

**SCHOOL DISTRICT  
OF**

**ATLANTIC CITY**

**Auditor's Management Report  
For the Fiscal Year Ended June 30, 2017**

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

	<u>Page Number</u>
Independent Auditor's Report	1
Scope of Audit	2
Administrative Practices and Procedures	
Insurance	2
Official Bonds	2
Tuition Charges	2
Financial Planning, Accounting and Reporting	
Examination of Claims	2
Payroll Account	2
Reserve for Encumbrances and Accounts Payable	2
Classification of Expenditures	3
Business Administrator / Board Secretary's Records	3
Treasurer's Records	3
Elementary and Secondary Education Act	4
Other Special Federal and /or State Projects	4
TPAF Reimbursement	4
School Purchasing Programs	
Contracts and Agreements Requiring Advertisement for Bids	4
School Food Service	5
Student Body Activities	5
Application for State School Aid	6
Pupil Transportation	6
Facilities and Capital Assets	6
Follow Up on Prior Year Findings	6
Acknowledgment	6
Schedule of Meal Count Activity	7
Schedule of Net Cash Resources	8
Schedule of Audited Enrollments	9-11
Excess Surplus Calculation	12-13



# FORD - SCOTT

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## REPORT OF INDEPENDENT AUDITORS

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

We have audited, in accordance with audit standards generally accepted in the United States of America and Government Auditing Standards issued by the Comptroller General of the United States, the basic financial statements of the Board of Education of the Atlantic City School District in the County of Atlantic for the year ended June 30, 2017, and have issued our report thereon dated October 28, 2017.

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

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

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

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

*Michael S. Garcia*

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

October 28, 2017

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

**Scope of Audit**

The audit covered the financial transactions of the Board Secretary/School Business Administrator and the Treasurer of School Monies, 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>
Angie Brown	Board Secretary	\$ 75,000.00
Celeste Ricketts	Business Administrator	225,000.00
Joanne M. Shepherd	Treasurer	600,000.00

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

**Tuition Charges**

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

**Financial Planning, Accounting and Reporting**

**Examination of Claims**

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

**Payroll Account**

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

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

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

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

### **Classification of Expenditures**

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 6A:23-2.2(f) as part of our test of transactions of randomly selected expenditure items. We also reviewed the coding of all expenditures included in our compliance and single audit testing procedures. In addition to randomly selecting a test sample, our sample selection targeted administrative coding classifications to determine overall reliability and compliance with N.J.A.C. 6A:23A-2.4. As a result of the procedures performed, a transaction error rate of 0.00% was noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

- A. *General Classification Findings*
- B. *Administrative Classification Findings*

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

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

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

The Board Secretary's Records were in satisfactory condition.

Bids received were summarized in the minutes.

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

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

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

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

### **Treasurer's Records**

The Board Treasurer's Records were in satisfactory condition.

All required reconciliations were performed.

All cash receipts were promptly deposited.

The Treasurers Records were in agreement with the Board Secretary.

### **Pupil Transportation**

Our audit procedures included a test of on roll status reported in the 2016-17 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report without exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

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

**Elementary and Secondary Education Act of 1965 (E.S.E.A.) / Improving America's Schools Act (IASA) as reauthorized by the No Child Left Behind Act of 2001.**

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

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

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

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

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

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

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

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

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

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

The reimbursement to the State for the amount of the expenditure charged to the current year's Final Reports for all federal awards for the school district to reimburse the State for the TPAF/FICA payments made by the State on-behalf of the school district for those employees whose salaries are identified as being paid from federal funds was made subsequent to the end of the 90-day grant liquidation period, but prior to the 90 days required by N.J.S.A. 18A:66-90. Accordingly, the expenditure was made in accordance with State law (90 days) and properly reported as obligated and not expended and as an unliquidated balance in the current year's Final Reports for all federal awards.

**School Purchasing Programs**

**Contracts and Agreements Requiring Advertisement for Bids**

The bid Thresholds in accordance with N.J.S.A. 18A:18A-2 and 18A:18A-3(a) are \$40,000 (with a Qualified Purchasing Agent) and \$29,000 (without a Qualified Purchasing Agent), respectively. The law regulating bidding for public school student transportation contracts under N.J.S.A. 18A:39-3 is \$18,800 for 2016-2017.

