

**SCHOOL DISTRICT
OF
CITY OF VENTNOR**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

of the

City of Ventnor Board of Education

Ventnor, New Jersey

For the Fiscal Year Ended June 30, 2019

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

of the

City of Ventnor Board of Education

Ventnor, New Jersey

For the Fiscal Year Ended June 30, 2019

Prepared by

City of Ventnor Board of Education

Finance Department

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OF THE VENTNOR SCHOOL DISTRICT
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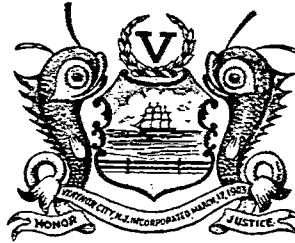
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INTRODUCTORY SECTION

Ventnor Educational Community Complex

Superintendent
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Business Administrator/Board Secretary
TERRI NOWOTNY
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Ventnor City, New Jersey 08406
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November 13, 2019

Members of the Board of Education
City of Ventnor School District
County of Atlantic

Dear Board Members:

The Comprehensive Annual Financial Report of the City of Ventnor School District for the fiscal year ending June 30, 2019, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The Comprehensive Annual 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 the principal officials. The financial section includes the basic financial statements and schedules, management's discussion and analysis, 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 1996 and the U.S. Office of Management and Budget Uniform Guidance and the New Jersey OMB Circular Letter 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments*. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section report.

1) **REPORTING ENTITY AND ITS SERVICES**: The City of Ventnor School District is an independent reporting entity within the criteria set forth in Section 2100 of the *GASB Codification of Governmental Accounting and Financial Reporting Standards*.

All funds of the District are included in this report. The City of Ventnor Board of Education and all its schools constitute the District's reporting entity.

The Ventnor City Public School District operates two schools located on the same land site known as the Ventnor Educational Community Complex. The Elementary School houses grades Pre-Kindergarten through grade four, with Pre-Kindergarten and Kindergarten housed in the Early Childhood Center. The Middle School houses grades five through eight. The district provides a full range of educational services appropriate to grade levels Pre-Kindergarten through eight. These programs include the following: a full-day three and four year old pre-school, full-day kindergarten, state of the art technology opportunities for all children, computer assisted research and services through the Media Center, complete Art and Music curricula, Basic Skills, Gifted and Talented, World Languages study in Spanish, Health and Physical Education including intramurals and interscholastic opportunities, Regular and Special Education Programs, and a variety of community and recreational programs. The district completed the 2018-2019 fiscal year with an enrollment of 669 students. The following details the changes in the student enrollment of the district over the last six years:

<u>Year</u>	<u>Enrollment</u>
2018 - 2019	669
2017 - 2018	665
2016 - 2017	698
2015 - 2016	753
2014 - 2015	778
2013 - 2014	817

2) ECONOMIC CONDITION AND OUTLOOK: The Ventnor City Public School District is located in a downbeach community whose children, in grades PK through eight, constitute the student population of the District. Ventnor is immediately adjacent to Atlantic City and Margate City, approximately 60 miles from Philadelphia. Ventnor's year round (resident) population is a mixed socio-economic group. Geographically, Ventnor is located on an island. It is 1.7 miles in length and approximately three quarters of a mile in width, comprising 2.1 square miles overall. Ventnor is bounded on the northeast by Atlantic City, on the Southwest by Margate City, on the southeast by the Atlantic Ocean, and the northwest by the centerline of the main channel in the Beach Thoroughfare.

A three-person Board of Commissioners, elected at large every four years, governs the city. They govern a city that is almost entirely residential, whose year round population of about 11,500 increases to approximately 28,000 during the summer months. There are various houses of worship, which reflect the diverse population of Ventnor City.

The over-all responsibility for the education of the PK-8 children lies with the District's Board of Education. The Board is a Type I Board of Education comprised of seven members, appointed by the Mayor for a term of three years. The New Jersey Department of Education classifies the Ventnor School District as District Factor B. The District Factor Group is based on socio-economic status.

The original school was built in 1970 with additions/renovations conducted in 1974, 1983, 1997, 2001 and 2010. In 2015, replacement of the emergency generator, boiler, gym HVAC and a section of the roof were completed. Summer 2017 saw replacement of the last major section of roof and three HVAC units with additional HVAC replacements underway in 2018. The City approved a \$9,315,017 bond which covered 2019 parking lot renovations, fire suppression and alarm upgrades, HVAC replacements, canopy panel replacements and repair of building leaks. The bond will also cover future restroom renovations and HVAC replacements.

Upon promotion from grade eight at the Ventnor Complex, students attend Atlantic City High School through a sending-receiving relationship that has existed since the 1920's. The district paid tuition for 205 regular education and for 28 special education students to the high school during the 2018-19 school year at a tuition rate of \$17,060 and \$32,059 per student respectively. A number of additional resident students attend local parochial and public schools including Ocean City and Mainland Regional at both the elementary and high school levels.

A Board of School Estimate works closely with both city and school officials and is responsible for approving the district's budget annually. For the 2019-2020 school year, the district will operate with a budget of \$21,616,656. The district's management team consists of a superintendent, business administrator/board secretary, elementary school principal, middle school principal, and supervisor of special education. The staff team employed by the district consists of 81 full or part-time certified instructional staff, 4 secretaries, 5 clerk typists, 17 full time support staff, and 23 part-time support personnel. The Child Study Team consists of a school social worker, a learning disabilities teacher consultant, a school psychologist, one full-time and one part-time speech therapist, and a part-time occupational therapist.

The Board of Education continues its efforts to increase curricular offerings to meet student needs. Among these offerings are improved math and science instruction delivery systems [STEM lab], up to date curricula (NJ Student Learning Standards), technology programs, language arts, world language programs, gifted and talented programs, and a county recognized music program. Other noteworthy program services to students include guidance services, after school homework club, accelerated reading programs, summer reading programs, peer mediation programs, character education programs, and ESL programs provided on a regular basis during the school year with participation based on student needs.

The school district's student population has consistently decreased in recent years showing its highest enrollment of 1150 students in the 2002-2003 school year. The Board of Education and the Board of School Estimate established a four-phase building program based on enrollment growth at that time. Phase I, completed in 1996, included the renovations of existing space into classrooms and Phase II included a 16,000 square foot addition of eight full-sized classrooms, four small group instruction classrooms, a computer lab, computer network infrastructure and a media center.

Phase III added 16 classrooms including the Early Childhood Center, a new gymnasium, reading room, child study team offices, board office area, music classrooms (instrumental and vocal), renovated kitchen/cafeteria and additional parking. Phase IV added air conditioning and a new roof and windows to the older sections of the building.

Ventnor City and its public school are richly diverse and multi-cultural. At the school site, the minority student population has increased from 9% in 1989 to 57.0% in October 2018. Our ESL (English as a Second Language) Program assists in supporting a complement of programs to meet the needs of all of our students.

3) **MAJOR INITIATIVES:** The Board of Education has endorsed many initiatives for the district. It continues its commitment to providing innovative opportunities to incorporate technology into the classroom setting and instruction. Students receive regular instruction in the use of technology. A majority of classrooms has 1-to-1 or access computers from mobile carts and HDTV's linked to the Internet for instructional purposes. Internet bandwidth was expanded to 1Gb and a new firewall/filter was installed. Internet access is available to all students and staff in the district through stand-alone and laptop computers. The district has updated all curricula and aligned them with the New Jersey Student Learning Standards.

During the 2018-2019 school year, the district continued to move forward with web-based tools such as Office 365. These tools encourage collaboration as well as greater access resources outside the district for staff and students. The district moved forward with our 1-to-1 initiative with the addition of the 3rd and 4th grade students. The Middle School TV studio was re-located to a larger room. The studio produced the morning news and announcements using a live format. The goal is to further develop the studio for the districts multimedia projects. The district will maintain service contracts and replace legacy equipment. The district will work with vendors and e-rate funding reducing cost to the district. Additional security cameras continue to expand coverage throughout the building and outside. New servers were installed to maintain district applications and file storage. The district also made changes to the IT infrastructure. New switches, Wi-Fi, and fiber distribution were installed. The district continues to be on the forefront of technology and exposure to latest educational resources.

Ventnor Elementary School was one of five schools in the State selected for the 2018 Innovations in Special Education award. Our Kindergarten through Grade 2 Multiply Disabled self-contained classroom uses the TEAM Pro program to teach and reach students through puppetry and music using authentic teaching methods and collaborative teaching approaches. This program addresses all educational, social, and behavioral needs within the general education curriculum, allowing the students to be fully integrated into the school community. This program also ties in with the District's Character Education Program and Positive Behavioral Supports.

The Superintendent attended training and expanded her role to include School Safety Specialist as required by the Department of Education. Initiatives to improve School Safety are being implemented annually.

4) **FOR THE FUTURE:** The school district is presently in good financial condition. Major concerns include the continued increases in unfunded mandated expenditures and reduced state aid. The City and Board have reduced the tax levy each of the last five years which ensures greater control over the budget and benefits the taxpayers, but these restrictions result in fiscally conservative decisions that may curtail programmatic growth and capital improvements.

The Board of Education's goals continue to focus on high academic achievement. The Board provides a multi-cultural environment that promotes student growth and development of all our children. Our mission is to provide all students with quality education programs that will assist in preparing them for a fruitful and productive future.

The Ventnor Board of Education and Superintendent have established the following goals in an effort to meet the needs of the children of the Ventnor School Community and the Ventnor Community at-large. The Superintendent, in cooperation with the Board of Education, and the Administrative Team, will **Ensure Fiscal Responsibility** via conservative spending, generating revenue, and creatively cutting costs; **Increase Test Scores** as a result of strengthening curriculum, obtaining additional resources for areas of weakness, providing professional development for staff, and increasing attendance; **Foster Community Involvement/ Communication** as we modernize website, collaborate with families and community members, establish partnerships with area businesses and institutions, and provide incentives for teachers to become more involved; **Foster Staff Empowerment** as we encourage teachers to go above and beyond their classroom walls to follow their passions, to bring special events and grants into the district, engage in professional dialogue; as administrators provide guidance to staff in order to support and recognize new initiatives; and **Develop Best Practices** in how schools can cooperatively work together with local law enforcement to ensure the safety of our students.

The district curricula review and revision supports the correlation to the New Jersey Common Core Curriculum Standards and the review is on going. The school district promotes character-building programs. "Character Counts" which stresses conduct of "Respect, Responsibility and Citizenship," Social Skills Streaming programs, and Violence and Vandalism Awareness are among the programs offered in this area. The district is fortunate to have an active HSA (Home School Association) that works to assist in funding student programs and activities.

The Ventnor City Public School is a community concerned and committed to providing a quality education that meets the needs of its students.

5) **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 is compiled to allow for the preparation of financial statements in conformity with Generally Accepted Accounting Principals (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 management.

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

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

6) **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 of the municipality. Annual appropriated budgets are adopted for the general fund and the special revenue fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations to fund balance at June 30, 2019.

7) **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.

8) **DEBT ADMINISTRATION:** The District is a Type I district, which means that none of the debt is included on the books of the school district. Debt service is budgeted and paid by the City of Ventnor.

9) **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. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (“GUDPA”). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

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

11) **OTHER INFORMATION**: Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The Accounting firm of Nightlinger, Colavita & Volpa, PA, was selected by the Board’s Finance Committee. In addition to meeting the requirements set forth in the state statutes, the audit is designed to meet the requirements of the Single Audit Act of 1996 and the related OMB Circular A-133 and New Jersey OMB Circular Letter 04-04. The auditor’s report on the basic financial statements and combining and individual fund statements and schedules are 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.

12) **ACKNOWLEDGEMENTS**: We would like to express our appreciation to the members of the City of Ventnor School Board 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.

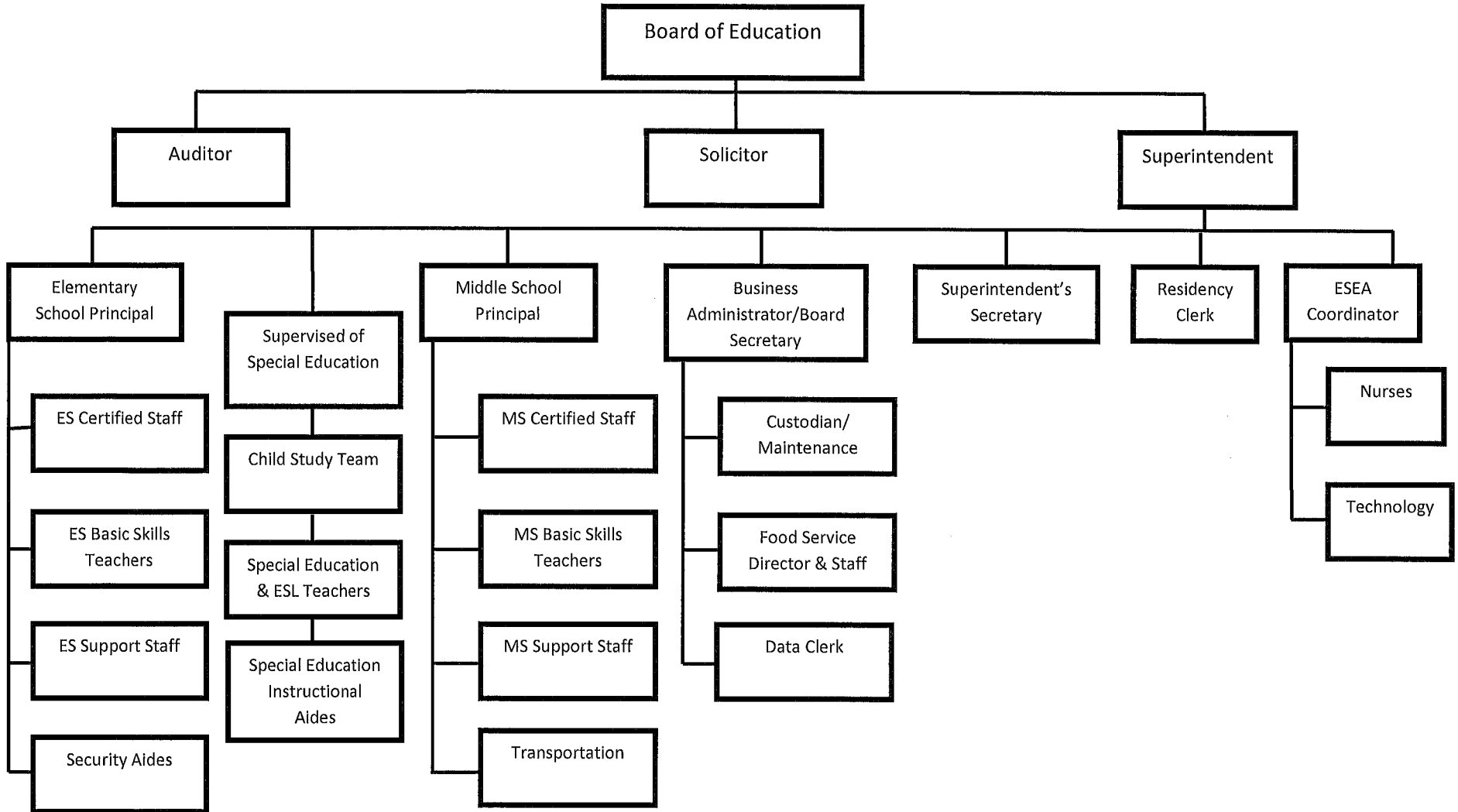
Respectfully submitted,

Dr. Eileen Johnson

Dr. Eileen Johnson
Superintendent

Terri Nowotny

Terri Nowotny
Board Secretary/ Business Administrator



CITY OF VENTNOR BOARD OF EDUCATION

ROSTER OF OFFICIALS

JUNE 30, 2019

<u>MEMBERS OF THE BOARD OF EDUCATION</u>	<u>TERM EXPIRES</u>
Douglas Biagi, President	2021
Kimble Bassford, Vice President	2020
Michael Advena	2020
Albert Battaglia, Jr.	2020
Michael J. Hagelgans	2021
William Tale	2022
Lori Abbott	2022

<u>OTHER OFFICIALS</u>	<u>BOND AMOUNT</u>
Eileen Johnson, Superintendent / Treasurer	\$ 250,000
Terri Nowotny, School Business Administrator / Board Secretary	\$ 250,000
Adams, Gutierrez and Lattibourdere, Solicitors	

CITY OF VENTNOR BOARD OF EDUCATION
CONSULTANTS AND ADVISORS

AUDIT FIRM

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Nightlinger, Colavita and Volpa, PA
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OFFICIAL DEPOSITORY

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FINANCIAL SECTION

NIGHTLINGER, COLAVITA & VOLPA

A Professional Association

Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Ventnor School District
County of Atlantic, New Jersey 08406

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund and the aggregate remaining fund information of the Board of Education of the City of Ventnor School District (a component unit of the City of Ventnor) in the County of Atlantic, State of New Jersey, as of and for the fiscal year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City of Ventnor School 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 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 Division of Administration and 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 of 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 financial statement presentation.

