary Net Position	N/A
	H-3 Student Activity Agency Fund Schedule of Receipts and Disbursements	N/A
	H-4 Payroll Agency Fund Schedule of Receipts and Disbursements	N/A

I	Long-Term Debt:	
	I-1 Schedule of Serial Bonds	N/A
	I-2 Schedule of Obligations under Capital Leases	N/A
	I-3 Debt Service Fund Budgetary Comparison Schedule	N/A

### STATISTICAL SECTION (Unaudited)

#### Introduction to the Statistical Section

#### Financial Trends

J-1	Net Assets by Component	77
J-2	Changes in Net Assets/Net Position	78-79
J-3	Fund Balances - Governmental Funds	80
J-4	Changes in Fund Balances - Governmental Funds	81
J-5	General Fund Other Local Revenue by Source	82

#### Revenue Capacity

J-6	Assess Value and Estimated Actual Value of Taxable Property	N/A
J-7	Direct and Overlapping Property Tax Rates	N/A
J-8	Principal Property Taxpayers	N/A
J-9	Property Tax Levies and Collections	N/A

#### Debt Capacity

J-10	Ratios of Outstanding Debt by Type	N/A
J-11	Ratios of General Bonded Debt Outstanding	N/A
J-12	Direct and Overlapping Governmental Activities Debt	N/A
J-13	Legal Debt Margin Information	N/A

#### Demographic and Economic Information

J-14	Demographic and Economic Statistics	N/A
J-15	Principal Employers	N/A

#### Operating Information

J-16	Full-time Equivalent District Employees by Function/Program	83
J-17	Operating Statistics	84
J-18	School Building Information	85
J-19	Schedule of Required Maintenance Expenditures by School Facility	86
J-20	Insurance Schedule	87

## TABLE OF CONTENTS (continued)

SINGLE AUDIT SECTION		Page
K-1	Report on Internal Controls over Financial Reporting and on Compliance and other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Audit Standards	88-89
K-2	Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Uniform Guidance and New Jersey OMB Circular Letter 15-08	90-92
K-3	Schedule of Expenditures of Federal Awards,	93
K-4	Schedule of Expenditures of State Financial Assistance,	94
K-5	Notes to the Schedules of Awards and Financial Assistance	95-97
K-6	Schedule of Findings and Question Costs	
	Part 1 - Summary of Auditor's Results	98-99
	Part 2 - Schedule of Financial Statement Findings	100
	Part 3 - Schedule of State Award Findings and Questioned Costs	100
K-7	Summary Schedule of Prior Audit Findings	100

## **Introductory Section**

{THIS PAGE IS INTENTIONALLY LEFT BLANK}





ATLANTIC COUNTY  
SPECIAL SERVICES  
SCHOOL DISTRICT

Dr. Philip Guenther  
Superintendent  
[pguenther@acitech.org](mailto:pguenther@acitech.org)

Mr. Nicholas Brown  
School Business Administrator  
[nbrown@acsssd.net](mailto:nbrown@acsssd.net)

January 8, 2024

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, 2023, 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 2022-2023 was 298 students on October 15, 2022, up 16 students from the same point in 2022. 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 2023, 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, 2023.



**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](mailto:pguenther@acitech.org)

Mr. Nicholas Brown  
School Business Administrator  
[nbrown@acsssd.net](mailto: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.

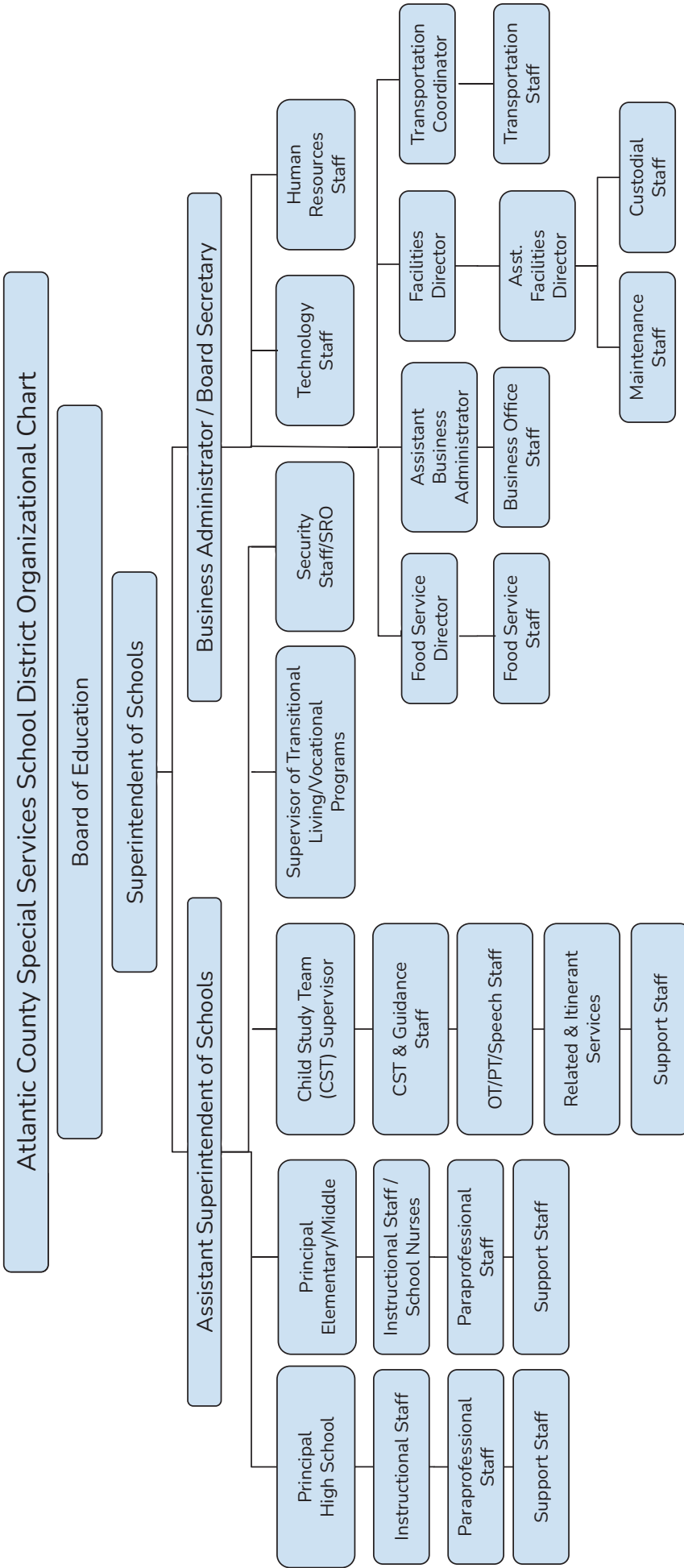
Respectfully submitted,

*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, 2023

<b><u>Members of the Board of Education</u></b>	<b><u>Term Expires</u></b>
Mark W. Ludwick, President	2023
Augustus Harmon, Vice President	2024
Roy Foster	2024
Ellen Hyatt	2024
Patricia Marshall	2023
Dr. Edwin Lopez-Bernard	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

Nicholas Brown, Board Secretary/Business Administrator



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

**Architect of Record**

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

**Attorneys**

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

**Audit Firm**

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

**Official Depository**

OceanFirst Bank  
5401 Harding Highway  
Mays Landing, NJ 08330

### **Insurance Agent**

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

Jeffery Dunn  
Glenn Insurance  
500 E. Absecon Blvd.  
Absecon, NJ 08201

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

### **School Physicians**

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

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

## **Financial Section**

{THIS PAGE IS INTENTIONALLY LEFT BLANK}



# FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

1535 HAVEN AVENUE • OCEAN CITY, NJ • 08226

PHONE 609.399.6333 • FAX 609.399.3710

[www.ford-scott.com](http://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 Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Atlantic County Special Services School District (a component unit of the County of Atlantic), in the County of Atlantic, New Jersey, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Atlantic County Special Services School District (a component unit of the County of Atlantic), as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Required Supplementary Information identified in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Atlantic County Special Services School District (a component unit of the County of Atlantic)'s basic financial statements. The introductory section, combining and individual non-major fund financial statements, schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), the schedule of state financial assistance as required by NJ OMB 15-08, and statistical information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements, schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), the schedule of state financial assistance as required by NJ OMB 15-08, and statistical information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements, schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), the schedule of state financial assistance as required by NJ OMB 15-08 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 8, 2024 on our consideration of the Atlantic County Special Services School District (a component unit of the County of Atlantic)’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Atlantic County Special Services School District (a component unit of the County of Atlantic)’s internal control over financial reporting and compliance.

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

*Leon P. Costello*

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

January 8, 2024

{THIS PAGE IS INTENTIONALLY LEFT BLANK}



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

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

## 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, 2023. 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 \$4,434,000 due to changes in proportion of pension and post-retirement benefit liabilities.
- The State of New Jersey reimbursed the District \$451,078 during the fiscal year ended June 30, 2023 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. The State also contributed \$3,154,192 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, 2023, the District's governmental activities revenues were approximately \$3,700,000 more than total expenses. During the prior fiscal year, revenues exceeded expenditures by approximately \$4,035,000.
- In the District's business-type activities, net position increased \$774,000 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.

{This space was intentionally left blank}

**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 2023 and 2022 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.

Current and other assets	\$ 9,003,572	8,154,192	5,670,094	4,831,669
Capital assets	16,836,458	17,194,711	1,054,292	1,120,734
<b>Total assets</b>	<u>25,840,030</u>	<u>25,348,903</u>	<u>6,724,386</u>	<u>5,952,403</u>
Deferred Outflows of Resources	472,795	157,240		
<b>Total deferred outflows of resources</b>	<u>472,795</u>	<u>157,240</u>	<u>-</u>	<u>-</u>
Long-term liabilities	9,381,884	7,765,858	148,776	148,776
Other liabilities	213,152	130,795	2,217	4,681
<b>Total liabilities</b>	<u>9,595,036</u>	<u>7,896,653</u>	<u>150,993</u>	<u>153,457</u>
Deferred Inflows of Resources	3,952,120	8,503,782		
<b>Total deferred inflows of resources</b>	<u>3,952,120</u>	<u>8,503,782</u>	<u>-</u>	<u>-</u>
Net position				
Invested in capital assets	16,836,458	17,194,711	1,054,292	1,120,734
Restricted	5,840,794	3,679,754		
Unrestricted	(9,911,583)	(11,768,757)	5,519,101	4,678,212
<b>Total net position</b>	<u>\$ 12,765,669</u>	<u>9,105,708</u>	<u>6,573,393</u>	<u>5,798,946</u>

- - - -

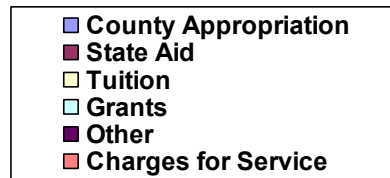
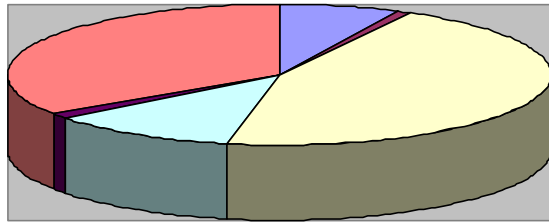
**Changes in net position.** The total revenue of the District decreased approximately \$430,000 due to changes in the assumptions related to the State funding of pension plans.

Approximately 45% 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		2022	
	Amount	Percentage	Amount	Percentage
County Appropriation	\$ 2,070,597	7.14%	\$ 2,070,597	7.04%
Unrestricted State aid	263,369	0.91%	158,582	0.54%
Tuition	13,075,950	45.09%	12,979,063	44.10%
Charges for Services	10,011,758	34.53%	9,177,876	31.19%
Operating Grants and Contributions	3,283,429	11.32%	4,817,590	16.37%
Other	293,140	1.01%	224,422	0.76%
Totals	<u>\$ 28,998,243</u>	<u>100.00%</u>	<u>29,428,130</u>	<u>100.00%</u>

**2023 Revenue**



## Governmental Activities

The following schedule summarizes the governmental and business-type activities of the District during the 2023 and 2022 fiscal years.