The district 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.

The results of my examination indicated that no 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**

The financial transactions and statistical records of the school food service fund were reviewed. The financial accounts, meal count records and eligibility applications were reviewed on a test-check basis. Cash receipts and bank records were reviewed for timely deposit.

The district utilizes a food service management company (Sodexo Inc.) and is depositing and expending program monies in accordance with N.J.S.A. 18A:17-34, and 19-1 through 19-4.1. Provisions of the Sodexo contract were reviewed and audited.

The Sodexo contract includes an operating results provision which guarantees that the food service program will return a profit of at least \$100,000.00. The operating results provision has been met.

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

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

Net cash resources did not exceed three months average expenditures.

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

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

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

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

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

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

## **Student Body Activities**

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

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

Our audit procedures included a test of information reported in the October 15, 2016 Application for State School Aid (ASSA) for on-roll, private schools for the handicapped, low income and bilingual. We also performed a review of the districts procedures related to its completion. The information on the ASSA was compared to the district workpapers without exception. The information that was included on the workpapers was verified without exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

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

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

### **Facilities and Capital Assets**

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

### **Follow-Up on Prior Year Findings**

In accordance with government auditing standards, our procedures included a review of any prior year recommendation. Corrective Action has been taken on the one prior year finding.

### **Acknowledgment**

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

Respectfully submitted,

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

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

*Michael S. Garcia*

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**October 28, 2017**



**SCHEDULE OF MEAL COUNT ACTIVITY**  
**CITY OF ATLANTIC CITY SCHOOL DISTRICT**  
**FOOD SERVICE FUND**  
**NUMBER OF MEALS SERVED AND (OVER)/UNDERCLAIM**  
**ENTERPRISE FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

<u>Program</u>	<u>Meal Category</u>	<u>Meals Claimed</u>	<u>Meals Verified</u>	<u>Diff.</u>	<u>Rate</u>	<u>(Over) Under Claim</u>
National School Lunch (Regular Rate)	Paid	35,792	35,792	-	0.3800	\$ -
	Reduced	26,181	26,181	-	2.8400	-
	Free	921,463	921,463	-	3.2400	-
Total		<u>983,436</u>	<u>983,436</u>	<u>-</u>		<u>\$ -</u>
School Breakfast Program (Severe Rate)	Paid	74,551	74,551	-	0.2900	\$ -
	Reduced	27,946	27,946	-	1.7400	-
	Free	882,947	882,947	-	2.0400	-
Total		<u>985,444</u>	<u>985,444</u>	<u>-</u>		<u>\$ -</u>
Dinner (Regular Rate)	Paid	-	-	-		\$ -
	Reduced	-	-	-		-
	Free	112,934	112,934	-	3.3900	-
Total		<u>112,934</u>	<u>112,934</u>	<u>-</u>		<u>\$ -</u>
TOTAL NET (OVER)/UNDER CLAIM						<u>\$ -</u>

# NET CASH RESOURCE SCHEDULE

**Net cash resources DID NOT exceed three months of expenditures  
Proprietary Funds - Food Service  
FYE 2017**

<u>Net Cash Resources:</u>		Food Service B - 4/5	
<b>CAFR</b>	*	<b>Current Assets</b>	
B-4		Cash & Cash Equiv.	-
B-4		Due from Other Gov'ts	-
B-4		Accounts Receivable	982,236.65
B-4		Investments	-
<b>CAFR</b>		<b>Current Liabilities</b>	
B-4		Less Accounts Payable	-
B-4		Less Accruals	-
B-4		Less Due to Other Funds	(187,871.01)
B-4		Less Deferred Revenue	-
		<b>Net Cash Resources</b>	<b><u>794,365.64</u></b> (A)

**Net Adj. Total Operating Expense:**

B-5	Tot. Operating Exp.	5,842,256.92	
B-5	Less Depreciation	<u>(76,761.00)</u>	
	Adj. Tot. Oper. Exp.	<b><u>5,765,495.92</u></b>	(B)

**Average Monthly Operating Expense:**

B / 10 **576,549.59** (C)