We believe that 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, business-type activities, each major fund, and the aggregate remaining fund information of the City of Ventnor Board of Education in the County of Atlantic, State of New Jersey, as of June 30, 2019, and the respective changes in financial position and cash flows, where applicable thereof, for the 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 management's discussion and analysis, budgetary comparison information and schedules related to accounting and reporting for pensions 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 Ventnor School Board of Education's basic financial statements. The introductory section, combining and individual non-major fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, and is also not a required part of the basic financial statements.

The combining and individual non-major fund financial statements and the schedule of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate 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 and the schedule of expenditures of federal awards and state financial assistance are 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 them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 13, 2019 on our consideration of the City of Ventnor Board of Education's internal control over financial reporting and 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 the effectiveness of the City of Ventnor Board of Education's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Ventnor School District's internal control over financial reporting over compliance.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, P.A.



Raymond Colavita, C.P.A., R.M.A.
Licensed Public School Accountant

No. 915

November 13, 2019

REQUIRED SUPPLEMENTARY INFORMATION – PART I

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the City of Ventnor School District ("District") annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2019. 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's Governmental Activities increased \$9,260,840. The increase is due to Bond Proceeds authorized of \$9,315,071 and \$325,274 in other revenues in excess of expenditures.
- The State of New Jersey reimbursed the District \$478,273 during the fiscal year ended June 30, 2019 for the employer's share of social security contributions and pension contributions for TPAF members as calculated on their base salaries. Also, the State of New Jersey paid \$1,896,035 on behalf of the District for TPAF Pension and Disability Contributions. These amounts, which are not budgeted, are included as both a revenue and appropriation in the financial statements.
- As indicated by New Jersey State Statutes, the unreserved fund balance of the general fund is limited to 2% of the total general fund expenditures. Any excess is required to be designated as Reserved Fund Balance - Excess Surplus and included in the next year's budget as budgeted fund balance. As of June 30, 2019, the District had excess fund balance in the amount of \$2,149,622, of which \$1,103,591 has been included in the 2019-2020 budget and the remaining \$1,046,031 will be included in the 2020-2021 budget.
- During the fiscal year ended June 30, 2019, the District's governmental fund revenues exceeded expenditures by \$440,797, excluding the Capital Project Fund activity and \$379,505 transferred to the Charter School. This was mainly a result of positive spending variances during the current year. During the prior fiscal year, revenues and special items exceeded expenditures by \$428,421.
- In the District's business-type activities, net assets increase by \$895 due to revenues exceeding the costs of operation, as compared to the prior year of \$7,364.

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 and after school program.
 - *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.

**Major Features of City of Ventnor
Board of Education's Government-wide
and Fund Financial Statements
(Figure A-1)**

	Government wide Statements	Governmental Funds	Fund Statements	
			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 after school programs and student activities	Activities the District operates similar to private businesses; food service and after school programs	Instances in which the District is the trustee or agent for someone else's resources, such as payroll agency and student activities.
Required Financial Statements	Statement of net position Statement of changes in net position	Balance sheet Statement of revenues, expenditures, and changes in fund balances	Statement of net assets Statement of revenues, expenses, and changes in net assets Statement of cash flows	Statement of fiduciary net assets Statement of changes in fiduciary net assets
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 net 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 changes in net position 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 City'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, transportation, administration, and plant operations. Property taxes 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 program and after school program 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 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 assets and a statement of changes in fiduciary net assets. 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 \$9,260,840 between fiscal years 2018 and 2019. The business-type activities net assets increased \$895 due to revenues in excess of operating costs.

	Governmental Activities		Business-Type Activities		Totals	
	2019	2018	2019	2018	2019	2018
ASSETS						
Current and Other Assets \$	12,476,942	3,988,288	140,206	149,791	12,617,148	5,203,861
Capital Assets	19,985,123	18,962,359	42,709	37,650	20,027,832	19,000,009
Deferred Outflows	753,656	1,065,782			753,656	1,065,782
Total Assets	33,215,721	24,016,429	182,915	187,441	33,398,636	24,203,870
LIABILITIES						
Long-term Liabilities	3,054,442	3,667,934			3,054,442	3,667,934
Other Liabilities	499,340	176,327	3,880	9,301	503,220	1,114,341
Deferred Inflows	1,157,644	928,713			1,157,644	928,713
Total Liabilities	4,711,426	4,772,974	3,880	9,301	4,715,306	4,782,275
NET POSITION						
Inversted in Capital Assets	19,985,123	18,962,359	42,709	37,650	20,027,832	19,000,009
Restricted	11,705,857	3,376,600			11,705,857	3,376,600
Unrestricted	(3,186,685)	(3,095,504)	136,326	140,490	(3,050,359)	(2,955,014)
Total Net Position	\$ 28,504,295	19,243,455	179,035	178,140	28,683,330	19,421,595

Changes in net position. The change in net position included increases in revenue of \$9,315,071 in Bond Proceeds from the City of Ventnor and Miscellaneous revenue of \$179,089, reduced transfers to the Charter School of \$112,869 and Fixed Asset adjustments of \$34,179, offset by decreases of \$427,783 in Federal/State Aid and \$1,300,000 in Local School Tax. In addition, there was a decrease in Governmental Activity expenditures of \$96,450.

The local tax levy of \$16,405,694 is 73.9% of total governmental activity revenues of \$22,212,693, which excludes the Bond Proceeds and transfers to the Charter School. The municipality levies this tax on properties located in the City and remits the collections on a monthly basis to the District.

Approximately 17.9% of the District's revenue comes from the State of New Jersey in the form of non-restricted state aid. This aid is based on the District's enrollment as well as other factors such as legislative funding of the SFRA formula. The District expenses are primarily related to instruction, administration, and plant operations. Governmental Activity revenue, net of the charter school transfer of \$379,505 and the Type I Bond Proceeds of \$9,315,071 are as follows:

	2019	2019	2018	2018
	Amount	Percentage	Amount	Percentage
Property Taxes	\$ 16,405,694	73.86%	17,705,694	74.52%
Unrestricted Federal and State Aid	3,971,875	17.88%	4,408,118	18.55%
Transportation	279,702	1.26%	294,265	1.24%
Tuition	46,035	0.21%		0.00%
Miscellaneous	227,148	1.02%	78,731	0.33%
Operating Grants and Contributions	1,282,239	5.77%	1,273,779	5.36%
Total	\$ 22,212,693	100.00%	23,760,587	100.00%

Governmental Activities

The following schedule summarizes the governmental and business-type activities of the District during the 2019 and 2018 fiscal years.

	Governmental Activities		Business - Type Activities		Totals	
	2019	2018	2019	2018	2019	2018
REVENUES						
Program Revenues						
Charges for Services	\$ 325,737	294,265	135,294	139,121	461,031	433,386
Federal and State Grants	1,282,239	1,273,779	227,849	237,178	1,510,088	1,510,957
General Revenues						
Property Taxes	16,405,694	17,705,694			16,405,694	17,705,694
State Aid Entitlements	3,971,875	4,408,118			3,971,875	4,408,118
Bond Proceeds	9,315,071				9,315,071	
Miscellaneous	227,148	78,731			227,148	78,731
Total Revenues	31,527,764	23,760,587	363,143	376,299	31,890,907	24,136,886
EXPENSES						
Instruction:						
Regular	\$ 8,082,542	7,518,322			8,082,542	7,518,322
Special Education	1,797,174	1,439,153			1,797,174	1,439,153
Other Special Instruction	294,844	287,754			294,844	287,754
Other Instruction	71,274	52,574			71,274	52,574
Support Services:						
Instruction - Tuition	5,200,744	6,475,640			5,200,744	6,475,640
Student & Instruction Related Services	2,378,735	2,217,885			2,378,735	2,217,885
General Administrative	495,179	527,528			495,179	527,528
School Administrative	592,616	669,612			592,616	669,612
Business and Other Support Services	413,201	421,936			413,201	421,936
Plant Operations and Maintenance	1,381,462	1,366,676			1,381,462	1,366,676
Student Transportation	1,138,476	929,433			1,138,476	929,433
Interest Expense	41,174	37,424			41,174	37,424
Other						
Business-type Activities			362,248	367,900	362,248	367,900
Total Expenses	21,887,421	21,943,937	362,248	367,900	22,249,669	22,311,837
Excess (Deficiency) before:	9,640,343	1,816,650	895	8,399	9,641,238	1,825,049
Loss on Asset Disposal		(34,179)		(1,035)		(35,214)
Transfer to Charter School	(379,505)	(492,374)			(379,505)	(492,374)
Increase (Decrease) in Net Position	\$ 9,260,838	1,290,097	895	7,364	9,261,733	1,297,461

Business-type Activities

Operating revenues of the District's business-type activities decreased by \$13,156 over the previous year and expenditures decreased by \$5,652. The result was an increase of \$7,452 in the After School Program Net Assets and a decrease of \$6,557 in the Food Service Program.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As of the year end, the governmental funds reported a combined fund balance of \$12,047,549, which excluding the Capital Project increase of \$8,626,295 is \$61,292 less than at the beginning of the year. This is mainly a result of the district completing their approved capital projects in the prior year.

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 funds. The budgets are submitted to the County office and, as a Type I School District, are approved by the Board of School Estimates annually. Transfers of appropriations that do not exceed 10% on a cumulative basis may be made by Board resolution at any time during the fiscal year. Transfers of appropriations that exceed 10% on a cumulative basis must be approved by the Commissioner of Education. The District is permitted to encumber funds throughout the year for purchases ordered but not yet received. Any open encumbrances as of June 30th carry over to the next fiscal year and are added to the appropriation reflected in the certified budget.

After adjusting total revenue reported on Exhibit C-1 for the Reimbursed TPAF Social Security Contribution and on-behalf TPAF Pension Contributions, which are not budgeted, the District's actual revenue was more than the budget by \$170,167. This is the result of miscellaneous revenue and extraordinary aid. With regard to expenditures, after adjusting for the Reimbursed TPAF Social Security Contribution, on-behalf TPAF Pension Contributions, actual expenditures were \$2,374,308 less than the budgeted appropriations. This is result of lower tuition, transportation, and maintenance costs.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2019, the District had invested over \$20,027,832, net of depreciation, in a broad range of capital assets, including land, buildings and equipment. Refer to Note 4 for more detailed information.

	Governmental Activities		Business - Type Activities		Totals	
	2019	2018	2019	2018	2019	2018
Land	\$ 100,000	100,000			100,000	100,000
Construction in progress	3,613,898	1,493,248			3,613,898	1,493,248
Buildings and Improvements	16,082,636	17,124,872			16,082,636	17,124,872
Equipment	188,589	244,239	42,709	37,650	231,298	281,889
Total	\$ 19,985,123	18,962,359	42,709	37,650	20,027,832	19,000,009

Long-term Obligations

The District's long-term obligations consisted of Compensated Absences and Net Pension Liability. The District is Type I and all other school debt is held by the City of Ventnor.

	<u>June 30,</u> <u>2018</u>	<u>Issued</u>	<u>Retired/ Adjusted</u>	<u>June 30,</u> <u>2019</u>
Obligations under Capital Lease				
Compensated Absences Payable	\$ 221,655	\$ 11,496	\$	\$ 233,151
Net Pension Liability	<u>3,446,279</u>	<u></u>	<u>555,041</u>	<u>2,891,238</u>
Total	<u>\$ 3,667,934</u>	<u>\$ 11,496</u>	<u>\$ 555,041</u>	<u>\$ 3,124,389</u>

On July 12, 2018, the City of Ventnor adopted a School Bond Ordinance in the amount of \$9,315,071 for the purpose of funding general capital improvements and acquisition of various equipment for the City's schools. The expenditures against this Bond Ordinance are shown on Exhibit F-1

More detailed information about the District's long-term debt is presented in Note 5 to the financial statements.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to present users (residents, receiving 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 400 N. Lafayette Avenue, Ventnor, New Jersey 08406.

BASIC FINANCIAL STATEMENTS

DISTRICT WIDE FINANCIAL STATEMENTS

The Statement of Net Position and the Statement of Activities display information about the District.

These statements include the financial activities of the overall District, except for fiduciary activities.

Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activities of the District.

CITY OF VENTNOR SCHOOL DISTRICT
(A Component Unit of the City of Ventnor)
STATEMENT OF NET POSITION
JUNE 30, 2019

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 3,134,051	\$ 113,916	\$ 3,247,967
Receivables, Net	9,342,891	22,836	9,365,727
Restricted Assets:			
Inventory		3,454	3,454
Capital Assets, Net (Note 5):	19,985,123	42,709	20,027,832
Total Assets	<u>32,462,065</u>	<u>182,915</u>	<u>32,644,980</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Pension Outflows	<u>753,656</u>		<u>753,656</u>
LIABILITIES			
Accounts Payable	390,646		390,646
Accrued Interest Payable			
Unearned Revenue	38,747	3,880	42,627
Non-current Liabilities (Note 6):			
Due Within One Year	69,947		69,947
Due Beyond One Year	3,054,442		3,054,442
Total Liabilities	<u>3,553,782</u>	<u>3,880</u>	<u>3,557,662</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Pension Inflows	<u>1,157,644</u>		<u>1,157,644</u>
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	19,985,123	42,709	20,027,832
Restricted for:			
Capital Reserve	720,090		720,090
Maintenance Reserve	209,850		209,850
Excess Surplus	2,149,622		2,149,622
Other Purposes	8,626,295		8,626,295
Unrestricted (Deficit)	<u>(3,186,685)</u>	<u>136,326</u>	<u>(3,050,359)</u>
Total Net Position	<u>\$ 28,504,295</u>	<u>\$ 179,035</u>	<u>\$ 28,683,330</u>