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
<b>Revenues</b>						
Program revenue						
Charges for services	13,075,950	12,979,063	10,011,758	9,177,876	23,087,708	22,156,939
Operating Grants	2,995,654	4,537,441	287,775	280,149	3,283,429	4,817,590
General revenues						
County Appropriation	2,070,597	2,070,597			2,070,597	2,070,597
State aid entitlements	263,369	158,582			263,369	158,582
Other	293,140	295,561		(71,139)	293,140	224,422
<b>Total revenues</b>	<b>18,698,710</b>	<b>20,041,244</b>	<b>10,299,533</b>	<b>9,386,886</b>	<b>28,998,243</b>	<b>29,428,130</b>
<b>Expenses</b>						
Instruction:						
Other special instruction	6,436,167	6,824,737		-	6,436,167	6,824,737
Other instruction	645,673	642,312		-	645,673	642,312
Support services:						
Student & instruction related services	3,226,520	3,371,642		-	3,226,520	3,371,642
District administration services	528,789	625,754		-	528,789	625,754
General & business admin services	1,431,655	1,716,517		-	1,431,655	1,716,517
Plant operations & maintenance	2,663,653	2,647,134		-	2,663,653	2,647,134
Pupil transportation	793	8,507		-	793	8,507
Capital Outlay	65,499	169,522		-	65,499	169,522
Business-type activities		-	9,565,086	8,696,283	9,565,086	8,696,283
<b>Total expenses</b>	<b>14,998,749</b>	<b>16,006,125</b>	<b>9,565,086</b>	<b>8,696,283</b>	<b>24,563,835</b>	<b>24,702,408</b>
(Deficiency) before Transfers	3,699,961	4,035,119	734,447	690,603	4,434,408	4,725,722
Transfers	(40,000)		40,000		-	-
<b>Increase/(Decrease) in net position</b>	<b>3,659,961</b>	<b>4,035,119</b>	<b>774,447</b>	<b>690,603</b>	<b>4,434,408</b>	<b>4,725,722</b>

## **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 \$8,790,420 which is \$767,023 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 30<sup>th</sup> carry over to the next fiscal year and are added to the appropriation reflected in the certified budget.

After adjusting total revenue reported on Exhibit C-1 for the Reimbursed TPAF Social Security Contribution and On-behalf TPAF Pension Contributions, which are not budgeted, the District's actual revenue exceeded the budget revenues by \$2,194,042. This is a result of more 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 \$879,977. 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>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Land	\$ 636,272	636,272	73,500	73,500	709,772	709,772
Buildings and Improvement:	14,859,455	15,662,701	269,786	289,434	15,129,241	15,952,135
Machinery and Equipment	1,340,731	895,738	711,006	757,800	2,051,737	1,653,538
<b>Total</b>	<u>\$ 16,836,458</u>	<u>17,194,711</u>	<u>1,054,292</u>	<u>1,120,734</u>	<u>17,890,750</u>	<u>18,315,445</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 increased in the 2022-2023 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 2022-2023 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 2024-2025 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.

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

**DISTRICT - WIDE FINANCIAL STATEMENTS**

{THIS PAGE IS INTENTIONALLY LEFT BLANK}



**Atlantic County Special Services School District**  
**(A Component Unit of the County of Atlantic)**  
**Statement of Net Position**  
**6/30/2023**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 8,782,486	3,746,823	12,529,309
Receivables, net	221,086	1,912,745	2,133,831
Inventory		10,526	10,526
Capital assets not being depreciated:			
Land	636,272	73,500	709,772
Capital assets, net of accumulated depreciation	16,200,186	980,792	17,180,978
Total Assets	<u>25,840,030</u>	<u>6,724,386</u>	<u>32,564,416</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>			
Deferred Outflows Related to Pensions	472,795		472,795
Total Deferred Outflows of Resources	<u>472,795</u>	<u>-</u>	<u>472,795</u>
<b>LIABILITIES</b>			
Other payables	124,562	2,217	126,779
Unearned Revenue	85,040		85,040
Intergovernmental payable	3,550		3,550
Noncurrent liabilities:			
Due within one year	-	-	-
Due beyond one year	237,791	148,776	386,567
Net Pension Liability	9,144,093		9,144,093
Total liabilities	<u>9,595,036</u>	<u>150,993</u>	<u>9,746,029</u>
<b>DEFERRED INFLOW OF RESOURCES</b>			
Deferred Inflows Related to Pensions	3,952,120		3,952,120
Total Deferred Inflows of Resources	<u>3,952,120</u>	<u>-</u>	<u>3,952,120</u>
<b>NET POSITION</b>			
Invested in capital assets, net of related debt	16,836,458	1,054,292	17,890,750
Restricted for:			
Other purposes	5,840,794		5,840,794
Unrestricted	(9,911,583)	5,519,101	(4,392,482)
Total net position	<u>\$ 12,765,669</u>	<u>6,573,393</u>	<u>19,339,062</u>

Atlantic County Special Services School District  
(A Component Unit of the County of Atlantic)  
Statement of Activities  
For the Year Ended June 30, 2023

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	3,468,678	2,967,489	13,075,950	1,368,186	8,007,969			8,007,969
Other instruction	347,976	297,697		123,667	(522,006)			(522,006)
Support services:								
Student & instruction related services	1,738,886	1,487,634		617,984	(2,608,536)			(2,608,536)
School administrative services	284,983	243,806		101,280	(427,509)			(427,509)
General and business administrative services	771,569	660,086		274,208	(1,157,447)			(1,157,447)
Plant operations and maintenance	1,435,536	1,228,117		510,176	(2,153,477)			(2,153,477)
Pupil transportation	428	365		153	(640)			(640)
Unallocated benefits	6,885,194	(6,885,194)			-			-
Unallocated depreciation					-			-
Capital Outlay	65,499				(65,499)			(65,499)
Total governmental activities	14,998,749	-	13,075,950	2,995,654	1,072,855	-		1,072,855
Business-type activities:								
Food Service	444,327		131,651	287,775		(24,901)		(24,901)
Transportation	4,638,878		4,840,388			201,510		201,510
Instruction	4,481,881		5,039,719			557,838		557,838
Total business-type activities	9,565,086		10,011,758	287,775		734,447		734,447
Total primary government	24,563,835		23,087,708	3,283,429	1,072,855	734,447		1,807,302
General revenues:								
Taxes:								
County Appropriation					2,070,597			2,070,597
Federal and State aid not restricted					263,369			263,369
Other restricted miscellaneous revenue					41,851			41,851
Rents and Royalties					87,700			87,700
Miscellaneous Income					163,589			163,589
Transfers					(40,000)	40,000		-
Total general revenues, special items, extraordinary items and transfers					2,587,106	40,000		2,627,106
Change in Net Position					3,659,961	774,447		4,434,408
Net Position—beginning					9,105,708	5,798,946		14,904,654
Net Position—ending					12,765,669	6,573,393		19,339,062

**FUND FINANCIAL STATEMENTS**

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

**Atlantic County Special Services School District**  
**(A Component Unit of the County of Atlantic)**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2023**

	General Fund	Special Revenue Fund	Total Governmental Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ 8,663,888	118,598	8,782,486
Due from other funds	67,237		67,237
Receivables from other governments	71,928	87,610	159,538
Other Accounts Receivables	61,548		61,548
Total assets	8,864,601	206,208	9,070,809
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Intergovernmental payable	325	3,225	3,550
Deferred Revenue	-	85,040	85,040
Payroll Liabilities and Withholdings	124,562		124,562
Due to other funds		67,237	67,237
Total liabilities	124,887	155,502	280,389
Fund Balances:			
Restricted for:			
Unemployment Compensation	131,624		131,624
Student Activities		50,706	50,706
Committed to:			
Capital Reserve	5,718,068		5,718,068
Maintenance Reserve	956,271		956,271
Designated for subsequent years expenditures	115,157		115,157
Assigned to:			
Encumbrances	122,726		122,726
Unassigned:			
General fund	1,695,868		1,695,868
Total Fund balances	8,739,714	50,706	8,790,420
Total liabilities and fund balances	\$ 8,864,601	206,208	

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. 16,836,458

Long-term pension liabilities are not due and payable in the current period and therefore are not reported in the funds. (12,623,418)

Some liabilities, such as compensated absences, are not due and payable in the current period and therefore are not reported in the funds. (237,791)

Net position of governmental activities \$ 12,765,669

**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, 2023**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>			
County Appropriation	\$ 2,070,597		2,070,597
Tuition - from LEAs	12,328,324		12,328,324
Other tuition	476,100		476,100
Non resident fees	271,526		271,526
Rents and Royalties	87,700		87,700
Other restricted miscellaneous revenue	41,851		41,851
Miscellaneous	163,589	97,346	260,935
State sources	3,605,270	7,101	3,612,371
Federal sources	263,369	31,003	294,372
Total revenues	<u>19,308,326</u>	<u>135,450</u>	<u>19,443,776</u>
<b>EXPENDITURES</b>			
Current:			
Other special instruction	4,785,982	8,456	4,794,438
Other instruction	480,976		480,976
Support services and undistributed costs:			
Student & instruction related services	2,323,491	80,013	2,403,504
School administrative services	393,906		393,906
Other administrative services	434,566		434,566
Central Services	468,763		468,763
Admin Information Technology	163,142		163,142
Plant operations and maintenance	1,984,213		1,984,213
Pupil transportation	590		590
Unallocated Benefits	6,885,194		6,885,194
Capital outlay	581,038	46,423	627,461
Total expenditures	<u>18,501,861</u>	<u>134,892</u>	<u>18,636,753</u>
Excess (Deficiency) of revenues over expenditures	<u>806,465</u>	<u>558</u>	<u>807,023</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	(40,000)		(40,000)
Total other financing sources and uses	<u>(40,000)</u>		<u>(40,000)</u>
Net change in fund balances	766,465	558	767,023
Fund balance—July 1	7,973,249	50,148	8,023,397
Fund balance—June 30	<u>\$ 8,739,714</u>	<u>50,706</u>	<u>8,790,420</u>

See Accompanying Notes to the Financial Statements

**Atlantic County Special Services School District  
(A Component Unit of the County of Atlantic)  
Reconciliation of the Statement of Revenues, Expenditures,  
and Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
For the Year Ended June 30, 2023**

**Total net change in fund balances - governmental funds (from B-2)** \$ 767,023

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.

	Depreciation expense	(920,215)	
	Capital outlays	<u>561,962</u>	(358,253)

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	764,088	
Cost of benefits earned net of employee contributions	<u>2,454,051</u>	3,218,139

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 (+).

