

**ATLANTIC COUNTY
SPECIAL SERVICES
SCHOOL DISTRICT
BOARD OF EDUCATION**

(a component unit of the County of Atlantic)

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

June 30, 2023

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

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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

Report of Independent Auditors

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

We have audited, in accordance with generally accepted audit standards and Government Auditing Standards issued by the Comptroller General of the United States, the basic financial statements of the Board of Education of the Atlantic County Special Services School District (a component unit of the County of Atlantic) in the County of Atlantic for the year ended June 30, 2023, and have issued our report thereon dated January 8, 2024.

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

This report is intended solely for the information of the Atlantic County Special Services School District Board of Education's management and the New Jersey Department of Education. However, this report is a matter of public record and its distribution is not limited.

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

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ADMINISTRATIVE FINDINGS - FINANCIAL COMPLIANCE AND PERFORMANCE

Scope of Audit

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

Administrative Practices and Procedures

Insurance

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

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

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Nicholas Brown	School Business Administrator	\$75,000

P.L. 2020, c.44

Our audit included an inquiry and subsequent review of health benefit data required per N.J.S.A. 18A:16-13.3 (Chapter 44) submitted for the year on audit. The Chapter 44 summary report was reviewed for reasonableness and timeliness.

Tuition Charges

A comparison of tentative tuition charges and actual certified tuition charges was made. The actual costs were less than estimated costs. The Board made a proper adjustment to the billings to sending districts for the decrease in per pupil costs in accordance with NJAC 6A:23A-17.1(f)3.

Financial Planning, Accounting and Reporting

Examination of Claims

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

Payroll Account

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

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

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

Payrolls were delivered to the secretary of the board who then deposited with warrants in separate bank accounts for net payroll and withholdings.

Employee Position Control Roster

No inconsistencies were noted between the Position Control Roster and the payroll records, employee benefit records, and the general ledger accounts to where wages are posted.

Reserve for Encumbrances and Accounts Payable

A review of outstanding issued purchase orders was made as of June 30 for proper classification of orders as reserve for encumbrances and accounts payable.

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with NJAC 6A:23A-16.2(f) as part of our test of transactions of randomly selected expenditure items. We also reviewed the coding of all expenditures included in our compliance and single audit testing procedures. In addition to randomly selecting a test sample, our sample selection specifically targeted administrative coding classifications to determine overall reliability and compliance with NJAC 6A:23A-8.3. As a result of the procedures performed, a transaction error rate of 0.00% was noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

A. General Classification Findings

None

B. Administrative Classification Findings

None

Board Secretary's Records

The records of the Board Secretary were in satisfactory condition.

Other Special Federal and/or State Projects

The district's Special Projects were approved as listed on Exhibit K-3 and Exhibit K-4 located in the CAFR.

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

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

The study of compliance for Special Federal and/or State Projects indicated no areas of noncompliance and/or questionable costs.

T.P.A.F. Reimbursement

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

TPAF Reimbursement to the State for Federal Salary Expenditures

No salaries were charged to federal programs; therefore; no reimbursement was required.

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

Effective July 1, 2010 and thereafter the bid thresholds in accordance with N.J.S.A. 18A:18A-2 and 18A:18A-3(a) are \$44,000 (with a Qualified Purchasing Agent) and \$32,000 (without a Qualified Purchasing Agent), respectively. Avalon Board of Education has a Qualified Purchasing Agent therefore the bid threshold was \$44,000 for fiscal year 2022. The law regulating bidding for public school student transportation contract under N.J.S.A. 18A:39-3 is currently \$20,200.

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

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

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

School Food Service

Public Health Emergency

SFAs were authorized to solicit and award emergency noncompetitive procurements and contracts with Food Service Management Companies in accordance with 2 CFR 200.320 and N.J.S.A.18A:18A-7. The SFAs were also authorized to submit contract modifications to their existing Cost Reimbursable or Fixed Price contracts as necessary to ensure the feeding of all children throughout the age of 18, as well as persons over 18 with disabilities as defined in the regulations.

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

The school food service program was not selected as a major federal and//or State program. However, the program expenditures exceeded\$100,000 in Federal and/or State Support. Accordingly, we inquired of school management, or appropriate school food service personnel, as to whether the School Food Authority (SFA) had any Child Nutrition Program reimbursement overclaims or underclaims. No exceptions were noted.

We also inquired of school management, or appropriate food service personnel, as to whether the SFA's expenditures of school food service revenues were limited to allowable direct and indirect costs. No exceptions were noted.