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

CITY OF VENTNOR SCHOOL DISTRICT
(A Component Unit of the City of Ventnor)
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Indirect Expenses Allocation</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>		
			<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Governmental Activities:							
Instruction:							
Regular	\$ 6,383,341	1,699,201	\$ 46,035	\$ 1,020,340	\$ (7,016,167)		\$ (7,016,167)
Special Education	1,399,111	398,063			(1,797,174)		(1,797,174)
Other Special Instruction	230,311	64,533			(294,844)		(294,844)
Other Instruction	54,662	16,612			(71,274)		(71,274)
Support Services:							
Instruction - Tuition	3,988,618	1,212,126			(5,200,744)		(5,200,744)
Student & Instruction Related Services	1,851,669	527,066		261,899	(2,116,836)		(2,116,836)
General Administrative	389,510	105,669			(495,179)		(495,179)
School Administrative	462,172	130,444			(592,616)		(592,616)
Business and Other Support Services	323,036	90,165			(413,201)		(413,201)
Plant Operations and Maintenance	1,381,462				(1,381,462)		(1,381,462)
Student Transportation	1,138,476		279,702		(858,774)		(858,774)
Unallocated Employee Benefits	6,618,185	(6,618,185)					
Interest Expense	41,174				(41,174)		(41,174)
Total Governmental Activities	<u>24,261,727</u>	<u>(2,374,306)</u>	<u>325,737</u>	<u>1,282,239</u>	<u>(20,279,445)</u>		<u>(20,279,445)</u>
Business-type Activities:							
Food Service	344,712		107,728	230,427		\$ (6,557)	(6,557)
After School Program	20,114		27,566			7,452	7,452
Total Business-type Activities	<u>364,826</u>		<u>135,294</u>	<u>230,427</u>		<u>895</u>	<u>895</u>
Total Primary Government	<u>\$ 24,626,553</u>		<u>\$ 461,031</u>	<u>\$ 1,512,666</u>	<u>\$ (20,279,445)</u>	<u>\$ 895</u>	<u>\$ (20,278,550)</u>
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, Net					\$ 16,405,694		\$ 16,405,694
Federal, State and Local Aid Not Restricted					3,971,877		3,971,877
Miscellaneous Income					149,270		149,270
Rents					77,878		77,878
Bond Proceeds					9,315,071		9,315,071
Transfers - To Charter School					(379,505)		(379,505)
Total General Revenues, Special Items, Extraordinary Items and Transfers					<u>\$ 29,540,285</u>		<u>29,540,285</u>
Change in Net Position					\$ 9,260,840	895	9,261,735
Net Position—Beginning					19,243,455	178,140	19,421,595
Net Position—Ending					<u>\$ 28,504,295</u>	<u>\$ 179,035</u>	<u>\$ 28,683,330</u>

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

FUND FINANCIAL STATEMENTS

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

GOVERNMENTAL FUNDS

CITY OF VENTNOR SCHOOL DISTRICT
(A Component of the City of Ventnor)
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2019

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ 2,147,086	\$ 55,952	\$	\$ 2,203,038
Cash and Cash Equivalents -Maintenance Reserve	209,850			209,850
Cash and Cash Equivalents - Capital Reserve	720,090			720,090
Other Receivable	64,429		8,989,183	9,053,612
State Aid Receivable	71,011			71,011
Federal Aid Receivable		214,733		214,733
Interfunds Receivable	322,256			322,256
Total Assets	\$ 3,534,722	\$ 270,685	\$ 8,989,183	\$ 12,794,590
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 37,882	\$ 95,985	\$ 256,779	\$ 390,646
Interfund Payable		211,539	106,109	317,648
Unearned Revenue		38,747		38,747
Total Liabilities	37,882	346,271	362,888	747,041
Fund Balances:				
Restricted For:				
Excess Surplus	1,046,031			1,046,031
Excess Surplus - Designated for Subsequent Year's Expenditures	1,103,591			1,103,591
Maintenance Reserve Account	209,850			209,850
Capital Reserve Account	720,090			720,090
Assigned To:				
Year-End Encumbrances	112,521		4,108,381	4,220,902
Committed			4,517,914	4,517,914
Unassigned, Reported In:				
General Fund Balance	304,757			304,757
Grant Fund Balance (Deficit)		(75,586)		(75,586)
Total Fund Balances	3,496,840	(75,586)	8,626,295	12,047,549
Total Liabilities and Fund Balances	\$ 3,534,722	\$ 270,685	\$ 8,989,183	

Amounts reported for *governmental activities* in the Statement of Net Assets (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$37,025,544 and the accumulated depreciation is \$17,040,421 (See Note 5)	19,985,123
Deferred Outflow of Resources - Deferred Pension Contribution.	753,656
Deferred Inflows of Resources - Pension Actuarial Gains.	(1,157,644)
Long Term Net Pension Liability	(2,891,238)
Long-term liabilities, including capital leases payable and Compensated Absences, are not due and payable in the current period and therefore are not reported as liabilities in the Governmental funds (see Note 6).	(233,151)
Net Position of Governmental Activities	\$ 28,504,295

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

CITY OF VENTNOR SCHOOL DISTRICT
(A Component Unit of the City of Ventnor)
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
REVENUES				
Local Sources:				
Local Tax Levy	\$ 16,405,694	\$	\$	\$ 16,405,694
Tuition from Individuals	46,035			46,035
Transportation Fees from Other LEAS	279,702			279,702
Rent	77,878			77,878
Interest Earned	59,116			59,116
Interest Earned on Capital Reserve Funds	500.00			500
Interest Earned on Maintenance Reserve Funds	100			100
Miscellaneous	89,554			89,554
Total - Local Sources	16,958,579			16,958,579
State Sources	4,493,060	739,133		5,232,193
Federal Sources	36,360	782,723		819,083
Total Revenues	21,487,999	1,521,856		23,009,855
EXPENDITURES				
Current:				
Regular Instruction	4,571,045	1,020,340		5,591,385
Special Education Instruction	1,309,864			1,309,864
Other Special Instruction	212,352			212,352
Other Instruction	54,662			54,662
Support Services:				
Instruction - Tuition	3,988,618			3,988,618
Student & Instruction Related Services	1,472,462	261,899		1,734,361
General Administrative Services	347,714			347,714
School Administrative Services	429,238			429,238
Central Services	194,396			194,396
Admin Info Tech	102,300			102,300
Plant Operations and Maintenance	1,340,460			1,340,460
Student Transportation	1,138,476			1,138,476
Unallocated Employee Benefits	4,802,447	241,080		5,043,527
Capital Outlay	1,081,705		1,140,775	2,222,480
Total Expenditures	21,045,739	1,523,319	1,140,775	23,709,833
Excess (Deficiency) of Revenues Over Expenditures	442,260	(1,463)	(1,140,775)	(699,978)
OTHER FINANCING SOURCES (USES)				
Debt Proceeds due from City of Ventnor			9,315,071	9,315,071
Transfers to Charter School	(379,505)			(379,505)
Total Other Financing Sources and Uses	(379,505)		9,315,071	8,935,566
Net Change in Fund Balances	62,755	(1,463)	8,174,296	8,235,588
Fund Balance—July 1 (Deficit)	3,434,085	(74,123)	451,999	3,811,961
Fund Balance—June 30 (Deficit)	\$ 3,496,840	\$ (75,586)	\$ 8,626,295	\$ 12,047,549

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

CITY OF VENTNOR SCHOOL DISTRICT
(A Component Unit of the City of Ventnor)
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, 2019

Total Net Change in Fund Balances - Governmental Funds (from B-2) \$ 8,235,588

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 capital outlays exceeded depreciation in the period.

	Depreciation expense	\$ (1,117,540)	
	Capital outlays	2,140,304	
		1,022,764	1,022,764

Pension contributions are reported in governmental funds as expenditures. However, in the Statement of Activities, the contributions are adjusted for actuarial valuation adjustments, including service and interest costs, administrative costs, investment returns, and experience/assumption. This is the amount by which net pension liability and deferred inflows/outflows, related to pension, changed during the period. 13,984

In the Statement of Activities, certain operating expenses, e.g. compensated absences 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 this reconciliation (-) and when the paid amount exceeds the earned amount, the difference is an addition in this reconciliation (+) (11,496)

Change in Net Position of Governmental Activities (A-2) \$ 9,260,840

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

PROPRIETARY FUNDS

CITY OF VENTNOR SCHOOL DISTRICT
(A Component Unit of the City of Ventnor)
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2019

	Business-type Activities - Enterprise Funds		
	Food Service	After School Program	Totals
ASSETS			
Current Assets:			
Cash	\$	\$ 114,989	\$ 114,989
Accounts Receivable	22,836		22,836
Inventory	3,454		3,454
Total Current Assets	<u>26,290</u>	<u>114,989</u>	<u>141,279</u>
Non-current Assets			
Fixed Assets:			
Equipment	178,211		178,211
Less Accumulated Depreciation	(135,502)		(135,502)
Total Fixed Assets	<u>42,709</u>		<u>42,709</u>
Total Assets	<u>68,999</u>	<u>114,989</u>	<u>183,988</u>
LIABILITIES:			
Current Liabilities:			
Interfund Payable	1,073		1,073
Unearned Revenue	3,880		3,880
Total Current Liabilities	<u>4,953</u>		<u>4,953</u>
NET POSITION:			
Invested in Capital Assets Net of net of Accumulated Depreciation	42,709		42,709
Unrestricted	21,337	114,989	136,326
Total Net Position	<u>\$ 64,046</u>	<u>\$ 114,989</u>	<u>\$ 179,035</u>

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

CITY OF VENTNOR SCHOOL DISTRICT
(A Component Unit of the City of Ventnor)
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	Business-type Activities - Enterprise Fund		
	Food Service	After School Program	Total Enterprise
OPERATING REVENUES:			
Charges for Services:			
Daily Sales - Reimbursable Programs	\$ 45,444	\$	\$ 45,444
Daily Sales - Non-Reimbursable Programs	58,805		58,805
Program Fees		27,566	27,566
Miscellaneous	3,479		3,479
Total Operating Revenue:	107,728	27,566	135,294
OPERATING EXPENSES:			
Salaries	152,569	16,011	168,580
Employee Benefits	39,246	1,225	40,471
Other Purchased Services	4,088		4,088
Other Costs	2,590	2,878	5,468
Cost of Sales - Reimbursable Programs	137,050		137,050
Cost of Sales - Non Reimbursable Programs	1,768		1,768
Depreciation	7,401		7,401
Total Operating Expenses	344,712	20,114	364,826
Operating Income (Loss)	(236,984)	7,452	(229,532)
NON-OPERATING REVENUES:			
State Sources:			
State School Lunch Program	3,073		3,073
Federal Sources:			
National School Lunch Program	157,610		157,610
National School Breakfast Program	45,189		45,189
National School Snack Program	3,790		3,790
Healthy Hunger Free Kids Act	3,406		3,406
Food Distribution Program	17,359		17,359
Total Non-operating Revenues (Expenses)	230,427		230,427
Income (Loss) Before Contributions & Transfers	(6,557)	7,452	895
Change in Net Position	(6,557)	7,452	895
Total Net Position—Beginning	70,603	107,537	178,140
Total Net Position—Ending	\$ 64,046	\$ 114,989	\$ 179,035

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

CITY OF VENTNOR SCHOOL DISTRICT
(A Component Unit of the City of Ventnor)
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	Business-type Activities Enterprise Funds		
	Food Service	After School Program	Total Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers	\$ 107,728	\$ 27,566	\$ 135,294
Payments to Employees	(152,569)	(16,011)	(168,580)
Payments for Employee Benefits	(39,246)	(1,225)	(40,471)
Payments to Suppliers	(116,521)	(2,878)	(119,399)
Net Cash Provided by (used for) Operating Activities	(200,608)	7,452	(193,156)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
State Sources	3,073		3,073
Federal Sources	209,995		209,995
Net Cash Provided by (used for) Non-capital Financing Activities	213,068		213,068
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchases of Capital Assets	(12,460)		(12,460)
Net Cash Provided by (used for) Capital and Related Financing Activities	(12,460)		(12,460)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and Dividends			
Net Cash Provided by (used for) Investing Activities			
Net Increase (Decrease) in Cash and Cash Equivalents		7,452	7,452
Balances—Beginning of Year		107,537	107,537
Balances—End of Year	\$	\$ 114,989	\$ 114,989
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Operating Income (Loss)	\$ (236,984)	\$ 7,452	\$ (229,532)
Adjustments to Reconcile Operating Income (Loss) to Net Cash provided by (used for) Operating Activities:			
Depreciation and Net Amortization	7,401		7,401
Food Distribution Program	17,359		17,359
(Increase)/Decrease in Accounts Receivable, Net	(714)		(714)
(Increase)/Decrease in Interfund Receivable	15,828		15,828
(Increase)/Decrease in Inventory	850		850
Increase/(Decrease) in Accounts Payable	(4,671)		(4,671)
Increase/(Decrease) in Interfund Payable	1,073		1,073
Increase/(Decrease) in Deferred Revenue	(750)		(750)
Total Adjustments	36,376		36,376
Net Cash Provided by (used for) Operating Activities	\$ (200,608)	\$ 7,452	\$ (193,156)

Noncash Noncapital Financing Activities:

During the year, the District received \$16,571 of Food Commodities from the U. S. Department of Agriculture

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

FIDUCIARY FUNDS

CITY OF VENTNOR SCHOOL DISTRICT
(A Component Unit of the City of Ventnor)
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2019

	<u>Agency Funds</u>	
	<u>Student</u>	
	<u>Activity</u>	<u>Payroll</u>
ASSETS		
Cash and Cash Equivalents	\$ 17,141	\$ 20,561
Total Assets	<u>\$ 17,141</u>	<u>\$ 20,561</u>
LIABILITIES		
Payroll Deductions and Withholdings	\$	\$ 15,691
Flexible Spending Account		1,335
Payable to Student Groups	17,141	
Due to General Fund		3,535
Total Liabilities	<u>\$ 17,141</u>	<u>\$ 20,561</u>

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

CITY OF VENTNOR SCHOOL DISTRICT
(A COMPONENT UNIT OF THE CITY OF VENTNOR)
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Ventnor School District 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 City of Ventnor School District (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. In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board (GASB). The more significant accounting policies established in GAAP and used by the District are discussed below.

A. REPORTING ENTITY:

The City of Ventnor School District is a Type I district located in the County of Atlantic, State of New Jersey. As a Type I district, the Board of Education members are appointed by the Mayor. The Board is comprised of seven members appointed to three-year terms. The purpose of the district is to educate students in grades K-8. The City of Ventnor School District had an approximate enrollment at June 30, 2019 of 656 students.

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 but, as a Type I School District, would be considered a component unit of the City of Ventnor. The City however reports on a regulatory basis of accounting which does not recognize component units. If the City followed generally accepted accounting principles (GAAP) reporting, the Board of Education would be a component unit of the City of Ventnor.

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

CITY OF VENTNOR SCHOOL DISTRICT
(A COMPONENT UNIT OF THE CITY OF VENTNOR)
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. BASIC FINANCIAL STATEMENTS - GOVERNMENT-WIDE 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 and after school program). The functions are also supported by general government revenues (property taxes, transportation, certain intergovernmental revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (regular instruction, special education, 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, transportation, interest income, etc.).

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

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

C. BASIC FINANCIAL STATEMENTS - FUND FINANCIAL STATEMENTS

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

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds by category are summarized into a single column. GASB 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 nonmajor funds are combined in a column in the fund financial statements. The State of New Jersey Department of Education has mandated that all New Jersey School Districts must report all governmental funds as major, regardless of the fund meeting the GASB definition of a major fund. However, the criteria is applied to proprietary funds.

CITY OF VENTNOR SCHOOL DISTRICT
(A COMPONENT UNIT OF THE CITY OF VENTNOR)
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The following fund types are used by the District:

1. Governmental Funds:

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

- a. **General fund** is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.
- b. **Special revenue** funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for a specific purpose. The special revenue fund is specifically used to account for state and federal grant monies that have been allocated to the District.
- c. **Capital projects** funds are used to account for all financial resources to be used for the acquisition or construction of major capital facilities. The financial resources are derived from temporary notes or serial bonds. As a Type I School District all debt is borne by the municipality rather than the school district.

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.

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.

CITY OF VENTNOR SCHOOL DISTRICT
(A COMPONENT UNIT OF THE CITY OF VENTNOR)
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 funds consist of a food service fund and an after school program.

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 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. All fund internal activity is eliminated when carried to 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.

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.

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. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

CITY OF VENTNOR SCHOOL DISTRICT
(A COMPONENT UNIT OF THE CITY OF VENTNOR)
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FINANCIAL STATEMENT AMOUNTS

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.

Investments:

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

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. The value of Federal donated commodities is the difference between market value and cost of the commodities at the date of purchase and was included as an item of non-operating revenue in the financial statements. The value of commodities included in the food inventory on June 30, 2019 is \$1,790.

As of June 30, 2019, the District did not have inventory in the general fund and had the following inventory in the enterprise fund:

Food	\$ 2,865
Supplies	<u>589</u>
Total	<u>\$ 3,454</u>

CITY OF VENTNOR SCHOOL DISTRICT
(A COMPONENT UNIT OF THE CITY OF VENTNOR)
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital:

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	10-50 years
Machinery and equipment	5-20 years
Improvements	10-20 years

Infrastructure assets include roads, parking lots, underground pipe, etc. The District includes all infrastructure assets as depreciable assets in the financial statements.