33,052

<b>Change in net assets of governmental activities</b>		<u><u>\$ 3,659,961</u></u>
--	--	----------------------------

**Atlantic County Special Services School District**  
**(A Component Unit of the County of Atlantic)**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2023**

	Business-type Activities - Enterprise Funds				Totals
	Food Service	Transportation	Itinerant/ Shared Services	County Programs	
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents	\$ 57,963	780,954	2,787,752	120,154	3,746,823
Accounts receivable					
Federal	13,093				13,093
State	366				366
Other	4,522	1,164,755	709,513	20,496	1,899,286
Inventory	10,526				10,526
Total current assets	86,470	1,945,709	3,497,265	140,650	5,670,094
Noncurrent assets:					
Land and Improvements		73,500			73,500
Buildings and Improvements		575,080			575,080
Furniture, machinery & equipment	293,882	2,577,373			2,871,255
Less accumulated depreciation	(247,087)	(2,218,456)			(2,465,543)
Total noncurrent assets	46,795	1,007,497	-	-	1,054,292
Total assets	133,265	2,953,206	3,497,265	140,650	6,724,386
<b>LIABILITIES</b>					
Current liabilities:					
Other Current Liabilities	282	1,935			2,217
Total current liabilities	282	1,935	-	-	2,217
Noncurrent Liabilities					
Compensated Absences	-	148,776			148,776
Total noncurrent liabilities	-	148,776	-	-	148,776
Total liabilities	282	150,711	-	-	150,993
<b>NET POSITION</b>					
Invested in capital assets net of related debt	46,795	1,007,497			1,054,292
Unrestricted	86,188	1,794,998	3,497,265	140,650	5,519,101
Total net position	\$ 132,983	2,802,495	3,497,265	140,650	6,573,393



**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, 2023**

	<b>Business-type Activities -</b>				<b>Totals</b>
	<b>Enterprise Fund</b>				
	<b>Food Service</b>	<b>Transportation</b>	<b>Itinerant/ Shared Services</b>	<b>County Programs</b>	
Operating revenues:					
Charges for services:					
Daily sales - reimbursable programs	\$ 12,607				12,607
Daily sales - non-reimbursable programs	119,044				119,044
Transportation Fees		4,840,388			4,840,388
Fees for Service			4,951,942		4,951,942
County Aid Payments				87,777	87,777
Total operating revenues	<u>131,651</u>	<u>4,840,388</u>	<u>4,951,942</u>	<u>87,777</u>	<u>10,011,758</u>
Operating expenses:					
Cost of sales - Reimbursable Programs	110,357				110,357
Cost of sales - Nonreimbursable Programs	51,764				51,764
Salaries and wages	124,622	1,490,481	1,756,939	88,114	3,460,156
Employee Benefits	118,426	1,489,720	1,619,845		3,227,991
Other Purchased Services	33,662	18,671	988,889		1,041,222
Transportation Operations		590,509			590,509
Contracted Services		971,021			971,021
Travel				21,715	21,715
Materials and supplies	2,042	3,850	686	5,693	12,271
Depreciation	3,454	74,626			78,080
Total Operating Expenses	<u>444,327</u>	<u>4,638,878</u>	<u>4,366,359</u>	<u>115,522</u>	<u>9,565,086</u>
Operating income/(loss)	<u>(312,676)</u>	<u>201,510</u>	<u>585,583</u>	<u>(27,745)</u>	<u>446,672</u>
Nonoperating revenues/(expenses):					
State sources:					
State school breakfast program	1,291				1,291
State school lunch program	4,840				4,840
Federal sources:					
National school breakfast program	72,685				72,685
National school lunch program	137,245				137,245
Food Distribution Program	43,994				43,994
SCA Funding	27,720				27,720
Total nonoperating revenues/(expenses)	<u>287,775</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>287,775</u>
Income/(Loss) before contributions & transfers	<u>(24,901)</u>	<u>201,510</u>	<u>585,583</u>	<u>(27,745)</u>	<u>734,447</u>
Transfers in					
Operating transfer in - general fund	40,000				40,000
Total transfers in	<u>40,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,000</u>
Change in net position	15,099	201,510	585,583	(27,745)	774,447
Total net position—beginning	117,884	2,600,985	2,911,682	168,395	5,798,946
Total net position—ending	<u>\$ 132,983</u>	<u>2,802,495</u>	<u>3,497,265</u>	<u>140,650</u>	<u>6,573,393</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, 2023**

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

	<b>Food Service</b>	<b>Transportation</b>	<b>Itinerant/ Shared Services</b>	<b>County Programs</b>	<b>Totals</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers	\$ 127,786	4,532,113	5,174,077	96,256	9,930,232
Payments to employees	(124,622)	(1,490,481)	(1,756,939)	(88,114)	(3,460,156)
Payments for benefits	(118,426)	(1,489,720)	(1,619,845)	-	(3,227,991)
Payments for suppliers	(157,157)	(1,584,051)	(989,575)	(27,836)	(2,758,619)
Net cash provided by/(used for) operating activities	<u>(272,419)</u>	<u>(32,139)</u>	<u>807,718</u>	<u>(19,694)</u>	<u>483,466</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
State Sources	6,067				6,067
Federal Sources	244,916				244,916
Operating subsidies and transfers to other funds	40,000		-	-	40,000
Net cash provided by/(used for) non-capital financing activities	<u>290,983</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>290,983</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Purchase of Assets	(11,638)				(11,638)
Net cash (used for) capital and related financing activities	<u>(11,638)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(11,638)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest and dividends	-				-
Net cash provided by (used for) investing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents	6,926	(32,139)	807,718	(19,694)	762,811
Balances—beginning of year	51,037	813,093	1,980,034	139,848	2,984,012
Balances—end of year	<u>57,963</u>	<u>780,954</u>	<u>2,787,752</u>	<u>120,154</u>	<u>3,746,823</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>					
Operating profit/(loss)	(312,676)	201,510	585,583	(27,745)	446,672
Adjustments to reconcile operating (loss) to net cash provided by (used for) operating activities					
Depreciation and net amortization	3,454	74,626			78,080
Federal Commodities	43,994				43,994
(Increase)/Decrease in accounts receivable, net	(3,865)	(308,275)	222,135	8,479	(81,526)
Increase/(Decrease) in accounts payable	-	-	-	(428)	(428)
(Increase)/Decrease in Inventory	(1,290)				(1,290)
Increase/(Decrease) in Other Liabilities	(2,036)				(2,036)
Increase/(Decrease) in Compensated Absences	-				-
Total adjustments	<u>40,257</u>	<u>(233,649)</u>	<u>222,135</u>	<u>8,051</u>	<u>36,794</u>
Net cash provided by/(used for) operating activities	<u>\$ (272,419)</u>	<u>(32,139)</u>	<u>807,718</u>	<u>(19,694)</u>	<u>483,466</u>

**ATLANTIC COUNTY SPECIAL SERVICES SCHOOL  
(A Component Unit of the County of Atlantic)  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**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  
FOR THE YEAR ENDED JUNE 30, 2023  
(CONTINUED)**

**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  
FOR THE YEAR ENDED JUNE 30, 2023  
(CONTINUED)**

**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  
FOR THE YEAR ENDED JUNE 30, 2023  
(CONTINUED)**

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.

## **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.

**ATLANTIC COUNTY SPECIAL SERVICES SCHOOL  
(A Component Unit of the County of Atlantic)  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023  
(CONTINUED)**

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.

**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.

**ATLANTIC COUNTY SPECIAL SERVICES SCHOOL  
(A Component Unit of the County of Atlantic)  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023  
(CONTINUED)**

**2. Investments:**

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

**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, 2023, the District did not have inventory in the general fund and had the following inventory in the enterprise fund:

Food	\$ 8,108
Supplies	2,418
	<u>\$ 10,526</u>

**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  
FOR THE YEAR ENDED JUNE 30, 2023  
(CONTINUED)**

**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  
FOR THE YEAR ENDED JUNE 30, 2023  
(CONTINUED)**

**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
Emotional Regulation Impairment - Salaries of Teachers	\$ 102,000	\$
Emotional Regulation Impairment-Other Salaries for Instruction		88,000
Multiple Disabilities-Salaries of Teachers	214,300	
Autism - Salaries of Teachers		124,400
Autism-Other Salaries for Instruction	183,200	
Unallocated Benefits - Health Benefits	317,500	
Construction Services		400,000

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

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

**10. Encumbrances:**

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

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.

**ATLANTIC COUNTY SPECIAL SERVICES SCHOOL  
(A Component Unit of the County of Atlantic)  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023  
(CONTINUED)**

**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 April 2022, the Governmental Accounting Standards Board (GASB) issued Statement No. 99, "Omnibus 2022". This statement, which is effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter, may have an 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, 2023, 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

**ATLANTIC COUNTY SPECIAL SERVICES SCHOOL  
(A Component Unit of the County of Atlantic)  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023  
(CONTINUED)**

money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

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

**NOTE 3. CASH**

**Custodial Credit Risk – Deposits.** Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. The District’s policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 18A:20-37 that are treated as cash equivalents. As of June 30, 2023, \$0 of the District’s bank balance of \$13,956,368 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, 2022 to June 30, 2023 fiscal year is as follows:

Beginning balance, July 1, 2022	\$	3,517,868
Interest Earnings		200
Tranferred In		2,200,000
Tranferred Out		-
		-
Ending Balance, June 30, 2023	\$	5,718,068

**ATLANTIC COUNTY SPECIAL SERVICES SCHOOL  
(A Component Unit of the County of Atlantic)  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023  
(CONTINUED)**

**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, 2022 to June 30, 2023 fiscal year is as follows:

Beginning balance, July 1, 2022	\$	956,171
Interest Earnings		100
Anticipated in Budget		-
Transferred from Current Budget		-
Ending balance, June 30, 2023	<u>\$</u>	<u>956,271</u>

**ATLANTIC COUNTY SPECIAL SERVICES SCHOOL  
(A Component Unit of the County of Atlantic)  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023  
(CONTINUED)**

**NOTE 6. FIXED ASSETS**

Capital asset activity for the year ended June 30, 2023 was as follows:

	<u>Balance June 30, 2022</u>	<u>Additions</u>	<u>Disposals/ Adjustments</u>	<u>Balance June 30, 2023</u>
<b>Governmental Activities:</b>				
Capital assets that are not being depreciated:				
Land	\$ 636,272	\$ -	\$ -	\$ 636,272
Total capital assets not being depreciated	<u>636,272</u>	<u>-</u>	<u>-</u>	<u>636,272</u>
Bldg and bldg improve	29,791,593		(24,254)	29,767,339
Machinery & equipment	2,306,718	561,962	(109,910)	2,758,770
Total at historical cost	<u>32,098,311</u>	<u>561,962</u>	<u>(134,164)</u>	<u>32,526,109</u>
Less accum depr for:				
Bldg and improve	(14,128,892)	(803,246)	24,254	(14,907,884)
Equipment	(1,410,980)	(116,969)	109,910	(1,418,039)
Total accum deprec	<u>(15,539,872)</u>	<u>(920,215)</u>	<u>134,164</u>	<u>(16,325,923)</u>
Total capital assets being depr, net of accum depr	<u>16,558,439</u>	<u>(358,253)</u>	<u>-</u>	<u>16,200,186</u>
<b>Governmental activities capital assets, net</b>	<u>\$ 17,194,711</u>	<u>\$ (358,253)</u>	<u>\$ -</u>	<u>\$ 16,836,458</u>
<b>Business-type activities:</b>				
Capital assets that are not being depreciated:				
Land	\$ 73,500			\$ 73,500
Total capital assets not being depreciated	<u>73,500</u>	<u>-</u>	<u>-</u>	<u>73,500</u>
Building and improve	575,080			575,080
Equipment	2,859,617	11,638		2,871,255
Less accum depr for:				
Building and improve	(285,646)	(19,647)		(305,293)
Equipment	(2,101,817)	(58,433)		(2,160,250)
<b>Business-type activities capital assets, net</b>	<u>\$ 1,120,734</u>	<u>\$ (66,442)</u>	<u>\$ -</u>	<u>\$ 1,054,292</u>

**ATLANTIC COUNTY SPECIAL SERVICES SCHOOL**  
**(A Component Unit of the County of Atlantic)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2023**  
**(CONTINUED)**

Depreciation expense is charged to governmental functions as follows:

Other special instruction	\$	396,609
Other instruction		39,788
Student & instruction related services		198,824
School administrative expenses		32,585
General and business administration		88,221
Plant operations and maintenance		164,139
Pupil Transportation		49
		\$ 920,215

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

**Governmental Activities**

Long-term liability activity for the year ended June 30, 2023 was as follows:

	Balance June 30, 2022	Issued	Retired	Balance June 30, 2023	Amounts Due Within One Year
Net Pension Liability	\$ 7,495,015	\$ 1,649,078	\$	\$ 9,144,093	\$
Compensated Absences Payable	270,843		33,052	237,791	
Total	\$ 7,765,858	\$ 1,649,078	\$ 33,052	\$ 9,381,884	\$ -

**Business Type Activities**

Long-term liability activity for the year ended June 30, 2023 was as follows:

	Balance June 30, 2022	Issued	Retired	Balance June 30, 2023	Amounts Due Within One Year
Compensated Absences Payable	\$ 148,777	\$	\$ 1	\$ 148,776	\$
	\$ 148,777	\$ -	\$ 1	\$ 148,776	\$ -

**ATLANTIC COUNTY SPECIAL SERVICES SCHOOL**  
**(A Component Unit of the County of Atlantic)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2023**  
**(CONTINUED)**

**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.

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 45.28% and the PERS rate is 17.11% of covered payroll. The School District's contributions to TPAF for the years ending June 30, 2023, 2022 and 2021 were \$2,497,520, \$2,623,957 and \$1,920,389 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,



**ATLANTIC COUNTY SPECIAL SERVICES SCHOOL  
(A Component Unit of the County of Atlantic)  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023  
(CONTINUED)**

2023, 2022 and 2021 were \$764,088, \$740,939, and \$721,041. respectively, equal to the required contributions for each year.