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

We inquired of management about the public health emergency procedures/practices that the SFA instituted to provide meals to all students, maintenance of all applicable production records; meal counts; noncompetitive procurements; modifications of existing contracts and applicable financial records to

document the specific costs applicable to the emergency operations. We also inquired if the FSMC received a loan in accordance with the Payroll Protection Plan and whether the funds were used to pay for costs applicable to the Food Service Programs. We also inquired if the PPP loan was subsequently forgiven and the FSMC refunded or credited the applicable amounts to the SFA.

Student Body Activities

The activities funds are maintained in a satisfactory manner.

Application for State School Aid

Our audit procedures included a test of information reported in the October 15, 2022 Application for State School Aid (A.S.S.A) for on-roll, private schools for the handicapped, low-income and bilingual. We also performed a review of the district procedures related to its completion. The information on the A.S.S.A. was compared to the district workpapers without exception. The information that was included on the workpapers was verified without exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

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

The district written procedures appear to be adequate for the recording of student enrollment data.

Pupil Transportation

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

Testing for Lead of All Drinking Water in Educational Facilities

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

The school district submitted the annual Statement of Assurance to the Department of Education, pursuant to N.J.A.C. 6A:26-12.4(g).

Follow-up on Prior Years' Findings

In accordance with government auditing standards, our procedures included a review of all prior year recommendations including findings. No findings were identified in the prior year.

Acknowledgment

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

ATLANTIC COUNTY SPECIAL SERVICES SCHOOL DISTRICT
 APPLICATION FOR STATE SCHOOL AID SUMMARY
 ENROLLMENT AS OF OCTOBER 15, 2022

	2023-2024 Application for State School Aid (10/15/22 data)				Sample for Verification							
	Reported on A.S.S.A. on Roll		Workpapers on Roll		Errors		Sample Selected from Workpapers		Verified per Registers on Roll		Errors per Registers on Roll	
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared
Pre-K Half Day	-	-	-	-	-	-	-	-	-	-	-	-
Half Day Kindergarten	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Kindergarten	-	-	-	-	-	-	-	-	-	-	-	-
One	-	-	-	-	-	-	-	-	-	-	-	-
Two	-	-	-	-	-	-	-	-	-	-	-	-
Three	-	-	-	-	-	-	-	-	-	-	-	-
Four	-	-	-	-	-	-	-	-	-	-	-	-
Five	-	-	-	-	-	-	-	-	-	-	-	-
Six	-	-	-	-	-	-	-	-	-	-	-	-
Seven	-	-	-	-	-	-	-	-	-	-	-	-
Eight	-	-	-	-	-	-	-	-	-	-	-	-
Nine	-	-	-	-	-	-	-	-	-	-	-	-
Ten	-	-	-	-	-	-	-	-	-	-	-	-
Eleven	-	-	-	-	-	-	-	-	-	-	-	-
Twelve	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-	-	-	-	-	-
Special Ed Elementary	113	-	113	-	-	-	59	-	59	-	-	-
Special Ed Middle School	58	-	58	-	-	-	30	-	30	-	-	-
Special Ed High School	127	-	127	-	-	-	66	-	66	-	-	-
Subtotal	298	-	298	-	-	-	155	-	155	-	-	-
Totals	298	-	298	-	-	-	155	-	155	-	-	-
Percentage					0.00%					0.00%		0.00%

ATLANTIC COUNTY SPECIAL SERVICES SCHOOL DISTRICT
 APPLICATION FOR STATE SCHOOL AID SUMMARY
 ENROLLMENT AS OF OCTOBER 15, 2022

	Private Schools for Disabled			Resident Low Income			Sample for Verification			Resident LEP Low Income			
	Reported on ASSA as Private Schools	Sample for Verification	Sample Verified	Sample Errors	Reported on ASSA as Low Income	Reported on Workpapers as Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors	Reported on ASSA as LEP Low Income	Reported on Workpapers as LEP Low Income	Errors
Pre-K Half Day	-	-	-	-	-	-	-	-	-	-	-	-	-
Half Day Kindergarten	-	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Kindergarten	-	-	-	-	-	-	-	-	-	-	-	-	-
One	-	-	-	-	-	-	-	-	-	-	-	-	-
Two	-	-	-	-	-	-	-	-	-	-	-	-	-
Three	-	-	-	-	-	-	-	-	-	-	-	-	-
Four	-	-	-	-	-	-	-	-	-	-	-	-	-
Five	-	-	-	-	-	-	-	-	-	-	-	-	-
Six	-	-	-	-	-	-	-	-	-	-	-	-	-
Seven	-	-	-	-	-	-	-	-	-	-	-	-	-
Eight	-	-	-	-	-	-	-	-	-	-	-	-	-
Nine	-	-	-	-	-	-	-	-	-	-	-	-	-
Ten	-	-	-	-	-	-	-	-	-	-	-	-	-
Eleven	-	-	-	-	-	-	-	-	-	-	-	-	-
Twelve	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-	-	-	-	-	-	-
Special Ed Elementary	-	-	-	-	70	70	-	49	49	-	-	-	-
Special Ed Middle School	-	-	-	-	41	41	-	29	29	-	-	-	-
Special Ed High School	-	-	-	-	68	68	-	47	47	-	-	-	-
Subtotal	-	-	-	-	179	179	-	125	125	-	-	-	-
Co. Voc. - Regular	-	-	-	-	179	179	-	125	125	-	-	-	-
Totals	-	-	-	-	179	179	-	125	125	-	-	-	-
Percentage Error													0.00%