Revenues:

Substantially all governmental fund revenues are accrued. Property taxes are susceptible to accrual and under New Jersey State Statutes a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. Subsidies and grants to proprietary funds, which finance either capital or current operations, are reported as non operating revenue. In respect 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 eligibility requirements are met are reported as advances by the provider and deferred revenue by the recipient. Program revenues, including tuition revenue are reported as reductions to expenses in the statement of activities.

Expenditures:

Expenses 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.

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 in 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.

CITY OF VENTNOR SCHOOL DISTRICT
(A COMPONENT UNIT OF THE CITY OF VENTNOR)
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interfund Activity:

Interfund activity is reported as either loans, services provided, reimbursements or transfers. Loans are reported as interfund 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 costs as reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

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 for approval 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. 6:23-2(g). 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 and under certain circumstances require approval by the County Superintendent of Schools.

The following are the major transfers made during the year.

	<u>To</u>	<u>From</u>
Salaries of Teachers		
Grades 1-5	\$ 45,708	
Grades 6-8		\$ 96,904
Regular Programs- General Supplies	73,003	
Basic Skills/Remedial - Salaries of Teachers		61,275
Tuition to Private Schools		69,565
Student Support Services	70,989	
Transportation - between Home and School - Vendors	101,212	
Capital Outlay	28,674	

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

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.

CITY OF VENTNOR SCHOOL DISTRICT
(A COMPONENT UNIT OF THE CITY OF VENTNOR)
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Tuition Payable

Tuition charges for the fiscal years 2018/19 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

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 results.

Allocation of Costs

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

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 Employee 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.

The School District has adopted the following GASB statements:

- GASB No. 83 - *Certain Asset Retirement Obligations*: This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). The requirements of Statement will be effective for reporting periods beginning after June 15, 2018. The adoption of GASB 83 is not expected to impact the financial statements of the School District.

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NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The School District has adopted the following GASB statements (Continued):

- GASB No. 88 – *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*: The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. The adoption of GASB 88 is not expected to impact the financial statements of the School District.

Other accounting standards that the School District is currently reviewing for applicability and potential impact on the financial statements include:

- GASB No. 84 - *Fiduciary Activities*: The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The requirements of Statement will be effective for reporting periods beginning after December 15, 2018. The Board is evaluating the potential impact of the adoption of GASB 84 on the School District's financial statements.
- GASB No. 87 - *Leases*: The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. The requirements of Statement will be effective for reporting periods beginning after December 15, 2019. The Board is evaluating the potential impact of the adoption of GASB 87 on the School District's financial statements.
- GASB No. 89 - *Accounting for Interest Cost Incurred before the End of a Construction Period*: The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Management is evaluating the potential impact of the adoption of GASB 89 on the School District's financial statements.
- GASB Statement - No. 90 - *Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61*: The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Management is evaluating the potential impact of the adoption of GASB 90 on the School District's financial statements.
- GASB Statement - No. 91 – *Conduit Debt Obligations*: The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Management is evaluating the potential impact of the adoption of GASB 91 on the School District's financial statements.

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NOTE 2. INVESTMENTS

As of June 30, 2019, the District had no investments, other than the New Jersey ARM account..

Interest Rate Risk

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

Credit Risk

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

Concentration of Credit Risk

The District places no limit on the amount the District may invest in any one issuer.

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, 2019, \$4,572,835 of the District's bank balance of \$5,072,835 was exposed to custodial credit risk.

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NOTE 4. FIXED ASSETS

Capital asset activity for the year ended June 30, 2019 was as follows:

	<u>Balance</u> <u>7/1/2018</u>	<u>Additions</u>	<u>Transfer</u>	<u>Balance</u> <u>6/30/2019</u>
Governmental activities:				
Capital Assets That Are Not Being Depreciated:				
Land	\$ 100,000	\$	\$	\$ 100,000
Construction in progress	1,493,248	2,125,975	(5,325)	3,613,898
Total capital assets not being depreciated	<u>1,593,248</u>	<u>2,125,975</u>	<u>(5,325)</u>	<u>3,713,898</u>
Building and building improvements	32,493,707	5,325	5,325	32,504,357
Machinery & equipment	798,285	9,004		807,289
Totals at historical cost	<u>33,291,992</u>	<u>14,329</u>	<u>5,325</u>	<u>33,311,646</u>
Total Cost Basis	<u>34,885,240</u>	<u>2,140,304</u>	<u>-</u>	<u>37,025,544</u>
Less accumulated depreciation for :				
Building and improvements	(15,368,835)	(1,052,886)		(16,421,721)
Machinery & equipment	(554,046)	(64,654)		(618,700)
Total accumulated depreciation	<u>(15,922,881)</u>	<u>(1,117,540)</u>	<u>-</u>	<u>(17,040,421)</u>
Government activities capital assets, net	<u>\$ 18,962,359</u>	<u>\$ 1,022,764</u>	<u>\$ -</u>	<u>\$ 19,985,123</u>
Business-type activities:				
Capital assets being depreciated:				
Equipment	\$ 165,751	\$ 12,460	\$	\$ 178,211
Less accumulated depreciation for :				
Equipment	(128,101)	(7,401)		(135,502)
Business-type activities capital assets, net	<u>\$ 37,650</u>	<u>\$ 5,059</u>	<u>\$ -</u>	<u>\$ 42,709</u>

* Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 387,719
Special Education	89,247
Other Special Instruction	17,959
Instruction	404,237
Student & Instruction Related Services	117,308
School Administration Expenses	32,934
General & Business Administration	41,796
Business & Other Support Services	26,340
Total Depreciation Expense	<u>\$ 1,117,540</u>

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NOTE 5. LONG-TERM OBLIGATIONS

Long-term obligation activity for the year ended June 30, 2019 was as follows:

	Beginning Balance 7/1/18	Additions	Reductions	Ending Balance 6/30/19	Amounts Due within One Year	Long-Term Portion
Governmental Activities:						
Obligations under Capital Lease	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Compensated Absences Payable	221,655	11,496		233,151	69,947	163,204
Net Pension Liability	3,446,279		555,041	2,891,238		2,891,238
Total Liabilities	\$ 3,667,934	\$ 11,496	\$ 555,041	\$ 3,124,389	\$ 69,947	\$ 3,054,442
Business-Type Activities:						
Compensated Absences Payable	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

A. **Bonds Payable**- The City of Ventnor School District is a Type I School District. In the State of New Jersey, all Type I school debt is borne by the municipality rather than the school district.

On July 12, 2018, the City of Ventnor adopted a capital ordinance for the purpose of providing Various Capital Improvements and Equipment for the Ventnor City Schools in the amount of \$9,315,071, of which \$8,989,183 is receivable from the City of Ventnor, as of June 30, 2019. The expenditures against this Bond Ordinance are shown on Exhibit F-2B.

B. **Capital Leases**- The district entered into a Land Lease on June 27, 2014 for \$2,100,000.00. The lease is for a term of five years and includes interest at a rate of 1.6114%. The proceeds were used as the Districts share of the ROD grants. This lease was paid off as of June 30, 2018.

NOTE 6. PENSION PLANS

Description of Plans - Eligible employees of the School District can be covered by Public Employees' Retirement System (PERS), Teachers' Pension and Annuity Fund (TPAF), or Defined Contribution Retirement Program (DCRP). PERS and TPAF are administered by the New Jersey Division of Pension and Benefits (NJDPB) and the DCRP is jointly administered by Prudential and NJDPB. The NJDPB issues publicly available financial reports that include financial statements and required supplementary information for the systems. These reports may be obtained online at <https://www.nj.gov/treasury/pensions/financial-reports.shtml>.

Public Employees' Retirement System

The PERS is a cost sharing multiple-employer defined benefit pension plan that was established in 1955. The PERS provides retirement, death and disability, and medical benefits to qualified members. The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A. All benefits vest after ten years of service, except for medical benefits that vest after 25 years of service or under the disability provisions of PERS.

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NOTES TO FINANCIAL STATEMENTS
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NOTE 6. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (Continued)

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 years or more of service credit before age 62, and tier 5 with 30 years or more of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

The following represents the membership tiers for PERS:

Tier	Definition
1	Members who are enrolled prior to July 1, 2007.
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008.
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010.
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011.
5	Members who were eligible to enroll on or after June 28, 2011.

Contributions - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The PERS member total contribution rate as of July 1, 2018 was 7.5% of base salary. The District employees' contributions for the year ended June 30, 2019 were 86,645. Employers in PERS are required to contribute at an actuarially determined rate which includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. The PERS employer rate due in 2019 is 13.37% of covered payroll. The District is billed annually for its normal contribution plus any accrued liability. These contributions were paid by the District and equal to the required contributions for each year. The District's contributions to PERS for the years ended June 30, 2019, and 2018, were \$146,659 and \$139,049 respectively.

The total payroll for the year ended June 30, 2019 was \$8,932,412. Payroll covered by PERS was \$1,159,677 for fiscal year 2019.

Components of Net Pension Liability - At June 30, 2019, the District's proportionate share of the PERS net pension liability was \$2,891,239. The net pension liability was measured as of June 30, 2018. The District's proportion of the net pension liability was based on the District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2018. The District's proportion measured as of June 30, 2018 was 0.014684% which was a decrease of 0.00012% from its proportion measured as of June 30, 2017.

Pension Expense and Deferred Outflows/Inflows of Resources - The District's 2019 PERS pension expense, with respect to GASB 68, was \$139,687. The District's 2019 deferred outflows of resources and deferred inflows of resources were from the following sources:

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NOTE 6. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (Continued)

Pension Expense and Deferred Outflows/Inflows of Resources (Continued) -

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 55,136	\$ 14,908
Changes of assumptions	476,428	924,464
Net difference between projected and actual earnings on pension plan investments		27,120
Changes in proportion	75,433	191,152
Contributions subsequent to the measurement date	146,659	
Total	\$ 753,656	\$ 1,157,644

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

Year		PERS
2020	\$	(52,284)
2021		(108,954)
2022		(248,046)
2023		(140,736)
2024		(1,627)
Thereafter		
Total	\$	(551,647)

Additional Information - Collective Balances at June 30, 2019 and 2018 are as follows:

Year		2019		2018
Collective deferred outflows of resources	\$	753,656	\$	1,065,782
Collective deferred inflows of resources	\$	1,157,644	\$	928,713
Collective Net Pension Liability	\$	2,891,239	\$	3,446,279
District's Proportion		0.014684%		0.014805%

Actuarial Assumptions - The total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

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NOTES TO FINANCIAL STATEMENTS
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NOTE 6. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (Continued)

Actuarial Assumptions -

	<u>PERS</u>
Measurement Date	June 30, 2018
Actuarial Valuation Date	July 1, 2017
Investment Rate of Return	7.00%
Salary Scale (Based on Age):	
Through 2026	1.65% - 4.15%
Thereafter	2.65% - 5.15%
Inflation	2.25%

Pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA.

In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments 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. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2018 are summarized in the following table:

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NOTE 6. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (Continued)

Long-Term Expected Rate of Return (Continued) -

PERS

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Risk Mitigation Strategies	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Client Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Asset	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Markets Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%
Total	100.00%	

Discount Rate - The discount rate, as of June 30, 2018, used to measure the total pension liability was 5.66% for PERS. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.87% as of June 30, 2018 based on 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. 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 the contribution rate in the most recent fiscal year. The State employer contributed 50% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2046 for PERS. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2046 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate - The following presents the collective net pension liability of the participating employers as of June 30, 2018, calculated using the discount rate as disclosed above, as well as what the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.66%) or 1-percentage-point higher (6.66%) than the current rate:

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NOTE 6. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (Continued)

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate (Continued) -

	1% Decrease (4.66%)	Current Discount (5.66%)	1% Increase (6.66%)
District's Proportionate Share of the Net Pension Liability	\$ <u>3,635,399</u>	\$ <u>2,891,239</u>	\$ <u>2,266,935</u>

Teachers' Pension and Annuity Fund

The State of New Jersey Teachers' Pension and Annuity Fund (TPAF) is a cost sharing multiple-employer defined benefit pension plan with a special funding situation that was established in 1955. 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.

The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. 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.

The following represents the membership tiers for TPAF:

Tier	Definition
1	Members who are enrolled prior to July 1, 2007.
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008.
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010.
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011.
5	Members who were eligible to enroll on or after June 28, 2011.

Special Funding Situation - The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A 18:66-33. Therefore, these 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 nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), 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 nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer.

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NOTE 6. PENSION PLANS (CONTINUED)

Teachers' Pension and Annuity Fund (Continued)

Contributions - The contribution policy is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. The member contribution rate was 7.5% in as of July 1, 2018. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2018, the State's pension contribution was less than the actuarial determined amount. Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the District and all other related non-contributing employers. No normal or accrued liability contribution by the District has been required over several preceding fiscal years. These on-behalf contributions by the State of New Jersey are considered a special funding situation, under the definition of GASB 68, Accounting and Financial Reporting for Pensions. The District was not required to make any contributions to the pension plan during the fiscal year ended June 30, 2019 because of the 100% special funding situation with the State of New Jersey.

During the fiscal year ended June 30, 2019, the State of New Jersey contributed \$1,304,162 to the TPAF for pension contributions, \$591,565 for post-retirement benefits on behalf of the School, and \$308 for long-term disability. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$478,273 during the year ended June 30, 2019 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries.

Components of Net Pension Liability - At June 30, 2019, the District was not required to report a liability for its proportionate share of the net pension liability because of a 100% reduction for State of New Jersey pension support provided to the District.

Pension Expense - For the year ended June 30, 2019, the District recognized pension expense of \$2,407,516 and revenue of \$2,407,516 for support provided by the State.

Actuarial Assumptions - The total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	TPAF
Measurement Date	June 30, 2018
Actuarial Valuation Date	July 1, 2017
Investment Rate of Return	7.00%
Salary Scale (Based on Age):	
Through 2026	1.55% - 4.55%
Thereafter	2.00% - 5.45%
Inflation	2.25%

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NOTE 6. PENSION PLANS (CONTINUED)

Teachers' Pension and Annuity Fund (Continued)

Long-Term Expected Rate of Return - Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2018 are summarized in the following table:

Asset Class	TPAF Target Allocation	Long-Term Expected Real Rate of Return
Absolute return/risk mitigation	5.00%	5.51%
Cash equivalents	5.50%	1.00%
US Treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
Public high yield	2.50%	6.82%
Global diversified credit	5.00%	7.10%
Client oriented hedge funds	1.00%	6.60%
Debt related private equity	2.00%	10.63%
Debt related real estate	1.00%	6.61%
Private real asset	2.50%	11.83%
Equity related real estate	6.25%	9.23%
U.S. equity	30.00%	8.19%
Non-U.S. developed markets equity	11.50%	9.00%
Emerging markets equity	6.50%	11.64%
Buyouts/venture capital	8.25%	13.08%
Total	100.00%	

Discount Rate - The discount rate used to measure the total pension liability was 4.25% as of June 30, 2018. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.58% as of June 30, 2018 based on 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. 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 the contribution rate in the most recent fiscal year. The State contributed 40% of the actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2036. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2036 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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NOTE 6. PENSION PLANS (CONTINUED)

Teachers' Pension and Annuity Fund (Continued)

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate - The following presents the collective net pension liability of the participating employers as of June 30, 2019, calculated using the discount rate as disclosed above, as well as what the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.66%) or 1-percentage-point higher (6.66%) than the current rate:

	1% Decrease (3.86%)	Current Discount (4.86%)	1% Increase (5.86%)
State's Share of the Net Pension Liability associated with the District	\$ 48,957,819	\$ 41,297,776	\$ 35,171,588
State's Share of the Net Pension Liability	\$ 75,417,894,537	\$ 63,806,350,446	\$ 54,180,663,328

Pension Plan Fiduciary Net Position - Detailed information about each pension plan's fiduciary net position is available in the separately issued New Jersey Division of Pension and Benefits financial report. Information on where to obtain the report is indicated at the beginning of this note.