During the fiscal years ended June 30, 2023, 2022 and 2021, the State of New Jersey contributed \$656,092, \$613,063, and \$601,820, 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 \$451,078, \$461,764, and \$485,245, 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, 2023.

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 way 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.

**ATLANTIC COUNTY SPECIAL SERVICES SCHOOL  
(A Component Unit of the County of Atlantic)  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023  
(CONTINUED)**

- 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 1/60<sup>th</sup> from 1/55<sup>th</sup>, and it provided that new members of PERS and TPAF have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of PERS and TPAF will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. The law also requires the State to make its full pension contribution, defined as 1/7<sup>th</sup> of the required amount, beginning in fiscal years 2012.

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

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

**ATLANTIC COUNTY SPECIAL SERVICES SCHOOL  
(A Component Unit of the County of Atlantic)  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023  
(CONTINUED)**

**NOTE 9. PENSION LIABILITIES – PUBLIC EMPLOYEES’ RETIREMENT SYSTEM (PERS)**

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. The following information describes the District’s proportionate share of the statewide pension system’s liabilities and expenses.

The following represents the District’s pension liabilities as June 30, 2022:

**Public Employees’ Retirement System**

The District has a liability of \$9,144,093 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021 that was rolled forward to June 30, 2022. The District’s proportion of the net pension liability was based on a projection of all participating employers, actuarially determined. At June 30, 2022, the District’s proportion is 0.06059150700%, which is a decrease of 4.23% from its proportion measured as of June 30, 2021.

For the year ended December 31, 2022, the District recognized negative pension expense of \$2,454,052. At December 31, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected & actual experience	\$ 65,998	\$ (58,201)
Changes of assumptions	28,331	(1,369,233)
Net difference between projected and actual earnings on pension plan investments	378,466	-
Changes in proportion	-	(2,524,686)
Total	\$ 472,795	\$ (3,952,120)

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,	
2024	\$ (3,180,292)
2025	(1,171,285)
2026	(82,298)
2027	962,028
2028	(7,479)
Total	\$ (3,479,325)

**ATLANTIC COUNTY SPECIAL SERVICES SCHOOL  
(A Component Unit of the County of Atlantic)  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023  
(CONTINUED)**

**Actuarial Assumptions**

The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following assumptions, applied to all periods in the measurement:

Inflation rate	
Price	2.75%
Wage	3.25%
Salary increases:	2.75% – 6.55% (based on years of service)
Investment rate of return:	7.00%

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disable retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2022) 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 weighing 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, 2022, are summarized in the following table:

**ATLANTIC COUNTY SPECIAL SERVICES SCHOOL  
(A Component Unit of the County of Atlantic)  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023  
(CONTINUED)**

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US equity	27.00%	8.12%
Non-U.S. developed markets equity	13.50%	8.38%
Emerging markets equity	5.50%	10.33%
Private equity	13.00%	11.80%
Real estate	8.00%	11.19%
Real assets	3.00%	7.60%
High yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment grade credit	7.00%	3.38%
Cash equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk mitigation strategies	3.00%	4.91%

*Discount Rate*

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. 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 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 as disclosed above, 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 or 1-percentage point higher than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Municipality's proportionate share of the net pension liability	\$ 10,965,643	\$ 9,144,093	\$ 7,595,604

*Pension plan fiduciary net position.*

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

**ATLANTIC COUNTY SPECIAL SERVICES SCHOOL  
(A Component Unit of the County of Atlantic)  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023  
(CONTINUED)**

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

At June 30, 2022, the District liability for its proportionate share of the net pension liability which is considered a Special Funding Situation with the State of New Jersey is reported below.

The employer contributions for local participating employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A 18:66-33. Therefore, local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the local participating employers do not contribute directly to the plan, there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the non-employer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employer

NOTE 10 – PENSION LIABILITIES - TEACHERS' PENSION AND ANNUITY FUND (TPAF) - Continued  
as well as revenue in an amount equal to the non-employer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer.

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		32,428,762.00
Total	\$	32,428,762.00

The net pension liability was measured as of June 30, 2022 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, 2022, the District's proportion was 0.00%, which was no change from its proportion measured as of June 30, 2021.

For the year ended June 30, 2022, the District recognized pension expense of \$872,749 and revenue of \$872,749 for support provided by the State.

*Actuarial assumptions.* The total pension liability in the June 30, 2022 actuarial valuation was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. 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		2.75% - 5.65% (based on years of service)
Investment rate of return		7.00%

**ATLANTIC COUNTY SPECIAL SERVICES SCHOOL  
(A Component Unit of the County of Atlantic)  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023  
(CONTINUED)**

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, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

***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, 2022) 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 weighing 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, 2022 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return.
US Equity	27.00%	8.12%
Non-U.S. Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	2.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	8.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	5.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%

***Discount rate.***

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. 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

**ATLANTIC COUNTY SPECIAL SERVICES SCHOOL  
(A Component Unit of the County of Atlantic)  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023  
(CONTINUED)**

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 (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
District's proportionate share of the net pension liability	\$ -	\$ -	\$ -
State's proportionate share of the net position liability associated with the District	\$ 38,023,412.57	\$ 32,428,762.00	\$ 27,715,971.89

*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, 2022 are as follows:

Deferred outflows of resources	\$	5,004,259,312
Deferred inflows of resources		19,682,774,794
Net pension liability		51,676,587,303

Collective pension expense for the plan for the measurement period ended June 30, 2022 is \$1,390,761,344.

**NOTE 11. OTHER POST-RETIREMENT BENEFITS**

**General Information about the OPEB Plan**

**State Health Benefit State Retired Employees Plan:**

Pension and Other Postemployment Benefits (OPEB) Obligations in Fiscal Year 2022 the State funded the various defined benefit pension systems at 108 percent of the full actuarially determined contributions. Employer contributions to the pension plans are calculated per the requirements of the governing State statutes using generally accepted actuarial procedures and practices. The actuarial funding method used to determine the State's contribution is a matter of State law. Any change to the funding method requires the approval of the State Legislature and the Governor. The amount the State actually contributes to the pension plans may differ from the actuarially determined contributions of the pension plans because the State's contribution to the pension plans is subject to the appropriation of the State Legislature and actions by the Governor. GASB Statement No. 68, Accounting and Financial Reporting for Pensions,



**ATLANTIC COUNTY SPECIAL SERVICES SCHOOL  
(A Component Unit of the County of Atlantic)  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023  
(CONTINUED)**

requires participating employers to recognize their proportionate share of the collective net pension liability. Under the new statement, the calculation of the pension liability was changed to a more conservative methodology and each employer was allocated a proportional share of the pension plans' net pension liability. The State's share of the net pension liability, based on a measurement date of June 30, 2021, which is required to be reported on the financial statements, is \$75.1 billion. The Fiscal Year 2023 projected aggregate State contribution to the pension plans of \$6.8 billion represents 104 percent of the actuarially determined contributions. The State provides post-retirement medical (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirements. In Fiscal Year 2022, the State paid PRM benefits for 161,238 State and local retirees. The State funds post-retirement medical benefits on a "pay-as-you-go" basis, which means that the State does not pre-fund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 2022, the State contributed \$1.9 billion to pay for "pay-as-you-go" PRM benefit costs incurred by covered populations, a slight increase from \$1.8 billion in Fiscal Year 2021. The State has appropriated \$2.1 billion in Fiscal Year 2023 as the State's contribution to fund increases in prescription drugs and medical claims costs. In accordance with the provisions of GASBE Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, effective for Fiscal Year 2018. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. The Fiscal Year 2022 State OPEB liability to provide these benefits is \$88.9 billion, a decrease of \$12.7 billion, or 12.5 percent, from the \$101.6 billion liability recorded in Fiscal Year 2021. Additional information on Pensions and OPEB can be accessed on the Division of Pensions & Benefits Financial Reports webpage: <https://www.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 June 30, 2023 III-3.8 the NJ State ACFR on the Office of Management and Budget's Financial Publications webpage: [NJ OMB - Financial Publications](#)

Actuarial assumptions and other imputes. The total OPEB liability in the June 30, 2022, actuarial valuation reported by the State in the State's most recently issued ACFR was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

*Salary Increases*

<b>TPAF/ABP</b>	<b>PERS</b>	<b>PFRS</b>
2.75% to 4.25% based on service years	2.75% to 6.55% based on service years	3.25% to 16.25% based on service years

**ATLANTIC COUNTY SPECIAL SERVICES SCHOOL  
(A Component Unit of the County of Atlantic)  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023  
(CONTINUED)**

*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-2020 “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, 2021 valuation were based on the results of the TPAF, PERS, and PFRS experience studies for the period July 1, 2018 to June 30, 2021.

*Health Care Trend Assumptions*

For pre-Medicare medical benefits, the trend rate is initially 6.25% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits PPO, the trend is initially -1.99% in fiscal year 2023, increasing to 13.44% in fiscal year 2026, and decreases to 4.5% in fiscal year 2033. For HMO the trend is initially -3.54% in fiscal year 2023, increasing to 15.19% in fiscal year 2026, and decreases to 4.5% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.5% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

*Discount Rate*

The discount rate used to measure the total OPEB liability was 3.54%. 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 6/30/22 (Based on 6/30/2021 measurement date)	\$ 60,007,650,970.00
Changes for the year:	
Service cost	2,770,618,025.00
Interest	1,342,187,139.00
Changes in Benefit Terms	-
Differences between Expected & Actual Experiences	1,399,200,736.00
Changes in assumptions or other inputs	(13,586,368,097.00)
Contributions: Member	42,650,252.00
Benefit payments	<u>(1,329,476,059.00)</u>
Net changes	<u>(9,361,188,004.00)</u>
Balance at 6/30/23 (Based on 6/30/2022 measurement date)	<u>\$ 50,646,462,966.00</u>

**ATLANTIC COUNTY SPECIAL SERVICES SCHOOL  
(A Component Unit of the County of Atlantic)  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023  
(CONTINUED)**

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

The following presents the total OPEB liability as of June 20, 2022, 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:

	<u>1% Decrease (2.54%)</u>	<u>Discount Rate (3.54%)</u>	<u>1% Increase (4.54%)</u>
Total OPEB Liability	\$ 59,529,589,697.00	\$ 50,646,462,966.00	\$ 43,527,080,995.00

*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, 2022, 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:

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
Total OPEB Liability (School Retirees)	\$ 41,862,397,291.00	\$ 50,646,462,966.00	\$ 62,184,866,635.00

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

For the year ended June 30, 2022, the board of education recognized OPEB expense of (\$745,066.00) determined by the State as the total OPEB liability for benefits provided through a defined OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB 75 and in which there is a special funding situation.

In accordance with GASB 75, the board of education's proportionate share of school retirees OPEB is zero, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources. At June 30, 2022, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employees' OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>		<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 9,042,402,619.00	\$	(15,462,950,679.00)
Changes in assumptions	8,765,620,577.00		(17,237,289,230.00)
	<u>\$ 17,808,023,196.00</u>	<u>\$</u>	<u>(32,700,239,909.00)</u>

**ATLANTIC COUNTY SPECIAL SERVICES SCHOOL  
(A Component Unit of the County of Atlantic)  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023  
(CONTINUED)**

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,		
2023	\$	(2,517,151,602.00)
2024		(2,517,151,602.00)
2025		(2,517,151,602.00)
2026		(2,175,449,761.00)
2027		(1,243,951,140.00)
Thereafter		<u>(3,921,361,006.00)</u>
	\$	<u><u>(14,892,216,713.00)</u></u>

(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.

**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.

**ATLANTIC COUNTY SPECIAL SERVICES SCHOOL  
(A Component Unit of the County of Atlantic)  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023  
(CONTINUED)**

**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

**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, 2023, 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>
2022-2023	\$ -	\$ 24,486	\$ -	\$ -	\$ 131,624
2021-2022	-	23,260		2,756	107,138
2020-2021	-	20,969	674	26,899	86,634

**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  
FOR THE YEAR ENDED JUNE 30, 2023  
(CONTINUED)**

**NOTE 16. FUND BALANCE APPROPRIATED**

**General Fund** - Of the \$8,739,714 General Fund balance at June 30, 2023, \$115,157 has been appropriated and included as anticipated revenue for the year ending June 30, 2024; \$5,718,068 has been reserved for future capital activity; \$956,271 has been reserved for future maintenance activity; \$131,624 is reserved for Unemployment Compensation Claims; \$122,726 has been reserved for encumbrances; and \$1,695,868 is unreserved and undesignated.