**Three times monthly Average:**

3 X C **1,729,648.78** (D)

TOTAL IN BOX A	\$	794,365.64
LESS TOTAL IN BOX D	\$	1,729,648.78
NET	\$	<b><u>(935,283.14)</u></b>

From above:

**A is greater than D, cash exceeds 3 X average monthly operating expenses.  
D is greater than A, cash does not exceed 3 X average monthly operating expenses.**

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

SOURCE - USDA resource management comprehensive review form

ATLANTIC CITY SCHOOL DISTRICT  
 SCHEDULE OF AUDITED ENROLLMENTS  
 APPLICATION FOR STATE SCHOOL AID SUMMARY  
 ENROLLMENT AS OF OCTOBER 15, 2016

	2017-2018 Application for State School Aid						Sample for Verification						Private Schools for Disabled									
	Reported on A.S.S.A. On Roll		Workpapers		Errors		Selected from Workpapers		Registers On Roll		Registers On Roll		Reported on Private Schools		Reported on workpapers		Sample for Verification		Sample Errors			
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared		
Half Day Preschool	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Full Day Preschool	466	-	466	-	-	-	21	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Half Day Kindergarten	519	-	519	-	-	-	24	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Full Day Kindergarten	508	-	508	-	-	-	23	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
One	482	-	482	-	-	-	22	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Two	481	-	481	-	-	-	21	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Three	455	-	455	-	-	-	20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Four	450	-	450	-	-	-	20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Five	418	-	418	-	-	-	19	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Six	420	-	420	-	-	-	19	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Seven	400	-	400	-	-	-	18	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Eight	453	-	453	-	-	-	20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Nine	405	-	405	-	-	-	18	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Ten	373	-	373	-	-	-	17	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Eleven	313	-	313	-	-	-	14	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Twelve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Post-Graduate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Adult H.S. (15+CR.)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Adult H.S. (1-14+CR.)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Subtotal	6,143	-	6,143	-	-	-	276	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Special Ed - Elementary	323	-	323	-	-	-	14	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Special Ed - Middle School	209	-	209	-	-	-	9	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Special Ed - High School	311	-	311	-	-	-	14	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Subtotal	843	-	843	-	-	-	37	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Co. Voc. - Regular	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Co. Voc. - FT Post Sec.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Totals	6,986	-	6,986	-	-	-	313	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Percentage Error							0.00%															0.00%

**ATLANTIC CITY SCHOOL DISTRICT  
SCHEDULE OF AUDITED ENROLLMENTS  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 15, 2016**

	Resident Low Income			Sample for Verification			Resident LEP Low Income			Sample for Verification		
	Reported on A.S.S.A as Low Income	Reported on Workpapers as Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors	Reported on A.S.S.A as LEP Low Income	Reported on Workpapers LEP Low Income	Errors	Sample Selected from Workpapers	Verified to Test Score and Register	Sample Errors
Half Day Preschool	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Preschool	-	-	-	-	-	-	-	-	-	-	-	-
Half Day Kindergarten	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Kindergarten	513.0	513.0	-	28	28	-	208	208	-	55	55	-
One	511.0	511.0	-	28	28	-	180	180	-	48	48	-
Two	482.0	482.0	-	26	26	-	141	141	-	37	37	-
Three	474.0	474.0	-	26	26	-	112	112	-	30	30	-
Four	451.0	451.0	-	25	25	-	34	34	-	9	9	-
Five	423.0	423.0	-	23	23	-	16	16	-	4	4	-
Six	362.0	362.0	-	20	20	-	25	25	-	7	7	-
Seven	359.0	359.0	-	20	20	-	20	20	-	4	4	-
Eight	361.0	361.0	-	20	20	-	14	14	-	4	4	-
Nine	321.0	321.0	-	17	17	-	39	39	-	10	10	-
Ten	268.0	268.0	-	15	15	-	24	24	-	6	6	-
Eleven	212.0	212.0	-	12	12	-	21	21	-	6	6	-
Twelve	182.0	182.0	-	11	11	-	20	20	-	5	5	-
Post-Graduate	-	-	-	-	-	-	-	-	-	-	-	-
Adult H.S. (15+CR.)	-	-	-	-	-	-	-	-	-	-	-	-
Adult H.S. (1-14+CR.)	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	4,919.0	4,919.0	-	271	271	-	854	854	-	225	225	-
Special Ed - Elementary	346.0	346.0	-	17	17	-	21	21	-	6	6	-
Special Ed - Middle School	202.0	202.0	-	11	11	-	2	2	-	1	1	-
Special Ed - High School	257.0	257.0	-	13	13	-	-	-	-	-	-	-
Subtotal	805.0	805.0	-	41	41	-	23	23	-	7	7	-
Totals	5,724.0	5,724.0	0.00%	312	312	0.00%	877	877	0.00%	232	232	0.00%