NOTE 7. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

General Information about the OPEB Plan

The State of New Jersey reports a liability as a result of its statutory requirements to pay other postemployment (health) benefits for State Health Benefit Local Education Retired Employees Plan. The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75, Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions. The State Health Benefit Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A 52:14-17.32f. According to N.J.S.A 52:14- 17.32f, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (ABP). Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

The total nonemployer OPEB liability does not include certain other postemployment benefit obligations that are provided by the local education employers. The reporting of these benefits are the responsibility of the individual local education employers.

CITY OF VENTNOR SCHOOL DISTRICT
(A COMPONENT UNIT OF THE CITY OF VENTNOR)
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 7. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

General Information about the OPEB Plan (Continued)

As of June 30, 2017, the Local Education Retired Plan had 99,686 Inactive employees or beneficiaries currently receiving benefit payments and 224,418 Active employees.

Special Funding Situation

The participating local education employer allocations included in the supplemental Schedule of special funding amounts by employer are provided as each local education employer is required to record in their financial statements, as an expense and corresponding revenue, their respective amount of total OPEB expense attributable to the State of New Jersey under the special funding situation and to include their respective amount of total OPEB liability in their notes to their financial statements. The total OPEB liability and service cost for each employer was determined separately based on actual data for each employer's participants.

Total OPEB Liability

The State of New Jersey's total OPEB liability, as of the measurement date of June 30, 2018, was \$46,110,832,982. Of this amount, the total OPEB liability attributable to the School District was \$27,720,727. The State of New Jersey's proportionate share of the total OPEB liability is 100%, including the proportion attributable to the School District of 0.06012%. The total OPEB liability for the School District measured as of June 30, 2018 is zero as a result of the Special Funding Situation with the State of New Jersey. The School District's proportionate share of the total OPEB liability measured as of June 30, 2018 is 0.00%. Accordingly, the School District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position.

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2018 was determined by an actuarial valuation as of June 30, 2017, which was rolled forward to June 30, 2018. 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, applied to all periods in the measurement:

	TPAF/ABP	PERS	PFRS
Inflation Rate	2.50%	2.50%	2.50%
	Based on	Based on	Based on
Salary Increases:	Years of Service	Age	Age
Through 2026	1.55% - 4.55%	2.15% - 4.15%	2.10% - 8.98%
Thereafter	2.00% - 5.45%	3.15% - 5.15%	3.10% - 9.98%

Preretirement mortality rates were based on the RP-2014 Headcount-Weighted Healthy Employee Male/Female mortality table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Postretirement mortality rates were based on the RP-2014 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2014 Headcount- Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

CITY OF VENTNOR SCHOOL DISTRICT
(A COMPONENT UNIT OF THE CITY OF VENTNOR)
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 7. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

Total Nonemployer OPEB Liability (Continued)

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of actuarial experience studies for the periods July 1, 2012 – June 30, 2015, July 1, 2010 – June 30, 2013, and July 1, 2011 – June 30, 2014 for TPAF and PERS, respectively.

100% of all retirees who currently have healthcare coverage are assumed to continue with that coverage. 100% of all active members are considered to participate in the Plan upon retirement, having a coverage blend of 85% and 15% in PPO and HMO, respectively.

Health Care Trend Assumptions

For pre-Medicare preferred provider organization (PPO) and health maintenance organization (HMO) medical benefits, the trend rate is initially 5.8% and decreases to a 5.0% long-term trend rate after eight years. For self-insured post-65 PPO and HMO medical benefits, the trend rate is 4.5%. For prescription drug benefits, the initial trend rate is 8.0% decreasing to a 5.0% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

Discount rate

The discount rate for June 30, 2018 was 3.87%. 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.

Changes in the Total OPEB Liability

State of New Jersey	<u>Total OPEB Liability</u>
Balance as of June 30, 2017 Measurement Date	\$ <u>53,639,841,858</u>
Changes for the year:	
Service Cost	1,984,642,729
Interest	1,970,236,232
Changes of Benefit Terms	
Differences between Expected and Actual	(5,002,065,740)
Changes of Assumptions	(5,291,448,855)
Benefit Payments	(1,232,987,247)
Contributions from Members	42,614,005
Net Changes	<u>(7,529,008,876)</u>
Balance as of June 30, 2018 Measurement Date	\$ <u>46,110,832,982</u>

CITY OF VENTNOR SCHOOL DISTRICT
(A COMPONENT UNIT OF THE CITY OF VENTNOR)
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 7. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

Sensitivity of Total Nonemployer OPEB Liability to changes in the discount rate:

The following presents the total nonemployer OPEB liability as of June 30, 2018, respectively, calculated using the discount rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

June 30, 2018		
At 1.00% Decrease 2.87%	At Discount Rate 3.87%	At 1.00% Increase 4.87%
\$ 54,512,391,175	46,110,832,982	39,432,461,816

Sensitivity of Total Nonemployer OPEB Liability to changes in the healthcare trend rate:

The following presents the total nonemployer OPEB liability as of June 30, 2018, calculated using the healthcare trend rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a healthcare trend rate that is 1- percentage point lower or 1-percentage point higher than the current rate:

June 30, 2018		
1.00% Decrease	Healthcare Cost Trend Rate	1.00% Increase
\$ 38,113,289,045	46,110,832,982	56,687,891,003

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

For the year ended June 30, 2019, the School District recognized OPEB expense of \$1,065,357. The School District reported deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$	\$ 2,690,916
Changes of Assumptions		6,213,743
Net difference Between Projected and Actual Earnings on OPEB Plan Investments		
Changes in Proportion	20,524	
Contributions Subsequent to the Measurement Date		
Total	\$ 20,524	\$ 8,904,659

CITY OF VENTNOR SCHOOL DISTRICT
(A COMPONENT UNIT OF THE CITY OF VENTNOR)
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 7. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows.

Measurement Period Ending June 30,		OPEB
2019	\$	(1,094,800)
2020		(1,094,800)
2021		(1,094,800)
2022		(1,094,800)
2023		(1,094,800)
Thereafter		(3,410,135)
Total	\$	(8,884,135)

NOTE 8. 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, 2019 the District did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease

NOTE 9. COMPENSATED ABSENCES

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

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policies. In the event of termination, an employee is reimbursed for accumulated vacation. Sick leave benefits provide for ordinary sick pay and begin vesting with the employee and are capped based on the terms stated in the various contracts.

In the District-wide Statement of Net Position, the liabilities whose average maturities are greater than one year should be reported in two components - the amount due within one year and the amount due in more than one year.

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

CITY OF VENTNOR SCHOOL DISTRICT
(A COMPONENT UNIT OF THE CITY OF VENTNOR)
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 10. 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 T.S.A. Consulting, utilizing the entities listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows:

- Lincoln Investment Planning
- GWN Securities
- Siracusa
- Amerprise
- Metlife Associates
- Prudential
- AXA Equitable
- Great American

NOTE 11. ECONOMIC DEPENDENCY

The District is heavily reliant on local property taxation through the City of Ventnor to fund the District's operations. Property taxes funded 71.30% of the Districts 2018-2019 governmental operations.

NOTE 12. INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at June 30, 2019:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 322,256	\$
Special Revenue Fund		211,539
Capital Projects Fund		106,109
Food Service Fund		1,073
Payroll Fund		3,535
Total	\$ <u>322,256</u>	\$ <u>322,256</u>

Interfunds were created throughout the year due to short term borrowings to cover cash flow needs in the various funds. It is anticipated that all interfunds will be liquidated during the fiscal year. All governmental fund interfunds are eliminated in the governmental-wide statements, except for Due from Agency, which is a Fiduciary Fund.

NOTE 13. MAINTENANCE RESERVE ACCOUNT

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

CITY OF VENTNOR SCHOOL DISTRICT
(A COMPONENT UNIT OF THE CITY OF VENTNOR)
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 13. MAINTENANCE RESERVE ACCOUNT (Continued)

The activity of the Maintenance reserve for the July 1, 2018 to June 30, 2019 fiscal year is as follows:

Beginning Balance, July 1, 2018	\$ 209,750
Interest Earnings added	100
Withdrawals:	
Per Approved Budget	
Board Resolution	
Total Withdrawals	<u> </u>
Ending Balance, June 30, 2019	<u><u>\$209,850</u></u>

NOTE 14. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by Ventnor City Board of Education 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 at one of the four special elections authorized pursuant to *N.J.S.A. 19:60-2*. Pursuant to *N.J.A.C. 6:23A- 2.13(g) 7*, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve account for the July 1, 2018 to June 30, 2019 fiscal year is as follows:

Beginning Balance July 1, 2018	\$ 785,644
Added by Resolution	200,000
Interest Earnings	500
Withdrawn	<u>(266,054)</u>
Ending Balance June 30, 2019	<u><u>\$ 720,090</u></u>

NOTE 15. FUND BALANCE APPROPRIATED

General Fund – Of the \$3,496,840 General Fund fund balance at June 30, 2019, \$112,521 is reserved for encumbrances; \$2,149,622 is reserved as excess surplus in accordance with *N.J.S.A.18A:7F-7* (\$1,103,591 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2020); \$209,850 has been reserved in the Maintenance Reserve Account; \$720,090 has been reserved in the Capital Reserve Account, of which none has been appropriated and also included as anticipated revenue for the year ending June 30, 2020, no other amount been has been appropriated and included as anticipated revenue for the year ending June 30, 2020 and \$304,757 is unrestricted and undesignated.

CITY OF VENTNOR SCHOOL DISTRICT
(A COMPONENT UNIT OF THE CITY OF VENTNOR)
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 16. ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2019 consisted of accounts (fees) and intergovernmental grants. All receivables are considered collectable in full due to the stable condition of state programs and the current fiscal year guarantee of federal funds. Accounts receivable as of fiscal year-end for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

Receivables:	General Fund	Special Revenue Fund	Capital Projects Fund	Proprietary Funds	Total
Intergovernmental	\$ 71,011	\$ 214,733	\$	\$ 15,216	\$ 300,960
Other	64,429		8,989,183	7,620	9,061,232
Totals	\$ 135,440	\$ 214,733	\$ 8,989,183	\$ 22,836	\$ 9,362,192

NOTE 17. CALCULATION OF EXCESS SURPLUS

In accordance with NJSA 18A:7F-7, as amended by P.L. 2004, C.73 (S1701), the designation for Reserved Fund Balance – Excess Surplus is a required calculation. New Jersey school districts are required to reserve General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2019 is \$2,019,622, of which \$1,103,591 has been appropriated and included as anticipated revenue for the year ended June 30, 2020 and \$1,046,031 must be budgeted in 2020-21.

NOTE 18. DEFICIT FUND BALANCES

The District has a deficit fund balance of \$(75,586) in the Special Revenue Fund as of June 30, 2019, as reported in the fund statements (modified accrual basis). N.J.S.A.18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the last state aid payment in the subsequent fiscal year, the school district cannot recognize the last state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the last state aid payment, the Special Revenue Fund balance deficit does not alone indicate that the district is facing financial difficulties.

NOTE 19. 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.

NOTE 20. SUBSEQUENT EVENTS

The District has evaluated events through November 13, 2019, the date on which the financial statements were available to be issued and no additional items were noted for disclosure.

REQUIRED SUPPLEMENTARY INFORMATION – PART II

BUDGETARY COMPARISON SCHEDULES

CITY OF VENTNOR SCHOOL DISTRICT
(A Component Unit of the City of Ventnor)
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Original Budget</u>	<u>Budget Amendments/ Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 16,405,694	\$	\$ 16,405,694	\$ 16,405,694	\$
Tuition from Individuals				46,035	46,035
Transportation Fees From Other LEAs	297,844		297,844	279,702	(18,142)
Rents	76,403		76,403	77,878	1,475
Interest Earned				59,116	59,116
Interest Earned on Capital Reserve	500		500	500	
Interest Earned on Maintenance Reserve	100		100	100	
Miscellaneous				89,554	89,554
Total - Local Sources	16,780,541		16,780,541	16,958,579	178,038
State Sources:					
Transportation Aid	417,427		417,427	417,427	
Special Education Aid	701,056		701,056	701,056	
Security Aid	344,749		344,749	344,749	
Adjustment Aid	658,541		658,541	564,526	(94,015)
Extraordinary Aid				60,861	60,861
Non-Public Transportation				10,150	10,150
On-behalf Pension Contribution				1,304,162	1,304,162
On-behalf TPAF Post Retirement Medical Contribution				591,565	591,565
On-behalf TPAF Long-Term Disability Contribution				308	308
Reimbursement TPAF Social Security				478,273	478,273
Total - State Sources	2,121,773		2,121,773	4,473,077	2,351,304
Federal Sources:					
Medicaid Reimbursement	21,227		21,227	36,360	15,133
Total - Federal Sources	21,227		21,227	36,360	15,133
TOTAL REVENUES	\$ 18,923,541		\$ 18,923,541	\$ 21,468,016	\$ 2,544,475
EXPENDITURES:					
Current Expense:					
Instruction - Regular Programs:					
Salaries of Teachers:					
Preschool	\$ 20,085	\$ (4,000)	\$ 16,085	\$ 15,951	\$ 134
Kindergarten	278,890	(3,240)	275,650	275,355	295
Grades 1-5	2,060,341	45,708	2,106,049	2,103,317	2,732
Grades 6-8	1,897,037	(96,904)	1,800,133	1,800,133	
Home instruction:					
Salaries of Teachers	6,000	5,684	11,684	11,544	140
Purchased Prof/Ed Services	5,000	(4,592)	408	360	48
Regular Programs - Undistributed - Instruction:					
General Supplies	296,004	73,003	369,007	363,926	5,081
Other Objects	7,080	(1,623)	5,457	459	4,998
Total Regular Programs	4,570,437	14,036	4,584,473	4,571,045	13,428

CITY OF VENTNOR SCHOOL DISTRICT
(A Component Unit of the City of Ventnor)
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Original Budget	Budget Amendments/ Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
CURRENT EXPENSES: (Continued)					
Special Education					
Multiple Disabilities:					
Salaries of Teachers	\$ 147,378	\$ 25,328	\$ 172,706	\$ 172,611	\$ 95
Other Salaries for Instruction	180,016	(42,201)	137,815	137,015	800
Purchased Professional - Educational Services	9,216	10,129	19,345	18,896	449
General Supplies	3,353	286	3,639	3,536	103
Other Objects	1,000		1,000		1,000
Total Multiple Disabilities	340,963	(6,458)	334,505	332,058	2,447
Resource Room:					
Salaries of Teachers	812,925	75,126	888,051	888,051	
Other Salaries for Instruction	168,409	(83,186)	85,223	85,223	
General Supplies	352	4,184	4,536	4,532	4
Total Resource Room	981,686	(3,876)	977,810	977,806	4
Home Instruction - Special:					
Salaries of Teachers	12,000	(8,405)	3,595		3,595
Total Home Instruction - Special	12,000	(8,405)	3,595		3,595
TOTAL SPECIAL EDUCATION	1,334,649	(18,739)	1,315,910	1,309,864	6,046
Basic Skills/Remedial-Instruction:					
Salaries of Teachers	188,117	(61,275)	126,842	124,717	2,125
General Supplies	3,290		3,290	1,055	2,235
Total Basic Skills/Remedial-Instruction	191,407	(61,275)	130,132	125,772	4,360
Bilingual Education-Instruction					
Salaries of Teachers	92,078	(2,195)	89,883	86,580	3,303
Total Bilingual Education-Instruction	92,078	(2,195)	89,883	86,580	3,303
School Sponsored Co-curricular Activities:					
Salaries	26,680	285	26,965	26,965	
Purchased Services (300-500 Series)	500	(285)	215		215
Supplies and Materials	5,480	2,115	7,595	6,263	1,332
Other Objects	2,500	(344)	2,156	584	1,572
Total School Sponsored Co-curricular Activities	35,160	1,771	36,931	33,812	3,119
School Sponsored Athletics:					
Salaries	26,500		26,500	14,049	12,451
Purchased Services (300-500 Series)	3,000	53	3,053	2,954	99
Supplies and Materials	2,085		2,085	1,735	350
Total School Sponsored Athletics	31,585	53	31,638	18,738	12,900
Summer School - Instruction:					
Salaries of Teachers	3,525		3,525		3,525
Total Summer School - Instruction	3,525		3,525		3,525
Other Alternate Education Programs - Instruction:					
Salaries of Teachers	2,112		2,112	2,112	
Total Other Alternate Education Programs - Instruction	2,112		2,112	2,112	
Total Instruction	6,260,953	(66,349)	6,194,604	6,147,923	46,681
Undistributed Expenditures:					
Instruction:					
Tuition - Other LEAs Within the State - Regular	2,265,043		2,265,043	2,234,043	31,000
Tuition - Other LEAs Within the State - Special	931,482		931,482	903,743	27,739
Tuition - Co Voc. School Dist. - Regular	359,000	(30,705)	328,295	287,180	41,115
Tuition - Co Voc. School Dist. - Special	9,800	30,705	40,505	35,585	4,920
Tuition - CSSD & Regional Day Schools	327,550		327,550	322,541	5,009
Tuition to Private Schools for the Disabled Within State	317,582	(60,965)	256,617	169,279	87,338
Tuition - State Facilities	36,247		36,247	36,247	
Total Undistributed Expenditures - Instruction	4,246,704	(60,965)	4,185,739	3,988,618	197,121