**NOTE 17. SUBSEQUENT EVENTS**

The District has evaluated subsequent events through January 8, 2024, the date on which the financial statements were available to be issued, and no items were identified that require disclosure.

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

{THIS PAGE IS INTENTIONALLY LEFT BLANK}



**BUDGETARY COMPARISON SCHEDULES**

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

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, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>REVENUES:</b>					
Local Sources:					
County Appropriation	\$ 2,070,597		2,070,597	2,070,597	-
Tuition- from LEAs	10,640,657		10,640,657	12,328,324	1,687,667
Other Tuition	402,500		402,500	476,100	73,600
Non-Resident Fees	172,260		172,260	271,526	99,266
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	10,000		10,000	41,551	31,551
Miscellaneous	40,000		40,000	163,589	123,589
<b>Total - Local Sources</b>	<b>13,419,014</b>	<b>-</b>	<b>13,419,014</b>	<b>15,439,687</b>	<b>2,020,673</b>
State Sources:					
Safety Grant	-		-	-	-
Reimbursed TPAF Social Security Contributions (non-budgeted)			-	451,078	451,078
On-behalf TPAF Post Retirement Contributions (non-budgeted)			-	656,092	656,092
On-behalf TPAF LTDI (non-budgeted)			-	580	580
On-behalf TPAF Pension Contributions (non-budgeted)			-	2,497,520	2,497,520
<b>Total - State Sources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,605,270</b>	<b>3,605,270</b>
Federal Sources:					
Medical Assistance Program	90,000		90,000	263,369	173,369
<b>Total - Federal Sources</b>	<b>90,000</b>	<b>-</b>	<b>90,000</b>	<b>263,369</b>	<b>173,369</b>
<b>Total Revenues</b>	<b>13,509,014</b>	<b>-</b>	<b>13,509,014</b>	<b>19,308,326</b>	<b>5,799,312</b>

Atlantic County Special Services School District  
 (A Component Unit of the County of Atlantic)  
 Budgetary Comparison Schedule  
 General Fund  
 For the Fiscal Year Ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>EXPENDITURES:</b>					
<b>Current Expense:</b>					
Emotional Regulation Impairment					
Salaries of Teachers	518,527	(102,200)	416,327	410,496	5,831
Other Salaries for Instruction	47,764	88,000	135,764	132,748	3,016
Purchased Professional-Educational Services	20,800	(6,450)	14,350	13,772	578
General Supplies	10,459	14,350	24,809	24,433	376
Other Objects	6,000	(1,500)	4,500	4,499	1
Total Emotional Regulation Impairment	603,550	(7,800)	595,750	585,948	9,802
Multiple Disabilities					
Salaries of Teachers	1,598,644	(214,300)	1,384,344	1,353,789	30,555
Other Salaries for Instruction	628,541	(39,700)	588,841	560,336	28,505
Purchased Professional-Educational Services	43,500	(24,700)	18,800	15,896	2,904
Other Purchased Services	3,600	(3,600)	-	-	-
General Supplies	26,893	26,300	53,193	47,020	6,173
Other Objects	2,500	-	2,500	670	1,830
Total Multiple Disabilities	2,303,678	(256,000)	2,047,678	1,977,711	69,967
Autism					
Salaries of Teachers	734,826	124,400	859,226	814,791	44,435
Other Salaries for Instruction	259,993	(183,200)	76,793	64,437	12,356
Purchased Professional-Educational Services	50,400	8,500	58,900	56,307	2,593
General Supplies	10,383	27,601	37,984	34,399	3,585
Other Objects	1,000	-	1,000	425	575
Total Autism	1,056,602	(22,699)	1,033,903	970,359	63,544
Preschool Disabilities - Full-Time					
Salaries of Teachers	154,400	35,000	189,400	188,770	630
Other Salaries for Instruction	69,879	(8,200)	61,679	58,846	2,833
Purchased Professional-Educational Services	-	32,700	32,700	14,714	17,986
General Supplies	2,000	9,800	11,800	11,333	467
Other Objects	250	-	250	173	77
Total Preschool Disabilities - Full-Time	226,529	69,300	295,829	273,836	21,993
Home Instruction					
Salaries of Teachers	1,980	-	1,980	1,536	444
Total Home Instruction	1,980	-	1,980	1,536	444

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, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
Extended School Year					
Salaries of Teachers	209,647	(15,000)	194,647	159,811	34,836
Other Salaries for Instruction	44,110	(8,000)	36,110	21,513	14,597
Purchased Professional-Educational Services	8,000	(1,800)	6,200	3,518	2,682
Other Purchased Services	50	1,800	1,850	1,840	10
General Supplies	1,500	2,100	3,600	1,782	1,818
Other Objects	2,500	(500)	2,000	-	2,000
<b>Total Extended School Year</b>	<b>265,807</b>	<b>(21,400)</b>	<b>244,407</b>	<b>188,464</b>	<b>55,943</b>
Intellectual Disability - Severe					
Salaries of Teachers	517,644	(74,269)	443,375	427,242	16,133
Other Salaries for Instruction	200,778	(65,500)	135,278	112,652	22,646
Purchased Professional-Educational Services	205,571	27,500	233,071	227,266	5,805
General Supplies	6,963	15,300	22,263	20,988	1,275
<b>Total Intellectual Disability - Severe</b>	<b>930,956</b>	<b>(96,969)</b>	<b>833,987</b>	<b>788,128</b>	<b>45,859</b>
<b>Total Special Education - Instruction</b>	<b>5,389,102</b>	<b>(335,568)</b>	<b>5,053,534</b>	<b>4,785,982</b>	<b>267,552</b>
Other Instructional Programs - Instruction					
Salaries	479,592	(1,000)	478,592	476,611	1,981
Purchased Services	500	-	500	-	500
Supplies and Materials	3,000	1,600	4,600	4,365	235
<b>Total Other Instructional Programs - Instruction</b>	<b>483,092</b>	<b>600</b>	<b>483,692</b>	<b>480,976</b>	<b>2,716</b>
<b>Total Instruction</b>	<b>5,872,194</b>	<b>(334,968)</b>	<b>5,537,226</b>	<b>5,266,958</b>	<b>270,268</b>
Undistributed Expenditures - Health Services:					
Salaries	178,182	5,000	183,182	182,157	1,025
Purchased Professional and Technical Services	63,300	3,000	66,300	52,784	13,516
Other Purchased Services	2,050	(300)	1,750	-	1,750
Supplies and Materials	11,253	-	11,253	7,055	4,198
Other Objects	400	300	700	697	3
<b>Total Undistributed Expenditures - Health Services</b>	<b>255,185</b>	<b>8,000</b>	<b>263,185</b>	<b>242,693</b>	<b>20,492</b>

Atlantic County Special Services School District  
 (A Component Unit of the County of Atlantic)  
 Budgetary Comparison Schedule  
 General Fund  
 For the Fiscal Year Ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
Undistributed Expenditures - Other Support Services - Students - Speech, OT, PT & Related Services:					
Salaries	1,237,398	(42,700)	1,194,698	1,175,877	18,821
Purchased Professional and Educational Services	1,000	50,000	51,000	38,100	12,900
Supplies and Materials	14,800	11,000	25,800	19,901	5,899
<b>Total Undistributed Expenditures - Other Support Services - Students - Speech, OT, PT &amp; Related Services:</b>	<b>1,253,198</b>	<b>18,300</b>	<b>1,271,498</b>	<b>1,233,878</b>	<b>37,620</b>
Undistributed Expenditures - Other Support Services - Students - Guidance:					
Salaries		81,256	81,256	81,130	126
<b>Total Undistributed Expenditures - Other Support Services - Students - Guidance:</b>	<b>-</b>	<b>81,256</b>	<b>81,256</b>	<b>81,130</b>	<b>126</b>
Undistributed Expenditures - Other Support Services - Students - Child Study Team:					
Salaries of Other Professional Staff	570,783	(56,156)	514,627	512,244	2,383
Salaries of Secretarial and Clerical Assistants	61,218	400	61,618	61,319	299
Other Salaries	115,990	100	116,090	115,990	100
Purchased Professional and Educational Services	5,000	-	5,000	4,700	300
Other Purchased Services	8,000	(200)	7,800	6,095	1,705
Supplies and Materials	3,000	-	3,000	2,829	171
Other Objects	900	200	1,100	1,045	55
<b>Total Undistributed Expenditures - Other Support Services - Students - Child Study Team:</b>	<b>764,891</b>	<b>(55,656)</b>	<b>709,235</b>	<b>704,222</b>	<b>5,013</b>
Undistributed Expenditures - Improvement of Instructional Serv.					
Salaries of Supervisors of Instruction	125,121	(11,300)	113,821	40,404	73,417
Other Salaries	3,600	-	3,600	3,200	400
Purchased Professional and Educational Services	1,000	-	1,000	-	1,000
Other Purchased Services	2,500	-	2,500	-	2,500
Supplies and Materials	500	-	500	-	500
Other Objects	900	-	900	845	55
<b>Total Undistributed Expenditures - Improvement of Instructional Serv.</b>	<b>133,621</b>	<b>(11,300)</b>	<b>122,321</b>	<b>44,449</b>	<b>77,872</b>
Undistributed Expenditures - Educational Media Serv./Sch. Library					
Salaries		-		-	-
Purchased Professional and Technical Services	2,500	500	3,000	2,636	364
Supplies and Materials	3,500	(3,000)	500	-	500
<b>Total Undistributed Expenditures -Edu. Media Serv./Sch Library</b>	<b>6,000</b>	<b>(2,500)</b>	<b>3,500</b>	<b>2,636</b>	<b>864</b>
Undistributed Expenditures - Instructional Staff Training Services					
Purchased Professional - Educational Services	13,000	(3,500)	9,500	8,085	1,415
Other Purchased Services	1,000	-	1,000	-	1,000
Supplies and Materials	3,000	3,500	6,500	5,998	502
Other Objects	5,000	(2,600)	2,400	400	2,000
<b>Total Undistributed Expenditures -Instructional Staff Training Services</b>	<b>22,000</b>	<b>(2,600)</b>	<b>19,400</b>	<b>14,483</b>	<b>4,917</b>

Atlantic County Special Services School District  
 (A Component Unit of the County of Atlantic)  
 Budgetary Comparison Schedule  
 General Fund  
 For the Fiscal Year Ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
Undistributed Expenditures - Support Services - Gen. Admin.:					
Salaries	162,619	(45,773)	116,846	115,487	1,359
Unused Vacation Payment to Terminated/Retired Staff	-	31,273	31,273	31,273	-
Legal Services	75,300	(5,100)	70,200	37,335	32,865
Audit Fees	30,000	-	30,000	30,000	-
Architectural/Engineering Services	2,000	2,500	4,500	4,395	105
Other Purchased Professional Services	58,705	25,000	83,705	76,481	7,224
Communications/Telephone	42,980	6,000	48,980	37,647	11,333
Other Purchased Services	73,650	11,100	84,750	78,657	6,093
General Supplies	5,000	(200)	4,800	3,068	1,732
BOE In-House Training/Meeting Supplies	3,000	200	3,200	2,009	1,191
Miscellaneous Expenditures	5,750	800	6,550	5,059	1,491
BOE Membership Dues and Fees	14,000	(800)	13,200	13,155	45
<b>Total Undistributed Expenditures - Support Services - Gen. Admin.</b>	<b>473,004</b>	<b>25,000</b>	<b>498,004</b>	<b>434,566</b>	<b>63,438</b>
Undistributed Expenditures - Support Serv. - School Admin.:					
Salaries of Principals/Assistant Principals	244,622	-	244,622	244,622	-
Salaries of Secretarial and Clerical Assistants	113,305	(19,536)	93,769	78,882	14,887
Unused Vacation Payment to Terminated/Retired Staff	-	1,136	1,136	1,136	-
Other Purchased Services	56,500	(10,425)	46,075	42,891	3,184
Supplies and Materials	5,000	20,900	25,900	21,520	4,380
Other Objects	10,900	(500)	10,400	4,855	5,545
<b>Total Undistributed Expenditures - Support Serv. - School Admin.</b>	<b>430,327</b>	<b>(8,425)</b>	<b>421,902</b>	<b>393,906</b>	<b>27,996</b>
Undistributed Expenditures - Central Services					
Salaries	389,977	(13,248)	376,729	362,112	14,617
Unused Vacation Payment to Terminated/Retired Staff	-	4,648	4,648	4,648	-
Purchased Professional Services	146,717	(47,100)	99,617	82,621	16,996
Miscellaneous Purchased Services	8,000	(1,200)	6,800	3,374	3,426
Supplies and Materials	10,000	6,200	16,200	16,008	192
Miscellaneous Expenses	1,500	-	1,500	-	1,500
<b>Total Undistributed Expenditures - Central Services</b>	<b>556,194</b>	<b>(50,700)</b>	<b>505,494</b>	<b>468,763</b>	<b>36,731</b>
Undistributed Expenditures - Admin. Info. Tech.					
Salaries	119,646	(28,000)	91,646	86,050	5,596
Purchased Technical Services	62,244	2,000	64,244	58,488	5,756
Other Purchased Services	500	-	500	-	500
Supplies and Materials	36,897	-	36,897	18,604	18,293
Other Objects	250	-	250	-	250
<b>Total Undistributed Expenditures - Admin. Info. Tech.</b>	<b>219,537</b>	<b>(26,000)</b>	<b>193,537</b>	<b>163,142</b>	<b>30,395</b>