	Transportation			Sample for Verification			Resident LEP Low Income			Sample for Verification		
	Reported on DRTS by DOE/County	Reported on DRTS by District	Errors	Sample Tested	Verified to Register	Sample Errors	Reported on A.S.S.A as LEP Low Income	Reported on Workpapers LEP Low Income	Errors	Sample Selected from Workpapers	Verified to Test Score and Register	Sample Errors
Reg. - Public Schools, col. 1	2,055	2,055	-	218	218	-	-	-	-	-	-	-
Reg. - Sp Ed, col. 4	146	146	-	23	23	-	-	-	-	-	-	-
Transported - Non-Public, col. 3	38	38	-	6	6	-	-	-	-	-	-	-
Transported - Non-Public, AIL	24	24	-	4	4	-	-	-	-	-	-	-
Special Ed Special Needs, col. 6	128	128	-	21	21	-	-	-	-	-	-	-
Totals	2,391	2,391	-	272	272	-	-	-	-	-	-	-
Percentage Error			0.00%						0.00%			0.00%

(from dirts)  
Reported 7.4  
Recalculated 7.4

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

Percentage Error  
0.00%

**ATLANTIC CITY SCHOOL DISTRICT**  
**SCHEDULE OF AUDITED ENROLLMENTS**  
**APPLICATION FOR STATE SCHOOL AID SUMMARY**  
**ENROLLMENT AS OF OCTOBER 15, 2016**

	Resident LEP NOT Low Income		Sample for Verification			
	Reported on A.S.S.A as LEP Not Low Income	Reported on Workpapers LEP Not Low Income	Errors	Sample Selected from Workpapers	Verified to Test Score and Register	Sample Errors
Half Day Preschool	-	-	-	-	-	-
Full Day Preschool	-	-	-	-	-	-
Half Day Kindergarten	-	-	-	-	-	-
Full Day Kindergarten	18	18	-	12	12	-
One	15	15	-	10	10	-
Two	14	14	-	10	10	-
Three	8	8	-	5	5	-
Four	4	4	-	3	3	-
Five	6	6	-	4	4	-
Six	6	6	-	4	4	-
Seven	7	7	-	5	5	-
Eight	-	-	-	-	-	-
Nine	19	19	-	13	13	-
Ten	3	3	-	2	2	-
Eleven	6	6	-	4	4	-
Twelve	10	10	-	7	7	-
Post-Graduate	-	-	-	-	-	-
Adult H.S. (15+CR.)	-	-	-	-	-	-
Adult H.S. (1-14+CR.)	-	-	-	-	-	-
Subtotal	116	116	-	79	79	-
Special Ed - Elementary	1	1	-	1	1	-
Special Ed - Middle School	-	-	-	-	-	-
Special Ed - High School	1	1	-	1	1	-
Subtotal	2	2	-	2	2	-
Co. Voc. - Regular	-	-	-	-	-	-
Co. Voc. - FT Post Sec.	-	-	-	-	-	-
Totals	118	118	-	81	81	-
Percentage Error			0.00%			0.00%