CITY OF VENTNOR SCHOOL DISTRICT
(A Component Unit of the City of Ventnor)
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Original Budget	Budget Amendments/ Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
CURRENT EXPENDITURES: (Continued)					
Undistributed Expenditures - Attendance and Social Work:					
Salaries	\$ 62,777	\$ (325)	\$ 62,452	\$ 61,886	\$ 566
Supplies and Materials	150		150	71	79
Total Undistributed Expenditures - Attendance and Social Work	62,927	(325)	62,602	61,957	645
Health Services:					
Salaries	106,563	2,938	109,501	108,699	802
Purch Prof/ Tech Services	8,697	336	9,033	9,033	
Supplies and Materials	4,184	(748)	3,436	2,525	911
Total Health Services	119,444	2,526	121,970	120,257	1,713
Speech, OT, PT & Related Services					
Salaries	157,719	1,868	159,587	157,825	1,762
Purchased Professional - Educational Services	29,470	3,060	32,530	24,001	8,529
Total Related Services	187,189	4,928	192,117	181,826	10,291
Other Support Services - Students - Extra Services:					
Salaries	61,593	70,989	132,582	123,988	8,594
Purchased Prof Ed Services	292,494	(1,424)	291,070	174,590	116,480
Total Extra Services	354,087	69,565	423,652	298,578	125,074
Guidance:					
Salaries Other Professionals	118,263	44	118,307	117,413	894
Purchased Professional - Educational Services	10,930		10,930	10,930	
Other Purchased Professional & Technical Services	3,000	(161)	2,839		2,839
Supplies and Materials	2,074	(360)	1,714	578	1,136
Other Objects	100		100		100
Total Guidance	134,367	(477)	133,890	128,921	4,969
Child Study Team					
Salaries of Other Professional Staff	297,977	(44,767)	253,210	253,210	
Salaries Sec. & Clerical Asst.	52,114	848	52,962	52,962	
Purchased Professional - Educational Services	39,405	43,748	83,153	69,898	13,255
Supplies and Materials	6,303	8,870	15,173	15,113	60
Total Child Study Teams	395,799	8,699	404,498	391,183	13,315
Improv. Instruction Services/Other Support					
Salary of Supervisor of Instruction	86,584	(150)	86,434	83,710	2,724
Salaries of Other Professional Staff	2,435	150	2,585	2,585	
Total Improvement of Instruction Services/Other Support	89,019		89,019	86,295	2,724
Educational Media Services/School Library:					
Salaries	185,723	(3,595)	182,128	175,020	7,108
Salaries of Technology Coordinators	900		900		900
Purchased Professional and Technical Services	11,521	(35)	11,486	11,369	117
Other Purchased Services	620	35	655	655	
Supplies and Materials	22,000		22,000	14,885	7,115
Total Educational Media Services/School Library	220,764	(3,595)	217,169	201,929	15,240

CITY OF VENTNOR SCHOOL DISTRICT
(A Component Unit of the City of Ventnor)
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Original Budget	Budget Amendments/ Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
CURRENT EXPENSES: (Continued)					
Undistributed Expenditures:					
Instructional Staff Training Services					
Purchased Professional and Educational Services	\$ 75		\$ 75	\$ 75	
Other Purchased Services (400-500 Series)	16,797		16,797	1,441	15,356
Total Inst. Staff Training Services	16,872		16,872	1,516	15,356
Support Services General Administration:					
Salaries	208,314	13,390	221,704	221,704	
Legal Services	30,000	11,709	41,709	41,709	
Audit Fees	25,800	(5,500)	20,300	19,900	400
Architectural/Engineering Services	4,000	4,400	8,400	8,350	50
Communication/Telephone	36,465	(10,609)	25,856	16,872	8,984
BOE Other Purchased Prof. Services	500	1,100	1,600	1,600	
Other Purchased Services	21,698		21,698	16,773	4,925
General Supplies	3,500		3,500	2,992	508
BOE In-House Training/Meeting Supplies	1,500		1,500	1,175	325
Miscellaneous Expenditures	20,470	(9,090)	11,380	7,232	4,148
BOE Membership Dues and Fees	15,594	(5,400)	10,194	9,407	787
Total Support Services General Administration	367,841		367,841	347,714	20,127
Support Services School Administration:					
Salaries of Principals/Assistant Principals	230,608	696	231,304	230,608	696
Salaries of Secretarial and Clerical Assistants	181,020	(695)	180,325	180,027	298
Purchased Professional and Technical Services	6,769		6,769	2,989	3,780
Supplies and Materials	15,988		15,988	9,141	6,847
Other Objects	13,000		13,000	6,473	6,527
Total Support Services School Administration	447,385	1	447,386	429,238	18,148
Central Services:					
Salaries	154,314	856	155,170	155,170	
Purchased Professional Services	38,782		38,782	34,573	4,209
Miscellaneous Purchased Services	5,500		5,500	1,003	4,497
Supplies and Materials	5,750		5,750	1,756	3,994
Miscellaneous Expenditures	3,090	(856)	2,234	1,894	340
Total Central Services	207,436		207,436	194,396	13,040
Admin. Info. Technology:					
Salaries	72,261	3,437	75,698	75,698	
Purchased Professional Services	1,500		1,500		1,500
Other Purchased Services	30,702	(3,437)	27,265	26,602	663
Total Admin. Info. Technology	104,463		104,463	102,300	2,163
Required Maintenance for School Facilities:					
Salaries	229,586	(6,068)	223,518	223,518	
Cleaning, Repair and Maintenance Services	362,085	23,380	385,465	358,894	26,571
General Supplies	15,800	6,645	22,445	20,890	1,555
Total Required Maintenance for School Facilities	607,471	23,957	631,428	603,302	28,126

CITY OF VENTNOR SCHOOL DISTRICT
(A Component Unit of the City of Ventnor)
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Original Budget	Budget Amendments/ Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
EXPENDITURES: (Continued)					
CURRENT EXPENSES: (Continued)					
Other Operation and Maintenance of Plant-Custodial Services:					
Salaries	\$ 4,898	\$	\$ 4,898	\$ 4,288	\$ 610
Cleaning, Repair and Maintenance Services	281,674		281,674	279,525	2,149
Insurance	94,721	(618)	94,103	90,794	3,309
General Supplies	75,363	(12,266)	63,097	48,247	14,850
Energy (Natural Gas)	100,000	(500)	99,500	61,974	37,526
Energy (Electricity)	290,000	(4,800)	285,200	218,666	66,534
Other Objects	3,000		3,000	2,456	544
Total Other Operation and Maintenance of Plant - Custodial	849,656	(18,184)	831,472	705,950	125,522
Undistributed Expenditures - Care & Upkeep of Grounds:					
Cleaning, Repair and Maintenance Services	7,544	5,619	13,163	8,291	4,872
General Supplies	3,000	(119)	2,881	641	2,240
Total Care & Upkeep of Grounds	10,544	5,500	16,044	8,932	7,112
Undistributed Expenditures - Security:					
Salaries	56,739	(8,513)	48,226	20,432	27,794
Cleaning, Repair and Maintenance Services	12,718		12,718	1,176	11,542
General Supplies	2,500		2,500	668	1,832
Total Security	71,957	(8,513)	63,444	22,276	41,168
Total Operation and Maintenance of Plant Services	1,539,628	2,760	1,542,388	1,340,460	201,928
Undistributed Expenditures - Student Transportation Services:					
Contracted Services (Bet Home/School) - Vendor	932,136	11,726	943,862	932,258	11,604
Contracted Services (Not Bet Home/School) - Vendors	6,300	6,986	13,286	8,521	4,765
Contracted Services (Sp. Ed. Stds.) - Joint Agrmnts	92,703	93,000	185,703	175,347	10,356
Contracted Services - Aid in Lieu of Payments - Nonpublic	27,000	(4,500)	22,500	22,350	150
Contracted Services - Aid in Lieu of Payments - Charter School	6,000	(6,000)			
Total Student Transportation Services	1,064,139	101,212	1,165,351	1,138,476	26,875
Unallocated Employee Benefits:					
Social Security Contributions	128,710	30,591	159,301	114,192	45,109
Other Retirement Contributions - PERS	171,887	(7,517)	164,370	146,276	18,094
Unemployment Compensation	10,000	(3,944)	6,056		6,056
Workers Compensation	108,180	3,944	112,124	112,124	
Health Benefits	2,207,996	(24,949)	2,183,047	1,988,302	194,745
Tuition Reimbursement	39,000	1,800	40,800	32,580	8,220
Other Employee Benefits	36,427	1,877	38,304	25,091	13,213
Unused Sick Payments to Terminated/Retired Staff	20,000		20,000	9,574	10,426
Total Unallocated Employee Benefits	2,722,200	1,802	2,724,002	2,428,139	295,863
On-behalf TPAF Pension Contribution				1,304,162	(1,304,162)
On-behalf TPAF Post Retirement Medical Contribution				591,565	(591,565)
On-behalf TPAF Long-Term Disability Contribution				308	(308)
Reimbursement TPAF Social Security				478,273	(478,273)
Total Personal Services - Employee Benefits	2,722,200	1,802	2,724,002	4,802,447	(2,078,445)
Total Undistributed Expenditures	12,280,264	126,131	12,406,395	13,816,111	(1,409,716)
Interest Earned on Maintenance Reserve	100		100		100
TOTAL EXPENDITURES - CURRENT EXPENSE	18,541,317	59,782	18,601,099	19,964,034	(1,362,935)

CITY OF VENTNOR SCHOOL DISTRICT
(A Component Unit of the City of Ventnor)
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Original Budget</u>	<u>Budget Amendments/ Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
EXPENDITURES: (Continued)					
CAPITAL OUTLAY:					
Increase in Capital Reserve	\$ 500	\$	\$ 500	\$	\$ 500
	500		500		500
Undistributed Expenditures:					
Instructional:					
Undistributed Expenditures - Required Maint for School Facilities	10,000	4,817	14,817	14,329	488
Total Equipment	10,000	4,817	14,817	14,329	488
Facilities Acquisition - Construction Services:					
Architectural/Engineering Services	57,900	23,857	81,757	66,967	14,790
Construction Services	978,880		978,880	959,235	19,645
Assessment for Debt Service on SDA Funding	41,174		41,174	41,174	
Total Facilities Acquisition and Construction Services	1,077,954	23,857	1,101,811	1,067,376	34,435
TOTAL CAPITAL OUTLAY	1,088,454	28,674	1,117,128	1,081,705	35,423
TOTAL EXPENDITURES	19,629,771	88,456	19,718,227	21,045,739	(1,327,512)
Excess (Deficiency) of Revenues and Other Over (Under) Expenditures	(706,230)	(88,456)	(794,686)	422,277	1,216,963
Other Financing Sources (Uses):					
Transfer to Charter School	(496,910)		(496,910)	(379,505)	117,405
Total Other Financing Sources	(496,910)		(496,910)	(379,505)	117,405
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,203,140)	(88,456)	(1,291,596)	42,772	1,334,368
Fund Balances, July 1	3,593,751		3,593,751	3,593,751	
Fund Balances, June 30	\$ 2,390,611	\$ (88,456)	\$ 2,302,155	\$ 3,636,523	\$ 1,334,368
RECAPITULATION:					
Restricted Fund Balance:					
Excess Surplus				\$ 1,046,031	
Excess Surplus - Designated for Subsequent Year's Expenditures				1,103,591	
Maintenance Reserve				209,850	
Capital Reserve				720,090	
Assigned Fund Balance:					
Year-End Encumbrances				112,521	
Unassigned Fund Balance					
				444,440	
				3,636,523	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payments not Recognized on GAAP Basis				(139,683)	
Fund Balance per Governmental Funds (GAAP)				\$ 3,496,840	

CITY OF VENTNOR SCHOOL DISTRICT
(A Component Unit of the City of Ventnor)
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Federal Sources					
Title I	\$ 383,774	\$ 138,673	\$ 522,447	\$ 504,975	\$ 17,472
Title I - SIA		60,097	60,097		60,097
Title II	47,599	41,962	89,561	48,577	40,984
Title III	11,697	(638)	11,059	10,478	581
Title IV		10,000	10,000	8,200	1,800
I.D.E.A., Part B	186,243	22,955	209,198	209,198	
I.D.E.A., Part B Preschool Initiative		7,545	7,545	7,545	
	629,313	280,594	909,907	788,973	120,934
State Sources					
Preschool	755,859		755,859	740,596	15,263
Total Revenues	1,385,172	280,594	1,665,766	1,529,569	136,197
EXPENDITURES:					
Instruction					
Salaries of Teachers	602,574	94,299	696,873	652,165	44,708
Other Salaries for Instruction	127,535	7,215	134,750	134,750	
Purchased Professional and Technical Services	5,000	(2,597)	2,403	2,403	
Tuition		4,937	4,937	4,937	
Other Purchased Services (400-500 Series)	176,293	39,552	215,845	215,626	219
Supplies and Materials	17,000	24,734	41,734	16,504	25,230
General Supplies	3,212	(3,007)	205	205	
Total Instruction	931,614	165,133	1,096,747	1,026,590	70,157
Support Services					
Salaries	14,028	2,706	16,734	16,734	
Salaries of Principals	18,175		18,175	18,175	
Salaries of Other Professional Staff	19,540	708	20,248	20,248	
Salaries of Facilitator/Coach	9,404		9,404	9,404	
Personal Services - Employee Benefits	189,045	60,735	249,780	241,080	8,700
Purchased Professional - Educational Services	101,595		101,595	101,595	
Other Purchased Professional Services	12,000		12,000	8,000	4,000
Other Purchased Services	67,937	26,412	94,349	67,729	26,620
Cleaning, Repair and Maintenance Services	6,114		6,114	5,096	1,018
Transportation - Field Trips	520		520		520
Supplies and Materials	4,100	27,343	31,443	14,918	16,525
Other Objects	8,500	(2,443)	6,057		6,057
Total Support Services	450,958	115,461	566,419	502,979	63,440
Facilities Acquisition and Construction Services:					
Instructional Equipment	2,600		2,600		2,600
Total Facilities Acquisition and Construction Services	2,600		2,600		2,600
Total Expenditures	1,385,172	280,594	1,665,766	1,529,569	136,197
Other Financing Sources (Uses)					
Total Outflows	1,385,172	280,594	1,665,766	1,529,569	136,197
Excess (Deficiency) of Revenues Over (Under)					
Expenditures and Other Financing Sources (Uses) \$	\$	\$	\$	\$	\$

**NOTES TO THE REQUIRED SUPPLEMENTARY
INFORMATION - PART II**

CITY OF VENTNOR SCHOOL DISTRICT
(A Component Unit of the City of Ventnor)
REQUIRED SUPPLEMENTARY INFORMATION
BUDGET-TO-GAAP RECONCILIATION
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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

	General Fund	Special Revenue Fund
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1] \$ 21,468,016	[C-2] \$ 1,529,569
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	(6,250)
State aid payment recognized for GAAP statements in current year, previously recognized for budgetary purposes.	159,666	74,123
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(139,683)	(75,586)
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2] \$ 21,487,999	[B-2] \$ 1,521,856
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1] \$ 21,045,739	[C-2] \$ 1,529,569
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.		(6,250)
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 general fund		
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2] \$ 21,045,739	[B-2] \$ 1,523,319

REQUIRED SUPPLEMENTARY INFORMATION
PART III

CITY OF VENTNOR SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Pension Liability
Public Employees' Retirement System (PERS)
Last Ten Fiscal Years*

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's Proportion of the Net Pension Liability	0.014684%	0.014581%	0.015178%	0.016018%	0.016711%	0.014946%
District's Proportionate Share of the Net Pension Liability	\$ 2,891,239	\$ 3,446,279	\$ 4,495,182	\$ 3,595,750	\$ 3,128,845	\$ 2,856,552
District's Covered-Employee Payroll	\$ 1,159,677	\$ 1,175,547	\$ 1,045,892	\$ 1,082,892	\$ 1,101,865	\$ 1,143,539
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	249.31%	293.16%	429.79%	332.05%	283.96%	249.80%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%

Note: The amounts presented for each fiscal year were determined as of the prior fiscal year end measurement date.