Atlantic County Special Services School District  
 (A Component Unit of the County of Atlantic)  
 Budgetary Comparison Schedule  
 General Fund  
 For the Fiscal Year Ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
Undistributed Expenditures - Required Maintenance for School Facilities of Plant Services:					
Salaries	211,990	(25,000)	186,990	174,364	12,626
Cleaning, Repair and Maintenance Services	289,266	39,862	329,128	277,864	51,264
Lead Testing in Drinking Water	-	-	-	-	-
General Supplies	52,597	4,492	57,089	52,964	4,125
Other Objects	2,500	(1,675)	825	482	343
<b>Total Undistributed Expenditures - Required Maintenance for School Facilities</b>	<b>556,353</b>	<b>17,679</b>	<b>574,032</b>	<b>505,674</b>	<b>68,358</b>
Undistributed Expenditures - Custodial Services:					
Salaries	471,980	(36,400)	435,580	429,523	6,057
Unused Vacation Payment to Terminated/Retired Staff	-	2,700	2,700	2,441	259
Purchased Professional and Technical Services	9,000	137	9,137	9,135	2
Cleaning, Repair, and Maintenance Services	56,700	(3,189)	53,511	51,259	2,252
Other Purchased Property Services	30,000	(1,500)	28,500	25,071	3,429
Insurance	110,000	(8,000)	102,000	101,585	415
General Supplies	80,463	(12,675)	67,788	66,110	1,678
Energy (Natural Gas)	107,621	71,000	178,621	140,187	38,434
Energy (Electricity)	404,510	7,433	411,943	381,265	30,678
Energy (Gasoline)	2,500	-	2,500	918	1,582
<b>Total Undistributed Expenditures - Custodial Services</b>	<b>1,272,774</b>	<b>19,506</b>	<b>1,292,280</b>	<b>1,207,494</b>	<b>84,786</b>
Undistributed Expenditures - Care & Upkeep of Grounds					
Cleaning, Repair, and Maintenance Services	39,445	(252)	39,193	26,826	12,367
General Supplies	12,000	(3,000)	9,000	8,576	424
<b>Total Undistributed Expenditures - Care &amp; Upkeep of Grounds</b>	<b>51,445</b>	<b>(3,252)</b>	<b>48,193</b>	<b>35,402</b>	<b>12,791</b>
Undistributed Expenditures - Security					
Salaries	177,993	14,200	192,193	188,304	3,889
Purchased Professional and Technical Services	49,550	(3,800)	45,750	41,126	4,624
General Supplies	5,585	600	6,185	6,113	72
<b>Total Undistributed Expenditures - Security</b>	<b>233,128</b>	<b>11,000</b>	<b>244,128</b>	<b>235,543</b>	<b>8,585</b>
Undistributed Expenditures - Student Transportation Services: Contracted Services - (Other than Between Home and School) - Vendors					
	102,000	(10,000)	92,000	590	91,410
<b>Total Undistributed Expenditures - Student Transportation Serv.</b>	<b>102,000</b>	<b>(10,000)</b>	<b>92,000</b>	<b>590</b>	<b>91,410</b>



Atlantic County Special Services School District  
 (A Component Unit of the County of Atlantic)  
 Budgetary Comparison Schedule  
 General Fund  
 For the Fiscal Year Ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
Unallocated Benefits:					
Social Security Contributions	260,000	62,500	322,500	312,725	9,775
Other Retirement Contributions - PERS	375,000	9,500	384,500	384,493	7
Other Retirement Contributions - Deferred PERS Pymt	5,000	-	5,000	481	4,519
Unemployment Compensation	10,000	90,000	100,000	100,000	-
Worker's Compensation	358,000	(9,500)	348,500	345,627	2,873
Health Benefits	2,368,584	(317,500)	2,051,084	2,045,747	5,337
Tuition Reimbursement	45,000	(43,500)	1,500	944	556
Other Employees Benefits	16,100	500	16,600	14,107	2,493
Unused Sick Payment to Terminated/Retired Staff	55,640	22,500	78,140	75,800	2,340
<b>Total Unallocated Benefits</b>	<b>3,493,324</b>	<b>(185,500)</b>	<b>3,307,824</b>	<b>3,279,924</b>	<b>27,900</b>
Reimbursed TPAF Social Security Contributions (non-budgeted)				451,078	(451,078)
On-behalf TPAF Post Retirement Contributions (non-budgeted)				656,092	(656,092)
On-behalf TPAF LTDI (non-budgeted)				580	(580)
On-behalf TPAF Pension Contributions (non-budgeted)				2,497,520	(2,497,520)
<b>Total On-behalf Contributions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,605,270</b>	<b>(3,605,270)</b>
<b>Total Undistributed Expenditures</b>	<b>9,822,981</b>	<b>(175,192)</b>	<b>9,647,789</b>	<b>12,653,765</b>	<b>(3,005,976)</b>
Interest Earned on Maintenance Reserve	100	-	100	100	-
<b>Total Current Expense</b>	<b>15,695,275</b>	<b>(510,160)</b>	<b>15,185,115</b>	<b>17,920,823</b>	<b>(2,735,708)</b>
<b>Capital Outlay:</b>					
Interest Earned on Capital Reserve	200	-	200	200	-
Equipment:					
Multiple Disabilities	12,185	-	12,185	12,185	-
Intellectual Disability - Severe	15,847	20,568	36,415	36,383	32
Undistributed Expenditures:					
Support Services - Speech, OT, PT & Related Services		6,400	6,400	-	6,400
Admin Info Tech		68,992	68,992	68,992	-
Required Maintenance for School Fac.	48,800	5,000	53,800	53,278	522
Custodial Services	4,261	-	4,261	4,261	-
Care and Upkeep of Grounds	-	-	-	-	-
<b>Total Equipment</b>	<b>81,293</b>	<b>100,960</b>	<b>182,253</b>	<b>175,299</b>	<b>6,954</b>

Atlantic County Special Services School District  
 (A Component Unit of the County of Atlantic)  
 Budgetary Comparison Schedule  
 General Fund  
 For the Fiscal Year Ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
Facilities Acquisition and Construction Services:					
Architectural/Engineering Services	-	9,200	9,200	7,485	1,715
Construction Services	-	400,000	400,000	398,254	1,746
Total Facilities Acquisition and Construction Services	-	409,200	409,200	405,739	3,461
<b>Total Capital Outlay</b>	<b>81,293</b>	<b>510,160</b>	<b>591,453</b>	<b>581,038</b>	<b>10,415</b>
<b>Total Expenditures</b>	<b>15,776,568</b>	-	<b>15,776,568</b>	<b>18,501,861</b>	<b>(2,725,293)</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,267,554)	-	(2,267,554)	806,465	3,074,019
Other Financing Sources (Uses):					
Operating Transfers Out:	(40,000)	-	(40,000)	(40,000)	-
Transfer to Food Service Fund - Board Contribution					
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(2,307,554)	-	(2,307,554)	766,465	3,074,019
Fund Balances, July 1	7,973,249	-	7,973,249	7,973,249	-
Fund Balances, June 30	\$ 5,665,695	-	5,665,695	8,739,714	3,074,019
<b>Recapitulation of Fund Balance:</b>					
<b>Restricted Fund Balance:</b>					
Unemployment Compensation				131,624	
<b>Committed Fund Balance:</b>					
Capital Reserve				5,718,068	
Maintenance Reserve				956,271	
Designated for Subsequent Year's Expenditures				115,157	
<b>Assigned Fund Balance:</b>					
Reserve for Encumbrances				122,726	
<b>Unassigned Fund Balance</b>				<b>1,695,868</b>	
				8,739,714	
Reconciliation to Governmental Funds Statements (GAAP) Last State Aid Payment Not Recognized on GAAP Basis				-	
Fund Balance per Governmental Funds (GAAP)				<b>8,739,714</b>	

Atlantic County Special Services School District  
 (A Component Unit of the County of Atlantic)  
 Budgetary Comparison Schedule  
 Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Revenue from Local Sources	\$ 5,000	78,806	83,806	97,346	13,540
<b>Total - Local Sources</b>	<b>5,000</b>	<b>78,806</b>	<b>83,806</b>	<b>97,346</b>	<b>13,540</b>
State Sources:					
Other Restricted Entitlements	-	7,101	7,101	7,101	-
<b>Total - State Sources</b>	<b>-</b>	<b>7,101</b>	<b>7,101</b>	<b>7,101</b>	<b>-</b>
Federal Sources:					
Small Rural School Achievement (REAP)	40,924	7,364	48,288	48,288	-
ARP - ESSER III		183,656	183,656	39,322	(144,334)
Other Restricted Entitlements		-			-
<b>Total - Federal Sources</b>	<b>40,924</b>	<b>191,020</b>	<b>231,944</b>	<b>87,610</b>	<b>(144,334)</b>
<b>Total Revenues</b>	<b>45,924</b>	<b>276,927</b>	<b>322,851</b>	<b>192,057</b>	<b>(130,794)</b>

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

**Special Revenue Fund  
For the Fiscal Year Ended June 30, 2023**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>EXPENDITURES:</b>					
<b>Instruction</b>					
General Supplies	40,924	64,364	105,288	65,063	40,225
<b>Total instruction</b>	<u>40,924</u>	<u>64,364</u>	<u>105,288</u>	<u>65,063</u>	<u>40,225</u>
<b>Support Services</b>					
Cleaning Repairs and Maintenance		35,035	35,035	35,035	-
General Supplies		47,427	47,427	-	47,427
Student Activities	5,000	(5,000)		44,978	(44,978)
<b>Total support services</b>	<u>5,000</u>	<u>77,462</u>	<u>82,462</u>	<u>80,013</u>	<u>2,449</u>
<b>Facilities acquisition and construction services:</b>					
Construction Services		135,101	135,101	46,423	88,678
<b>Total facilities acquisition and construction services</b>	<u>-</u>	<u>135,101</u>	<u>135,101</u>	<u>46,423</u>	<u>88,678</u>
<b>Total expenditures</b>	<b>45,924</b>	<b>276,927</b>	<b>322,851</b>	<b>191,499</b>	<b>131,352</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	-	-	558	558
Fund Balance, July 1				50,148	
Fund Balance, June 30				<u>50,706</u>	
Restricted:					
Student Activities				50,706	
<b>Total Fund Balance</b>				<u>50,706</u>	

**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, 2023**

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

		General Fund	Special Revenue
<b>Sources/inflows of resources</b>			
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	C-1; C-2	\$ 19,308,326	192,057
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			(56,607)
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	19,308,326	135,450
<b>Uses/outflows of resources</b>			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	C-2	18,501,861	191,499
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			(56,607)
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	\$ 18,501,861	134,892