ATLANTIC COUNTY SPECIAL SERVICES SCHOOLS DISTRICT
 APPLICATION FOR STATE SCHOOL AID SUMMARY
 ENROLLMENT AS OF OCTOBER 15, 2022

	Sample for Verification		Resident LEP Not Low Income		Sample for Verification													
	Sample Selected from Workpapers	Verified to Test Score, Application & Register	Reported on ASOA as LEP Low Income	Reported on ASOA as LEP Low Income	Sample Selected from Workpapers	Verified to Test Score and Register												
Pre-K Half Day	-	-	-	-	-	-												
Half Day Kindergarten	-	-	-	-	-	-												
Full Day Kindergarten	-	-	-	-	-	-												
One	-	-	-	-	-	-												
Two	-	-	-	-	-	-												
Three	-	-	-	-	-	-												
Four	-	-	-	-	-	-												
Five	-	-	-	-	-	-												
Six	-	-	-	-	-	-												
Seven	-	-	-	-	-	-												
Eight	-	-	-	-	-	-												
Nine	-	-	-	-	-	-												
Ten	-	-	-	-	-	-												
Eleven	-	-	-	-	-	-												
Twelve	-	-	-	-	-	-												
Subtotal	-	-	-	-	-	-												
Special Ed Elementary	-	-	-	-	-	-												
Special Ed Middle School	-	-	-	-	-	-												
Special Ed High School	-	-	-	-	-	-												
Subtotal	-	-	-	-	-	-												
Totals	-	-	-	-	-	-												
Percentage Error	0.00%				0.00%													
Transportation																		
	Reported on DRTS by DOE/county	Reported on DRTS by District	Tested	Verified	Errors	Errors												
Reg - Public Schools	-	-	-	-	-	-												
Transported - Non-Public	-	-	-	-	-	-												
Non-Public AIL	-	-	-	-	-	-												
Regular Special Ed	-	-	-	-	-	-												
Special Ed Special Needs	-	-	-	-	-	-												
Totals	-	-	-	-	-	-												
Percentage Error	0.00%				0.00%													
<table border="0"> <tr> <td></td> <td>Reported</td> <td>Re-Calculated</td> </tr> <tr> <td>Avg. Mileage-Regular including Grade PK studen</td> <td>0.0</td> <td>0.0</td> </tr> <tr> <td>Avg. Mileage-Regular excluding Grade PK studer</td> <td>0.0</td> <td>0.0</td> </tr> <tr> <td>Avg. Mileage-Special Ed with Special Needs</td> <td>0.0</td> <td>0.0</td> </tr> </table>								Reported	Re-Calculated	Avg. Mileage-Regular including Grade PK studen	0.0	0.0	Avg. Mileage-Regular excluding Grade PK studer	0.0	0.0	Avg. Mileage-Special Ed with Special Needs	0.0	0.0
	Reported	Re-Calculated																
Avg. Mileage-Regular including Grade PK studen	0.0	0.0																
Avg. Mileage-Regular excluding Grade PK studer	0.0	0.0																
Avg. Mileage-Special Ed with Special Needs	0.0	0.0																

AUDIT RECOMMENDATIONS SUMMARY
For the Fiscal Year Ended June 30, 2023
ATLANTIC COUNTY SPECIAL SERVICES SCHOOL DISTRICT

RECOMMENDATIONS:

1. Administrative Practices and Procedures

None

2. Financial Planning, Accounting and Reporting

None

3. School Purchasing Program

None

4. School Food Service

None

5. Student Body Activities

None

6. Application for State School Aid

None

7. Pupil Transportation

None

8. Miscellaneous

None

9. Status of Prior Year Audit Findings/Recommendations

There were no prior year findings noted, therefore no corrective action necessary.