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a 10-year trend is compiled, this presentation will include information for those years for which information is available.

CITY OF VENTNOR SCHOOL DISTRICT
Schedule of District Contributions
Public Employees' Retirement System (PERS)
Last Ten Fiscal Years*

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ 146,659	\$ 139,049	\$ 135,620	\$ 137,713	\$ 137,767	\$ 112,617
Contributions in relation to the Contractually Required Contribution	(146,659)	(139,049)	(135,620)	(137,713)	(137,767)	(112,617)
Contribution Deficiency (Excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
District's Covered-Employee Payroll	\$ 1,159,677	\$ 1,175,547	\$ 1,045,892	\$ 1,082,892	\$ 1,101,865	\$ 1,143,539
Contributions as a Percentage of Covered-Employee Payroll	12.65%	11.83%	12.97%	12.72%	12.50%	9.85%

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a 10-year trend is compiled, this presentation will include information for those years for which information is available.

CITY OF VENTNOR SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Pension Liability
Teachers' Pension and Annuity Fund (TPAF)
Last Ten Fiscal Years*

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's Proportion of the Net Pension Liability	0.064915%	0.065551%	0.066391%	0.067570%	0.064478%	0.069027%
District's Proportionate Share of the Net Pension Liability	\$ 41,297,776	\$ 44,197,100	\$ 42,706,874	\$ 36,100,658	\$ 34,461,363	\$ 34,885,514
District's Covered-Employee Payroll	\$ 7,075,593	\$ 6,681,950	\$ 6,846,185	\$ 6,824,981	\$ 6,796,398	\$ 6,602,663
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	583.67%	661.44%	623.81%	528.95%	507.05%	528.36%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

Note: The amounts presented for each fiscal year were determined as of the prior fiscal year end measurement date.

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a 10-year trend is compiled, this presentation will include information for those years for which information is available.

CITY OF VENTNOR SCHOOL DISTRICT
Required Supplementary Information - Part III
Schedule of Changes in the Total OPEB Liability and Related Ratios
State Health Benefit Local Education Retired Employees Plan
Last Ten Fiscal Years

	2018	2017
Total OPEB Liability		
Service Cost	\$ 975,727	\$ 1,167,833
Interest Cost	1,176,030	1,013,316
Changes of Benefit Terms		
Differences Between Expected and Actual Experiences	(2,763,249)	
Changes of Assumptions	(3,181,092)	(3,977,305)
Member Contributions	25,619	27,488
Gross Benefit Payments	(741,242)	(746,491)
Net Change in Total OPEB Liability	(4,508,207)	(2,515,159)
Total OPEB Liability - Beginning	32,228,934	34,744,093
Total OPEB Liability - Ending	\$ 27,720,727	\$ 32,228,934
Covered-Employee Payroll	\$ 8,235,270	\$ 7,857,497
Total OPEB Liability as a Percentage of Covered-Employee Payroll	336.61%	410.17%

Notes to Schedule:

Changes of Benefit Terms: None

Differences Between Expected and Actual Experiences: There is no change in the Total OPEB Liability from June 30, 2016 to June 30, 2017 due to differences in expected and actual experiences. The decrease in liability from June 30, 2017 to June 30, 2018 is due to changes in the census, claims and premiums experience.

Changes in Assumptions: The decrease in the liability from June 30, 2016 to June 30, 2017 is due to the increase in the assumed discount rate from 2.85% as of June 30, 2016 to 3.58% as of June 30, 2017. The decrease in the liability from June 30, 2017 to June 30, 2018 is due to the increase in the assumed discount rate from 3.58% as of June 30, 2017 to 3.87% as of June 30, 2018; and a decrease in the assumed health care cost trend and excise tax

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND DETAIL STATEMENTS

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

**CITY OF VENTNOR SCHOOL DISTRICT
(A Component Unit of the City of Ventnor)**

**SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2018)**

	E.S.E.A				I.D.E.A. - Part B		Preschool	Totals	
	Title I	Title II A	Title III	Title IV	Basic	Preschool		2019	2018
	2018-19	2018-19	2018-19	2018-19	2018-19	2018-19			
REVENUES:									
Federal Sources	\$ 504,975	\$ 48,577	\$ 10,478	\$ 8,200	\$ 209,198	\$ 7,545		\$ 788,973	\$ 757,399
State Sources							\$ 740,596	740,596	728,655
Total Revenues	504,975	48,577	10,478	8,200	209,198	7,545	740,596	1,529,569	1,486,054
EXPENDITURES:									
Instruction:									
Salaries of Teachers	328,621		4,660				318,884	652,165	640,732
Other Salaries for Instruction							134,750	134,750	127,361
Purchased Prof/Tech Services						2,403		2,403	5,000
Other Purchased Professional Services									6,500
Tuition						4,937		4,937	7,243
Other Purchased Services (400-500 Series)			5,223		209,198		1,205	215,626	203,950
General Supplies						205		205	20,645
Supplies and Materials							16,504	16,504	
Total Instruction	328,621		9,883		209,198	7,545	471,343	1,026,590	1,011,431
Support Services:									
Salaries	16,734							16,734	17,033
Salaries of Principals							18,175	18,175	17,646
Salaries of Other Professional Staff							20,248	20,248	27,198
Salaries of Facilitator/Coach							9,404	9,404	
Personal Services - Employee Benefits	140,432		356				100,292	241,080	205,197
Purchased Prof/Educational Services							101,595	101,595	100,087
Other Purchased Professional Services							8,000	8,000	8,000
Other Purchased Services (400-500 Series)	19,188	48,302	239					67,729	53,325
Cleaning, Repair and Maintenance Services							5,096	5,096	
Contracted Field Trip Transportation									440
Supplies and Materials		275		8,200			6,443	14,918	30,059
Other Objects									8,334
Total Support Services	176,354	48,577	595	8,200			269,253	502,979	467,319
Facilities Acquisition/Construction:									
Instructional Equipment									7,050
Non-Instructional Equipment									254
Total Facilities Acquisition/Construction									7,304
Total Expenditures	\$ 504,975	\$ 48,577	\$ 10,478	\$ 8,200	\$ 209,198	\$ 7,545	\$ 740,596	\$ 1,529,569	\$ 1,486,054

**CITY OF VENTNOR SCHOOL DISTRICT
(A Component Unit of the City of Ventnor)
Special Revenue Fund
Statement of Preschool Education Aid
Budgetary Basis
For the Fiscal Year Ended June 30, 2019**

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$ 334,835	\$ 334,835	\$
Other Salaries for Instruction	134,750	134,750	
Other Purchased Services	1,205	1,205	
Supplies and Materials	17,315	16,504	811
Total instruction	<u>488,105</u>	<u>487,294</u>	<u>811</u>
Support services:			
Salaries of Principals	18,175	18,175	
Salaries of Other Professional Staff	20,248	20,248	
Salaries of Facilitator/Coach	9,404	9,404	
Personal Services - Employee Benefits	100,549	100,292	257
Purchased Professional Educational Services	105,595	101,595	4,000
Other Purchased Professional Services	8,000	8,000	
Cleaning, Repair and Maintenance Services	6,114	5,096	1,018
Contracted Field Trip Transportation	520		520
Supplies and materials	6,443	6,443	
Other Objects	6,057		6,057
Total support services	<u>281,105</u>	<u>269,253</u>	<u>11,852</u>
Facilities Acquisition and Construction:			
Instructional Equipment	2,600		2,600
	<u>2,600</u>		<u>2,600</u>
Total expenditures	<u>\$ 771,810</u>	<u>\$ 756,547</u>	<u>\$ 15,263</u>

CALCULATION OF BUDGET & CARRYOVER

Total Revised 2018-19 Preschool Education Aid Allocation	\$ 755,859
Add: Actual ECPA/PEA Carryover (June 30, 2018)	17,234
Add: Budgeted Transfer from the General Fund 2018-2019	15,951
Total Preschool Education Aid Funds Available for 2018-2019 Budget	<u>789,044</u>
Less: 2018-2019 Budgeted Preschool Education Aid (Including prior year budgeted carryover)	<u>(771,810)</u>
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2019	<u>17,234</u>
Add: June 30, 2019 Unexpended Preschool Education Aid	15,263
2018-2019 Carryover - Preschool Education Aid Programs	<u>\$ 32,497</u>
2018-19 Preschool Education Aid Carryover Budgeted for Preschool Programs in 2019-20	<u>\$ 17,234</u>

Note: Since the 2018-19 Actual Carryover is more than the amount budgeted in 2019-20, the District should consider revising the 2019-20 Budget or appropriating this amount in the 2020-21 School Year Preschool Education Program Budget by amendment. \$ 15,263

CAPITAL PROJECTS FUND DETAIL STATEMENTS

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

CITY OF VENTNOR SCHOOL DISTRICT
(A Component Unit of the City of Ventnor)
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2019

<u>Project Title/Issue</u>	<u>Original Date</u>	<u>Appropriations</u>	<u>Expenditures to Date</u>		<u>Encumbered</u>	<u>Unexpended Balance June 30, 2019</u>
			<u>Prior Years</u>	<u>Current Year</u>		
School Windows, Roof and Other Exterior Replacement:	2017-18	\$ 1,863,076	\$ 1,411,077	\$ 167,057	\$ 697	\$ 284,245
Various Renovations and Equipment	2018-19	9,315,071		973,718	4,107,684	4,233,669
		<u>\$ 11,178,147</u>	<u>\$ 1,411,077</u>	<u>\$ 1,140,775</u>	<u>\$ 4,108,381</u>	<u>\$ 4,517,914</u>
					Encumbered \$	(4,108,381)
					Fund Balance	8,626,295
						<u>\$ 4,517,914</u>

EXHIBIT F-2

CITY OF VENTNOR SCHOOL DISTRICT
(A Component Unit of the City of Ventnor)
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2019

**Revenues and Other Financing
Sources**

Type 1 Bond Proceeds - Due from City of Ventnor	\$ 9,315,071
Total Revenues	<u>9,315,071</u>

Expenditures and Other Financing Uses

Purchased Professional and Technical Services	843,971
Construction Services	296,804
Total Expenditures	<u>1,140,775</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	8,174,296
Fund Balance - Beginning	<u>451,999</u>
Fund Balance - Ending	<u><u>\$ 8,626,295</u></u>

CITY OF VENTNOR SCHOOL DISTRICT
(A Component Unit of the City of Ventnor)
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES
VARIOUS RENOVATIONS
PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2019

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Designated Fund Balance	\$ 68,601	\$ 68,601	\$ 68,601	\$ 68,601
Transfer from Capital Outlay	794,475		794,475	794,475
Transfer from Capital Reserve Funds	1,000,000		1,000,000	1,000,000
Total Revenues	1,863,076		1,863,076	1,863,076
Expenditures and Other Financing Uses				
Architectural Costs	73,100		73,100	76,392
Construction Services	1,505,752	(21)	1,505,731	1,786,684
Total Expenditures	1,578,852	(21)	1,578,831	1,863,076
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 284,224	\$ 21	\$ 284,245	\$
Additional Project Information:				
Total Projected Cost	\$1,863,076			
Percentage Completion	98%			
Original Target Completion Date	9/1/2017			
Revised Target Completion Date	12/31/2019			

**CITY OF VENTNOR SCHOOL DISTRICT
(A Component Unit of the City of Ventnor)
CAPITAL PROJECTS FUND**

**SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS - BUDGETARY BASIS
VARIOUS RENOVATIONS AND EQUIPMENT
AT VENTNOR EDUCATIONAL COMPLEX
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Bond Proceeds and Transfers	\$	\$ 9,315,071	\$ 9,315,071	\$ 9,315,071
Total Revenues and Other Financing Sources		<u>9,315,071</u>	<u>9,315,071</u>	<u>9,315,071</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services		2,523,498	2,523,498	3,444,052
Construction Services		2,557,904	2,557,904	5,871,019
Total Expenditures and Other Financing Uses		<u>5,081,402</u>	<u>5,081,402</u>	<u>9,315,071</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$	\$ 4,233,669	\$ 4,233,669	\$

Additional project information:

DOE Project Number	4075-050-14-1010
Bond Authorization Date	N/A
Bonds Authorized	7/12/2018
Bonds Issued	
Notes Authorized	\$9,315,071
Original Authorization Cost	\$9,315,071
Additional Authorized Cost	\$0
Revised Authorized Cost	\$9,315,071
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	10%
Original Target Completion Date	6/30/2023
Revised Target Completion Date	6/30/2023

PROPRIETARY FUND DETAIL STATEMENTS

Proprietary Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the district’s board is that the costs of providing goods or services be financed through user charges.

Food Services Fund – This fund provides for the operation of food services in all schools within the school district.