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

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

{THIS PAGE IS INTENTIONALLY LEFT BLANK}



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 Employees Retirement System  
 Last Ten Fiscal Years

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
District's proportion of the net pension liability (asset)	0.0605915070%	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)	\$ 9,144,083	\$ 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	\$ 4,462,944	\$ 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	204.89%	168.14%	245.92%	304.39%	342.10%	377.20%	481.85%	373.73%	268.58%	269.24%
Plan fiduciary net position as a percentage of the total pension liability	62.91%	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

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	764,088	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	764,088	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	4,462,944	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	17.12%	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

**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 Ten Fiscal Years

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
District's proportion of the net pension liability (asset)	0.062853%	0.064830%	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	32,428,762	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	32,428,762	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
District's covered payroll	6,216,619	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%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	32.29%	35.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.64%

Source: GASB 68 report on Teachers' Pension and Annuity Fund; District records

**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 Seven Fiscal Years**

	2022	2021	2020	2019	2018	2017	2017
District's proportion of the net OPEB liability (asset)	0.00%	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	\$ 78,347,686	\$ 91,123,204	\$ 105,538,824	\$ 67,529,504	\$ 75,531,668	\$ 89,009,148	\$ 96,530,933
<b>Total</b>	<b>\$ 78,347,686</b>	<b>\$ 91,123,204</b>	<b>\$ 105,538,824</b>	<b>\$ 67,529,504</b>	<b>\$ 75,531,668</b>	<b>\$ 89,009,148</b>	<b>\$ 96,530,933</b>
District's covered payroll	10,679,563	10,944,306	11,211,681	11,414,430	12,131,207	13,090,918	13,090,918
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%	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%	0.00%
State's proportionate share of OPEB associated with the District:							
Service Cost	2,504,169	2,999,007	1,887,672	2,026,063	2,500,857	3,007,375	
Interest Cost	2,076,300	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	5,652,142	(17,969,764)	16,226,296	(11,986,522)	(8,602,276)	-	
Changes in Assumptions	(21,017,470)	89,900	19,278,316	1,006,870	(8,667,637)	(11,352,178)	
Member Contributions	65,978	60,432	55,690	61,448	69,804	75,915	
Benefit Payments	(2,056,637)	(1,862,037)	(1,837,344)	(2,072,954)	(2,019,690)	(2,061,641)	
Change in Total Opeb Liability	(12,775,518)	(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	91,123,204	105,538,824	67,529,504	75,531,668	89,009,148	96,530,933	
Ending Balance	\$ 78,347,686	\$ 91,123,204	\$ 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	733.62%	832.61%	941.33%	591.62%	622.62%		

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

**SPECIAL REVENUE FUND**

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

**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, 2023**

	Small Rural School Achievement (REAP)	ARP ESSER III	SDA Capital Grant	Safety Grant	Student Activity Fund	Education Foundation Grant	Total 2023
<b>REVENUES:</b>							
State Sources			7,101				7,101
Federal Sources	\$ 48,288	39,322		35,035	45,536	16,775	87,610
Local Sources	<u>48,288</u>	<u>39,322</u>	<u>7,101</u>	<u>35,035</u>	<u>45,536</u>	<u>16,775</u>	<u>97,346</u>
Total revenues							<u>192,057</u>
<b>EXPENDITURES:</b>							
Instruction:							
General supplies	48,288					16,775	65,063
Total instruction	<u>48,288</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,775</u>	<u>65,063</u>
Support services:							
Cleaning, Repairs and Maintenance				35,035	44,978		35,035
Student Activities							44,978
Total support services	<u>-</u>	<u>-</u>	<u>-</u>	<u>35,035</u>	<u>44,978</u>	<u>-</u>	<u>80,013</u>
Facilities acquisition and const. serv.:							
Construction Services		39,322	7,101	-			46,423
Total facilities acquisition and construction services	<u>-</u>	<u>39,322</u>	<u>7,101</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>46,423</u>
Total expenditures	<u>48,288</u>	<u>39,322</u>	<u>7,101</u>	<u>35,035</u>	<u>44,978</u>	<u>16,775</u>	<u>191,499</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	558	-	558
Fund Balance, July 1	-	-	-	-	50,148	-	50,148
Fund Balance, June 30	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>50,706</u>	<u>-</u>	<u>50,706</u>

{THIS PAGE IS INTENTIONALLY LEFT BLANK}



## **Statistical Section**

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

**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,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Governmental activities</b>										
Invested in capital assets, net of related debt	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	16,836,458
Restricted	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	5,840,794
Unrestricted	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)	(9,911,583)
<b>Total governmental activities net position</b>	<b>24,769,259</b>	<b>229,297</b>	<b>927,237</b>	<b>1,221,089</b>	<b>253,470</b>	<b>(513,343)</b>	<b>1,295,536</b>	<b>5,070,589</b>	<b>9,105,708</b>	<b>12,765,669</b>
<b>Business-type activities</b>										
Invested in capital assets, net of related debt	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	1,054,292
Restricted	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	5,519,101
Unrestricted	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	6,573,393
<b>Total business-type activities net position</b>	<b>6,512,282</b>	<b>5,579,744</b>	<b>6,292,458</b>	<b>6,394,688</b>	<b>6,670,150</b>	<b>9,568,496</b>	<b>10,724,756</b>	<b>10,216,685</b>	<b>11,597,892</b>	<b>13,146,786</b>
<b>District-wide</b>										
Invested in capital assets, net of related debt	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	17,890,750
Restricted	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	5,840,794
Unrestricted	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)	(4,392,482)
<b>Total district net position</b>	<b>\$ 28,025,400</b>	<b>4,019,169</b>	<b>5,073,466</b>	<b>5,443,633</b>	<b>4,588,545</b>	<b>4,270,905</b>	<b>6,657,914</b>	<b>10,178,932</b>	<b>14,904,654</b>	<b>19,339,062</b>

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,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Expenses</b>										
Governmental activities										
Instruction	7,845,081	7,607,307	6,674,720	13,150,586	15,342,977	11,186,765	9,535,986	9,913,130	6,824,737	6,436,167
Other special education	761,457	855,485	840,012	1,269,274	1,508,517	716,677	634,180	771,759	642,312	645,673
Other instruction										
Support Services:										
Student & instruction related services	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	3,226,520
General administrative services	631,216	672,983	590,498	933,999	1,168,796	866,764	616,266	765,358	625,754	528,789
School administrative services	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	1,431,655
Plant operations and maintenance	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	2,663,653
Pupil transportation	27,389	29,214	19,583	25,999	42,296	52,037	24,186	7,224	8,507	793
Unallocated Benefits	6,750,637	9,043,970	9,080,398	74,634	59,166	5,451	116,939	169,522	169,522	65,489
Capital Outlay	889,920	798,079	841,464	26,516,554	30,981,123	22,641,993	19,234,925	20,968,641	16,006,125	14,998,749
Unallocated Depreciation	22,714,234	24,673,670	23,374,955							
Total governmental activities expenses										
Total governmental activities expenses	22,714,234	24,673,670	23,374,955	26,516,554	30,981,123	22,641,993	19,234,925	20,968,641	16,006,125	14,998,749
Business-type activities:										
Food service	709,251	695,013	585,800	598,363	541,655	485,191	438,497	323,362	367,333	444,327
Transportation	7,510,045	7,345,473	7,130,778	6,548,940	5,888,134	5,361,802	4,881,204	3,750,611	4,338,384	4,638,878
Teachers Aide Services	3,462,620	3,499,657	3,650,622	4,071,467	4,468,163	4,455,719	4,060,654	3,460,680	3,990,566	4,481,881
Other				14,243	56,065	3,167	-	-	-	-
Total business-type activities expense	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	9,565,086
Total district expenses	34,395,150	36,214,013	34,742,155	37,749,567	41,935,140	32,967,872	28,615,280	28,503,294	24,702,408	24,563,835
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
Instruction (tuition)	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	13,075,950
Operating grants and contributions	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	2,995,654
Total governmental activities program revenues	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	16,071,604
Business-type activities:										
Charges for services:										
Food service	249,915	238,480	244,334	254,708	253,516	213,267	127,786	55,992	82,354	131,651
Transportation	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	4,840,388
Teachers Aide Services	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	5,039,719
Other				27,075	-	-	-	-	-	-
Operating grants and contributions	231,665	228,814	217,241	211,657	193,405	178,570	134,010	214,020	280,149	287,775
Total business-type activities program revenues	11,047,147	11,705,997	11,001,554	11,103,857	11,001,764	10,767,304	9,779,273	7,283,171	9,458,025	10,299,533
Total district program revenues	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	26,371,137
<b>Net (Expense)/Revenue</b>										
Governmental activities	(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	1,072,855
Business-type activities	(634,769)	(165,654)	(365,646)	(129,156)	47,747	461,425	398,918	(251,482)	761,742	794,447
Total district-wide net expense	(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	1,807,302
<b>General Revenues and Other Changes in Net Assets</b>										
Governmental activities:										
Property taxes levied for general purposes, net	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	2,070,597
Federal & State Aid - not restricted	116,233	610,235	215,447	1,582,346	4,077,210	213,882	187,186	181,816	158,582	263,369
Miscellaneous income	223,087	161,438	170,365	155,767	128,555	151,337	110,775	332,013	213,331	205,440
Rents and Royalties				75,000	96,800	96,800	135,467	62,800	87,700	87,700
Transfers				(200,000)	(64,784)		(190,000)	(90,000)		(40,000)
Contributed Services										
Cancellation of Prior Year Payables				16,641	183,779		599	(6,461)		
Loss on the Disposal of Fixed Assets	12,133	60,582							(5,470)	
Gain on the Disposal of Fixed Assets					94,490	21,055	4,354			
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,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
County Bond Proceeds				628,900	37,848	-	-	-	-	-
Refund of Prior Year Revenue		(57,373)				(13,761)		(5,458)		
Receivable Cancelled		2,519,002		4,233,750	6,582,194	2,519,409	2,318,978	2,545,307	2,524,740	2,587,106
Total governmental activities	2,266,549	2,519,002	2,185,908	4,233,750	6,582,194	2,519,409	2,318,978	2,545,307	2,524,740	2,587,106
Business-type activities:										
Miscellaneous income	133,000	305,976	250,000	200,000	64,784		190,000	90,000		40,000
Transfers		62,101		9,641						
Cancellation of Prior Year Payables				(4,170)		(12,252)		(92,553)	(71,139)	
Adjustment to Capital Assets				205,471			(10,788)	(2,553)		40,000
Loss on Disposal of Fixed Assets	133,000	368,077	250,000		64,784	(12,252)	179,212	(71,139)		
Cancellation of student balances	2,401,549	2,887,079	2,435,908	4,439,221	6,646,978	2,507,157	2,498,190	2,642,754	2,453,601	2,627,106
Total business-type activities	(1,378,661)	(1,180,220)	697,940	293,852	(967,619)	(766,813)	1,808,879	3,624,972	4,035,119	3,659,961
<b>Change in Net Position</b>	<b>(501,769)</b>	<b>533,731</b>	<b>(115,646)</b>	<b>76,315</b>	<b>112,531</b>	<b>449,173</b>	<b>578,130</b>	<b>(254,035)</b>	<b>690,603</b>	<b>774,447</b>
Governmental activities						(317,640)	2,387,009	3,370,937	4,725,722	4,434,408
Business-type activities	\$ (1,880,430)		582,294	370,167	(855,088)					
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,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Restricted										
Committed				3,995,442	3,769,158	3,205,970	2,919,680	86,634	107,138	131,624
Assigned	\$ 1,013,012		31,721	75,671	143,184	226,865	154,430	4,018,543	6,619,707	6,789,496
Unassigned	1,804,831	2,405,779	3,653,911	2,767,342	2,296,163	1,556,486	2,543,752	388,495	161,886	122,726
Reserved	309,691	489,731	1,024,333	-	-	-	-	2,559,016	1,084,518	1,695,868
Unreserved										
Total general fund	<u>3,127,534</u>	<u>2,895,510</u>	<u>4,709,965</u>	<u>6,838,455</u>	<u>6,208,505</u>	<u>4,989,321</u>	<u>5,617,862</u>	<u>7,052,688</u>	<u>7,973,249</u>	<u>8,739,714</u>
All Other Governmental Funds										
Restricted, reported in:										
Special Revenue fund								61,154	50,148	50,706
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	<u>\$ 193,295</u>	<u>20,761</u>	<u>-</u>	<u>546,260</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>61,154</u>	<u>50,148</u>	<u>50,706</u>