**CITY OF ATLANTIC CITY SCHOOL DISTRICT  
EXCESS SURPLUS CALCULATION  
FOR THE YEAR ENDED JUNE 30, 2017**

**REGULAR DISTRICT**

**SECTION 1**

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

2016-17 Total General Fund Expenditures per the CAFR, Ex. C-1	\$ 149,344,202.77 (B)
Increased by:	
Transfer from Capital Outlay to Capital Projects Fund	\$ - (B1a)
Transfer from Capital Reserve to Capital Projects Fund	\$ - (B1b)
Transfer from General Fund to SRF for PreK-Regular	\$ - (B1c)
Transfer from General Fund to SRF for PreK-Inclusion	\$ - (B1d)
Decreased By:	
On-Behalf TPAF Pension & Social Security	\$ 18,543,253.02 (B2a)
Assets Acquired Under Capital Leases	\$ - (B2b)
Adjusted 2016-17 General Fund Expenditures [(B)+(B1's)-(B2's)]	\$ 130,800,949.75 (B3)
2% of Adjusted 2016-17 General Fund Expenditures [(B3) times .02]	\$ 2,616,019.00 (B4)
Enter Greater of (B4) or \$250,000	\$ 2,616,019.00 (B5)
Increased by: Allowable Adjustment*	\$ 428,750.00 (K)
Maximum Unreserved/Undesignated Fund Balance [(B5)+(K)]	\$ 3,044,769.00 (M)

**SECTION 2**

Total General Fund - Fund Balances @ 06/30/17 (Per CAFR Budgetary Comparison Schedule C-1)	\$ 28,779,828.39 (C)
Decreased by:	
Year-end Encumbrances	\$ 66,058.05 (C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	\$ - (C2)
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures **	\$ 2,626,231.02 (C3)
Other Restricted Fund Balances ****	\$ 10,283,657.00 (C4)
Assigned Fund Balance - Unreserved - Designated for Subsequent Year's Expenditures	\$ 2,201,159.98 (C5)
Additional Assigned Fund Balance - Unreserved- Designated for Subsequent Year's Expenditures July 1, 2017 - August 1, 2017	\$ - (C6)
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)-(C6)]	\$ 13,602,722.34 (U1)

**SECTION 3**

Restricted Fund Balance - Excess Surplus *** [(U1)-(M)] IF NEGATIVE ENTER - 0 -	\$ 10,557,953.35 (E)
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**Recapitulation of Excess Surplus as of June 30, 2017:**

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures **	\$ 2,626,231.02 (C3)
Reserved Excess Surplus ***	\$ 10,557,953.35 (E)
Total [(C3) + (E)]	\$ 13,184,184.37 (D)

**CITY OF ATLANTIC CITY SCHOOL DISTRICT  
EXCESS SURPLUS CALCULATION  
FOR THE YEAR ENDED JUNE 30, 2017**

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

**Detail of Allowable Adjustments**

Impact Aid	\$	-	(H)
Sale & Lease-back	\$	-	(I)
Extraordinary Aid	\$	419,809.00	(J1)
Additional Nonpublic School Transportation Aid	\$	8,941.00	(J2)
Current Year School Bus Advertising Revenue Recognized	\$		(J3)
Family Crisis Transportation Aid	\$		(J4)
Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)+(J4)]	\$	428,750.00	(K)

\*\* This amount represents the June 30, 2017 Excess Surplus (C3 above) and must be included in the Audit Summary Worksheet Line 10025.

\*\*\* Amounts must agree to the June 30, 2017 CAFR and the sum of the two lines must agree to Audit Summary Worksheet Line 10024.

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

**Detail of Other Restricted Fund Balance**

Statutory restrictions:

Approved unspent separate proposal	\$	-	
Capital outlay for a district with a capital outlay cap waiver	\$	-	
Sale/lease-back reserve	\$	-	
Capital reserve	\$	5,213,657.00	
Maintenance reserve	\$	2,000,000.00	
Emergency reserve	\$	1,000,000.00	
Tuition reserve	\$	1,795,000.00	
School Bus Advertising 50% Fuel Offset Reserve – current year	\$	-	
School Bus Advertising 50% Fuel Offset Reserve –prior year	\$	-	
Impact Aid General Fund Reserve (Sections 8002 and 8003)	\$	-	
Impact Aid Capital Fund Reserve (Sections 8007 and 8008)	\$	-	
Other state/government mandated reserve	\$	275,000.00	
[Other Restricted Fund Balance not noted above] ****	\$		
Total Other Restricted Fund Balance	\$	10,283,657.00	(C4)