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**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Revenues</b>										
County Appropriation	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	2,070,597
Tuition charges	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	12,804,424
Interest Earnings	5,189	1,315	751	120	120	120	300	974	20,804	41,851
Rents & Royalties					75,000	96,800	135,467	62,800	87,700	87,700
Miscellaneous	227,935	194,428	171,096	360,093	326,374	403,782	363,497	620,238	505,612	532,461
State sources	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	3,612,371
Federal sources	111,326	473,389	201,036	362,520	206,294	213,882	187,186	255,987	279,795	294,372
Total revenue	21,456,440	21,837,039	22,553,435	22,360,416	23,248,541	18,473,587	20,115,700	20,462,074	19,453,055	19,443,776
<b>Expenditures</b>										
Instruction										
Other special instruction	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	4,794,438
Other instruction	761,457	855,485	840,012	627,238	632,769	392,454	401,922	432,741	458,752	480,976
Support Services:										
Student & instruction related services	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	2,403,504
General administrative services	631,216	672,983	590,498	384,566	411,630	388,851	366,180	390,486	490,120	434,566
School Administrative services	411,047	450,136	514,285	461,555	474,642	474,642	390,568	429,152	446,926	393,906
Business administrative services	704,881	724,858	723,472	819,836	809,050	786,254	717,566	728,044	735,850	631,905
Plant operations and maintenance	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	1,984,213
Pupil transportation	27,389	29,214	19,583	12,848	17,741	28,496	15,328	4,051	6,077	590
Unallocated employee benefits	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	6,885,194
Capital outlay	17,162	247,561	108,708	145,002	756,708	168,028	227,221	386,733	331,402	627,461
Total expenditures	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	18,636,753
Excess (Deficiency) of revenues over (under) expenditures	(324,272)	(101,791)	2,043,694	2,229,209	(1,333,173)	(1,205,543)	817,942	1,441,357	909,555	807,023
<b>Other Financing sources (uses)</b>										
Contributed Services				16,641	183,779		599			
Cancellation of Prior Year Payables	12,133	60,582		628,900	37,848					
County Bond Proceeds				392,100	(94,190)	(150,000)	230,559			
Increase in Capital Reserve				(392,100)	94,290	150,100	(230,559)			
Transfer to Capital 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)	(13,761)	(190,000)	(90,000)		(40,000)
Transfers out								(5,458)		
Refund of Prior Year's Revenue										
Appropriations Cancelled										
Total other financing sources (uses)	(120,867)	(302,767)	(250,000)	445,541	156,963	(13,641)	(189,401)	(95,458)		(40,000)
Net change in fund balances	(445,139)	(404,558)	1,793,694	2,674,750	(1,176,210)	(1,219,184)	628,541	1,345,899	909,555	767,023
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
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
2023	91,035	271,526	87,700		114,405	564,666

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>	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Instruction										
Regular	10	10	10	12	7	7	5	5	5	5
Special Education instruction	59	59	49	50	46	45	44	41	41	37
Other special education instruction	142	142	142	94	81	73	63	61	61	77
Other instruction	4	4	4	2	-	-	-	-	-	-
Nonpublic school programs	-	-	-	-	-	-	-	-	-	-
Support Services:										
Student & instruction related services	43	43	31	32	31	31	24	28	28	25
General administrative services	2	2	2	2	2	2	2	2	2	2
School administrative services	8	8	7	7	6	6	6	6	6	6
Business administrative services	12	12	12	12	11	11	9	8	8	7
Plant operations and maintenance	16	16	16	16	17	17	19	19	19	16
Pupil transportation	132	132	114	83	76	68	65	68	68	45
Food Service	8	8	6	6	5	5	5	4	4	5
<b>Total</b>	<b>436</b>	<b>436</b>	<b>393</b>	<b>316</b>	<b>282</b>	<b>265</b>	<b>242</b>	<b>242</b>	<b>242</b>	<b>225</b>

**Source: District Personnel Records**

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

Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil	Percentage Change	Teaching Staff <sup>b</sup>	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary School	Middle School	High School				
2014	431	21,763,500	50,495	2.86%	69	6:1	6:1	6:5:1	431	389	-0.67%	90.12%
2015	406	21,727,341	53,516	5.98%	69	6:1	6:1	6:5:1	406	381	-5.80%	93.84%
2016	390	20,508,259	52,585	-1.74%	59	6:1	6:1	6:5:1	387	348	-4.68%	89.92%
2017	371	19,986,205	53,871	2.45%	62	6:1	6:1	6:5:1	365	329	-5.68%	90.14%
2018	345	23,825,006	69,058	28.19%	53	6:1	6:1	6:5:1	348	308	-4.66%	88.51%
2019	309	19,511,102	63,143	-8.57%	52	6:1	6:1	6:5:1	320	282	-8.05%	88.13%
2020	322	19,070,537	59,225	-6.20%	49	6:1	6:1	7:1	321	297	0.31%	92.52%
2021	309	18,633,984	60,304	1.82%	46	6:1	6:1	7:1	309	259	-3.74%	83.82%
2022	282	18,212,098	64,582	7.09%	46	6:1	6:1	7:1	282	243	-8.74%	86.17%
2023	298	18,009,292	60,434	-6.42%	42	6:1	6:1	7:1	313	267	10.99%	85.30%

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***

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>District Building</b>										
<b>Main Campus - Mays Landing (2003)</b>										
Square Feet	177,000	177,000	177,000	177,000	177,000	177,000	177,000	177,000	177,000	177,000
Capacity (students)	508	508	508	508	508	508	508	508	508	508
Enrollment	431	406	390	371	345	345	322	309	309	298
<b>Other Facilities</b>										
Transportation - Mays Landing										
Square Feet	5,700	5,700	5,700	5,700	5,700	5,700	5,700	5,700	5,700	5,700

Number of Schools at June 30, 2023  
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)	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Mays Landing Campus	N/A	\$ 505,674	561,435	444,857	508,468	381,405	473,708	453,382	481,470	427,027	465,837
<b>Grand Total</b>		<b>\$ 505,674</b>	<b>561,435</b>	<b>444,857</b>	<b>508,468</b>	<b>381,405</b>	<b>473,708</b>	<b>453,382</b>	<b>481,470</b>	<b>427,027</b>	<b>465,837</b>

**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	122,054,135	5,000
Extra Expense	50,000,000	
Loss of Rents	82,700	
Loss of Business Income/Tuition	41,546,053	
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.

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

## **Single Audit Section**

{THIS PAGE IS INTENTIONALLY LEFT BLANK}





# FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

1535 HAVEN AVENUE • OCEAN CITY, NJ • 08226

PHONE 609.399.6333 • FAX 609.399.3710

www.ford-scott.com

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, 2023, 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 January 8, 2024.

## **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

January 8, 2024



# FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

1535 HAVEN AVENUE • OCEAN CITY, NJ • 08226

PHONE 609.399.6333 • FAX 609.399.3710

www.ford-scott.com

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

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

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

We have audited the Atlantic County Special Services School District (a component unit of the County of Atlantic)'s compliance with the types of compliance requirements described in the Uniform Guidance and NJ OMB 15-08 that could have a direct and material effect on each of the Atlantic County Special Services School District (a component unit of the County of Atlantic)'s major state programs for the year ended June 30, 2023. The Atlantic County Special Services School District (a component unit of the County of Atlantic)'s major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### ***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state programs.

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

Our responsibility is to express an opinion on compliance for each of the Atlantic County Special Services School District (a component unit of the County of Atlantic)'s major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Uniform Guidance, New Jersey Circular 15-08 *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards and Circulars require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Atlantic County Special Services School District (a component unit of the County of Atlantic)'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of the Atlantic County Special Services School District (a component unit of the County of Atlantic)'s compliance.

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

In our opinion, the Atlantic County Special Services School District (a component unit of the County of Atlantic) complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2023.

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

Management of the Atlantic County Special Services School District (a component unit of the County of Atlantic) is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Atlantic County Special Services School District (a component unit of the County of Atlantic)'s internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with Uniform Guidance and NJ OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Atlantic County Special Services School District (a component unit of the County of Atlantic)'s internal control over compliance.

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

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

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

Very truly yours,

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

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

January 8, 2024



**ATLANTIC COUNTY SPECIAL SERVICES SCHOOL DISTRICT**  
 (A Component Unit of the County of Atlantic)  
 Schedule of Expenditures of State Financial Assistance  
 For the Fiscal Year Ended June 30, 2023

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2022			Balance at June 30, 2023			MEMO		
				Deferred Revenue (Accts Receivable)	Due to Grantor	Cash Received	Budgetary Expenditures	(Accounts Receivable)	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
<b>State Department of Educator</b>												
General Fund:												
Alyssa's Law Security Compliance Grant	N/A	7/1/21-6/30/22	20,000	(20,000)	-	20,000	-	-	-	-	-	-
Reimbursed TPAF Social Security Contributions	21-495-034-5095-003	7/1/21-6/30/22	461,764	(21,276)	21,276	429,084	(451,078)	(21,994)	-	-	-	461,764
Reimbursed TPAF Social Security Contributions On-Behalf Teachers' Pension and Annuity Fund	22-495-034-5095-003	7/1/22-6/30/23	451,078	-	429,084	-	(451,078)	-	-	-	-	451,078
On Behalf Teachers' Pension and Annuity Fund - Post Retirement Medical	22-495-034-5094-002	7/1/22-6/30/23	2,497,520	-	2,497,520	-	(2,497,520)	-	-	-	-	2,497,520
On-Behalf Teachers' Pension & Annuity Fund - Non-contributory Insurance	22-495-034-5094-001	7/1/22-6/30/23	656,092	-	656,092	-	(656,092)	-	-	-	-	656,092
	22-495-034-5094-004	7/1/22-6/30/23	580	-	580	-	(580)	-	-	-	-	580
Total General Fund			7,101	(41,276)	3,624,552	-	(3,605,270)	(21,994)	-	-	-	4,067,034
<b>School Development Authority</b>												
Special Revenue Fund:			7,101	-	7,101	-	(7,101)	-	-	-	-	7,101
SDA Emergent Needs and Capital Maint. In School Dis	N/A	7/1/22-6/30/23	7,101	-	7,101	-	(7,101)	-	-	-	-	7,101
Total General Fund			7,101	-	7,101	-	(7,101)	-	-	-	-	7,101
<b>State Department of Agriculture</b>												
Enterprise Fund:												
National School Breakfast Program (State Share)	23-100-010-3350-023	7/1/22-6/30/23	1,291	-	1,201	-	(1,291)	(90)	-	-	-	1,291
National School Lunch Program (State Share)	22-100-010-3350-023	7/1/22-6/30/23	4,840	-	4,584	-	(4,840)	(276)	-	-	-	4,840
National School Lunch Program (State Share)	22-100-010-3350-023	7/1/21-6/30/22	3,685	(302)	302	-	-	-	-	-	-	3,685
				(302)	6,087	-	(6,131)	(366)	-	-	-	9,816
Total State Financial Assistance			9,816	(41,578)	9,637,720	-	(9,616,502)	(22,360)	-	-	-	4,083,951
Less: On-Behalf TPAF Pension Contributions:												
					(3,154,192)							
					(464,310)							

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, 2023**

**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 and (\$56,607) for the special revenue 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, 2023**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Food Service Fund</u>	<u>Total</u>
<b>Federal Assistance:</b>				
Actual amounts (budgetary) "revenues" from the Schedule of Expenditures of Federal Awards	\$ 263,369	87,610	281,644	632,623
Difference - budget to "GAAP" Grant accounting budgetary basis differs from "GAAP" in that encumbrances are recognized as expenditures, and the related revenue is recognized.		(56,607)		(56,607)
Total Federal revenue as reported on the statement of revenue, expenditures, and changes in fund balance	<u>\$ 263,369</u>	<u>31,003</u>	<u>281,644</u>	<u>576,016</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, 2023. 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, 2023.

**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, 2023**

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, 2023**

*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>
23-495-034-5095-002	Reimbursed TPAF Social Security Contributions
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

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, 2023**

***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