CITY OF VENTNOR SCHOOL DISTRICT
(A Component Unit of the City of Ventnor)
ENTERPRISE FUND
COMBINING SCHEDULE OF NET POSITION
AS OF JUNE 30, 2019 AND 2018

	<u>Food Service Enterprise Fund</u>	<u>After School Program</u>	<u>Totals</u>	
			<u>2019</u>	<u>2018</u>
ASSETS:				
Current Assets:				
Cash and Cash Equivalents	\$	\$ 114,989	\$ 114,989	\$ 107,537
Accounts Receivable:				
State	211		211	229
Federal	15,005		15,005	15,498
Other	7,620		7,620	6,395
Interfund Receivable				15,828
Inventory	3,454		3,454	4,304
Total Current Assets	<u>26,290</u>	<u>114,989</u>	<u>141,279</u>	<u>149,791</u>
Fixed Assets:				
Equipment	178,211		178,211	165,751
Accumulated Depreciation	(135,502)		(135,502)	(128,101)
Total Fixed Assets	<u>42,709</u>		<u>42,709</u>	<u>37,650</u>
Total Assets	<u>68,999</u>	<u>114,989</u>	<u>183,988</u>	<u>187,441</u>
LIABILITIES:				
Current Liabilities:				
Accounts Payable				4,671
Interfund Payable	1,073		1,073	
Unearned Revenue	3,880		3,880	4,630
Total Current Liabilities	<u>4,953</u>		<u>4,953</u>	<u>9,301</u>
NET POSITION:				
Invested in Capital Assets Net of Related Debt	42,709		42,709	37,650
Unrestricted	21,337	114,989	136,326	140,490
Total Net Position	<u>\$ 64,046</u>	<u>\$ 114,989</u>	<u>\$ 179,035</u>	<u>\$ 178,140</u>

CITY OF VENTNOR SCHOOL DISTRICT
(A Component Unit of the City of Ventnor)
ENTERPRISE FUND
COMBINING SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
AS OF JUNE 30, 2019 AND 2018

	Food Service Enterprise Fund	After School Program	Totals	
			2019	2018
OPERATING REVENUES:				
Local Sources:				
Daily Sales - Reimbursable Programs:				
School Lunch Program	\$ 29,123	\$	\$ 29,123	\$ 26,027
School Breakfast Program	16,321		16,321	9,627
Total Daily Sales - Reimbursable Programs	45,444		45,444	35,654
Daily Sales Non-Reimbursable Programs	58,805		58,805	77,191
Miscellaneous	3,479		3,479	5,075
Program Fees		27,566	27,566	21,201
Total Operating Revenue	107,728	27,566	135,294	139,121
OPERATING EXPENSES:				
Salaries	152,569	16,011	168,580	168,035
Employee Benefits	39,246	1,225	40,471	45,740
Other Purchases Services	4,088		4,088	4,436
Cost of Sales -Reimbursable Programs	137,050		137,050	127,626
Cost of Sales - Non Reimbursable Programs	1,768		1,768	11,191
Depreciation	7,401		7,401	6,363
Other Costs	2,590	2,878	5,468	4,509
Total Operating Expenses	344,712	20,114	364,826	367,900
Operating Income (Loss)	(236,984)	7,452	(229,532)	(228,779)
Non-Operating Revenues:				
State Sources:				
State School Lunch Program	3,073		3,073	3,223
Federal Sources:				
School Breakfast Program	45,189		45,189	48,453
National School Lunch Program	157,610		157,610	163,569
National School Snack Program	3,790		3,790	4,340
Healthy Hunger Free Kids Act	3,406		3,406	3,566
Food Distribution Program	17,359		17,359	14,027
Total Non-Operating Revenues	230,427		230,427	237,178
Net Income before Operating Transfers	(6,557)	7,452	895	8,399
Gain/(Loss) from Disposals of Assets				(1,035)
Net Income	(6,557)	7,452	895	8,399
Net Position - July 1	70,603	107,537	178,140	170,776
Net Position - June 30	\$ 64,046	\$ 114,989	\$ 179,035	\$ 178,140

CITY OF VENTNOR SCHOOL DISTRICT
(A Component Unit of the City of Ventnor)
ENTERPRISE FUND
COMBINING SCHEDULE OF CASH FLOWS
AS OF JUNE 30, 2019 AND 2018

	<u>Food Service</u>	<u>After</u>	<u>Totals</u>	
	<u>Enterprise</u>	<u>School</u>	<u>2019</u>	<u>2018</u>
	<u>Fund</u>	<u>Program</u>		
Cash Flows from Operating Activities:				
Receipts from Customers	\$ 107,728	\$ 27,566	\$ 135,294	\$ 139,121
Payments to Employees	(152,569)	(16,011)	(168,580)	(168,035)
Payments for Employee Benefits	(39,246)	(1,225)	(40,471)	(45,740)
Payments to Suppliers	(116,521)	(2,878)	(119,399)	(116,771)
Net Cash Provided by (Used for) Operating Activities	<u>(200,608)</u>	<u>7,452</u>	<u>(193,156)</u>	<u>(191,425)</u>
Cash Flows from Non-Capital Financing Activities				
State Sources	3,073		3,073	3,223
Federal Sources	209,995		209,995	219,928
Net Cash Provided by (Used for) Operating Activities	<u>213,068</u>		<u>213,068</u>	<u>223,151</u>
Cash Flows from Capital and Related Financing Activities				
Purchases of Equipment	(12,460)		(12,460)	(27,096)
Sale of Equipment				100
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(12,460)</u>		<u>(12,460)</u>	<u>(26,996)</u>
Cash Flows from Investing Activities				
Net Cash Provided by (Used for) Investing Activities				
Net Increase (Decrease) in Cash and Cash Equivalents		7,452	7,452	4,730
Balances - Beginning of Year		107,537	107,537	102,807
Balances - End of Year	<u>\$</u>	<u>\$ 114,989</u>	<u>\$ 114,989</u>	<u>\$ 107,537</u>
Operating Income (Loss)	\$ (236,984)	\$ 7,452	\$ (229,532)	\$ (228,779)
Adjustments to Reconcile Operating Income (Loss) to Cash Used by Operating Activities:				
Depreciation	7,401		7,401	6,363
Food Distribution Program	17,359		17,359	14,027
Change in Assets and Liabilities:				
(Increase)/Decrease in Accounts Receivable	(714)		(714)	1,995
(Increase)/Decrease in Interfund Receivable	15,828		15,828	4,789
(Increase)/Decrease in Inventory	850		850	1,550
Increase/(Decrease) in Accounts Payable	(4,671)		(4,671)	4,000
Increase/(Decrease) in Interfund Payable	1,073		1,073	
Increase/(Decrease) in Unearned Revenue	(750)		(750)	4,630
Total Adjustments	<u>36,376</u>		<u>36,376</u>	<u>37,354</u>
Net Cash Used by Operating Activities	<u>\$ (200,608)</u>	<u>\$ 7,452</u>	<u>\$ (193,156)</u>	<u>\$ (191,425)</u>

FIDUCIARY FUNDS DETAIL STATEMENTS

Fiduciary Funds are used to account for funds received by the School District for a specific purpose.

Agency Funds are used to account for assets held by the School District as an agent for individuals, private organizations, other governments an/or other funds.

Student Activity Fund – This agency fund is used to account for student funds held at the schools.

Payroll Fund – This agency fund is used to account for the payroll transactions of the School District.

CITY OF VENTNOR SCHOOL DISTRICT
(A Component Unit of the City of Ventnor)
FIDUCIARY FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2019
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2018)

	<u>Agency</u>		<u>Total</u>	
	<u>Student Activity</u>	<u>Payroll</u>	<u>2019</u>	<u>2018</u>
ASSETS:				
Cash and Cash Equivalents	\$ 17,141	\$ 20,561	\$ 37,702	\$ 52,806
Total Assets	<u>\$ 17,141</u>	<u>\$ 20,561</u>	<u>\$ 37,702</u>	<u>\$ 52,806</u>
 LIABILITIES AND NET POSITION:				
Liabilities:				
Payroll Deductions and Withholdings	\$	\$ 15,691	\$ 15,691	\$ 27,208
Due to Student Groups	17,141		17,141	25,595
Flexible Spending Reserve		1,335	1,335	3
Due to General Fund		3,535	3,535	
Total Liabilities	<u>\$ 17,141</u>	<u>\$ 20,561</u>	<u>\$ 37,702</u>	<u>\$ 52,806</u>

CITY OF VENTNOR SCHOOL DISTRICT
(A Component Unit of the City of Ventnor)
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Balance</u> <u>July 1,</u> <u>2018</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30,</u> <u>2019</u>
ELEMENTARY SCHOOLS				
ASSETS:				
Cash and Cash Equivalents	\$ 25,595	\$ 24,068	\$ 32,522	\$ 17,141
Total Assets	<u>25,595</u>	<u>24,068</u>	<u>32,522</u>	<u>17,141</u>
LIABILITIES:				
Due to Student Groups	<u>25,595</u>	<u>24,068</u>	<u>32,522</u>	<u>17,141</u>
Total Liabilities	<u>\$ 25,595</u>	<u>\$ 24,068</u>	<u>\$ 32,522</u>	<u>\$ 17,141</u>

CITY OF VENTNOR SCHOOL DISTRICT
(A Component Unit of the City of Ventnor)
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Balance July 1, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2019</u>
ASSETS:				
Cash and Cash Equivalents	\$ 27,211	\$ 10,056,900	\$ 10,063,550	\$ 20,561
Total Assets	<u>\$ 27,211</u>	<u>\$ 10,056,900</u>	<u>\$ 10,063,550</u>	<u>\$ 20,561</u>
LIABILITIES:				
Net Payroll	\$	\$ 5,447,156	\$ 5,447,156	\$
Payroll Deductions & Withholdings	27,208	4,600,409	4,611,926	15,691
Flexible Spending Account	3	5,800	4,468	1,335
Due to General Fund		3,535		3,535
Total Liabilities	<u>\$ 27,211</u>	<u>\$ 10,056,900</u>	<u>\$ 10,063,550</u>	<u>\$ 20,561</u>

STATISTICAL SECTION

CITY OF VENTNOR SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
 (Accrual Basis of Accounting)
 (UNAUDITED)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Governmental Activities										
Invested in Capital Assets, Net of Related Debt \$	18,228,757	20,853,166	20,026,494	19,197,067	16,591,987	17,943,708	18,685,560	18,072,989	18,962,359	19,985,123
Restricted	755,525	429,412	562,931	901,500	694,732	1,945,538	2,703,759	3,090,306	3,376,600	11,705,857
Unrestricted	(346,336)	242,233	758,462	310,742	361,345	(1,707,095)	(2,976,762)	(3,209,936)	(3,095,504)	(3,186,685)
Total Governmental Activities Net Position	<u>18,637,946</u>	<u>21,524,811</u>	<u>21,347,887</u>	<u>20,409,309</u>	<u>17,648,064</u>	<u>18,182,151</u>	<u>18,412,557</u>	<u>17,953,359</u>	<u>19,243,455</u>	<u>28,504,295</u>
Business-Type Activities										
Invested in Capital Assets, Net of Related Debt	41,357	29,896	47,717	32,996	23,887	20,370	20,179	18,053	37,650	42,709
Restricted										
Unrestricted	280,681	216,674	105,376	12,141	(25,920)	41,461	96,017	152,723	140,490	136,326
Total Business-Type Activities Net Position	<u>322,038</u>	<u>246,570</u>	<u>153,093</u>	<u>45,137</u>	<u>(2,033)</u>	<u>61,831</u>	<u>116,196</u>	<u>170,776</u>	<u>178,140</u>	<u>179,035</u>
District-Wide										
Invested in Capital Assets, Net of Related Debt	18,270,114	20,883,062	20,074,211	19,230,063	16,615,874	17,964,078	18,705,739	18,091,042	19,000,009	20,027,832
Restricted	755,525	429,412	562,931	901,500	694,732	1,945,538	2,703,759	3,090,306	3,376,600	11,705,857
Unrestricted	(65,655)	458,907	863,838	322,883	335,424	(1,665,634)	(2,880,745)	(3,057,213)	(2,955,014)	(3,050,359)
Total District-Wide Net Position	<u>\$ 18,959,984</u>	<u>21,771,381</u>	<u>21,500,980</u>	<u>20,454,446</u>	<u>17,646,030</u>	<u>18,243,982</u>	<u>18,528,753</u>	<u>18,124,135</u>	<u>19,421,595</u>	<u>28,683,330</u>

Source: CAFR Schedule A-1

CITY OF VENTNOR SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
(UNAUDITED)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses:										
Governmental Activities										
Instruction										
Regular	7,316,645	7,089,836	6,604,687	7,254,881	7,097,968	7,218,412	5,962,105	8,302,665	7,945,215	8,082,542
Special Education	1,109,908	1,066,985	1,052,321	1,068,960	1,020,838	1,036,022	1,099,632	1,522,699	1,520,869	1,797,174
Other Special Education	632,289	640,079	762,249	781,200	622,449	628,315	459,904	425,794	304,093	294,844
Other Instruction	59,641	18,750	37,754	63,554	90,579	63,049	81,033	49,586	52,574	71,274
Non-Public Programs	69,279	23,545								
Support Services										
Tuition	8,407,993	8,583,762	8,673,153	8,863,182	7,932,062	8,845,367	9,246,032	8,866,422	6,843,330	5,200,744
Student and Instruction Related Services	1,321,322	1,264,699	1,547,684	1,496,798	1,597,501	1,893,600	2,003,223	1,266,564	2,343,817	2,378,735
General Administrative Services	363,384	381,716	231,879	313,604	428,347	409,095	542,422	455,704	557,481	495,179
School Administrative Services	653,213	641,191	695,141	610,374	575,111	608,715	672,324	662,724	707,633	592,616
Business Administrative Services	324,404	316,074	1,342,145	1,224,216	1,413,150	1,621,136	1,606,723	1,258,626	445,894	413,201
Plant Operations and Maintenance	1,415,671	1,335,868	1,084,316	1,219,389	1,174,180	1,268,368	1,369,019	1,185,551	1,366,676	1,381,462
Pupil Transportation	1,150,622	1,056,253	338,697	409,083	360,038	385,652	408,241	402,118	929,433	1,138,476
Interest Expense		160,965	28,873	41,173	186,797	529,607	496,508	535,342	37,424	41,174
Total Governmental Activities Expenses	22,824,371	22,579,723	22,398,899	23,346,414	22,499,020	24,507,338	23,947,166	24,933,795	23,054,439	21,887,421
Business-Type Activities										
After School Programs	10,352	26,289	29,866	18,321	17,741	9,010	19,458	25,321	16,288	20,114
Food Service	576,278	565,632	612,985	579,637	448,161	404,519	367,810	354,921	351,612	344,712
Total Business-Type Activities Expense	586,630	591,921	642,851	597,958	465,902	413,529	387,268	380,242	367,900	364,826
Total District Expenses	23,411,001	23,171,644	23,041,750	23,944,372	22,964,922	24,920,867	24,334,434	25,314,037	23,422,339	22,252,247
Program Revenues										
Governmental Activities										
Charge for Services	257,260	320,471	306,962	347,147	315,243	343,843	264,733	205,447	294,265	325,737
Operating Grants and Contributions	1,563,020	1,312,931	1,129,059	1,048,464	1,272,204	4,529,328	4,338,848	4,247,639	1,273,779	1,282,239
Total Gov't Activities Program Rev.	1,820,280	1,633,402	1,436,021	1,395,611	1,587,447	4,873,171	4,603,581	4,453,086	1,568,044	1,607,976
Business-Type Activities										
Charges for Services										
Fees for After School Program	17,710	22,716	15,297	15,421	29,798	36,714	41,529	49,889	21,201	27,566
Food Service	195,768	179,346	176,239	150,612	88,163	124,209	124,381	118,441	117,920	107,728
Operating Grants and Contributions	381,749	314,391	340,762	323,969	301,031	286,157	299,034	269,820	237,178	230,427
Total Bus.-Type Activities Prog. Rev.	595,227	516,453	532,298	490,002	418,992	447,080	464,944	438,150	376,299	365,721
Total District Program Revenues	2,415,507	2,149,855	1,968,319	1,885,613	2,006,439	5,320,251	5,068,525	4,891,236	1,944,343	1,973,697
Net (Expense)/Revenue										
Governmental Activities	(21,004,091)	(20,946,321)	(20,962,878)	(21,950,803)	(20,911,573)	(19,634,167)	(19,343,585)	(20,480,709)	(21,486,395)	(20,279,445)
Business-Type Activities	8,597	(75,468)	(110,553)	(107,956)	(46,910)	33,551	77,676	57,908	8,399	895
Total District-Wide Net Expense	(20,995,494)	(21,021,789)	(21,073,431)	(22,058,759)	(20,958,483)	(19,600,616)	(19,265,909)	(20,422,801)	(21,477,996)	(20,278,550)
General Revenues and Other Changes in Net Position										
Governmental Activities										
Property Taxes Levied - General Purp.	16,686,417	17,142,480	17,734,656	17,483,143	17,483,143	17,819,977	17,819,977	17,734,656	17,705,694	16,405,694
Unrestricted Grants and Contributions	3,083,699	2,681,178	3,254,800	3,518,444	3,332,550	2,200,176	2,182,846	2,190,955	5,518,620	3,971,877
Miscellaneous Income	56,616	592,306	31,866	10,638	75,316	58,464	159,902	25,122	5,736	149,270
Investment Income										
Rents and Royalties					12,874	69,950	54,571	70,775	72,995	77,878
Bond Proceeds	388,455	3,833,861	23,145							
Special Items										9,315,071
Loss on the Disposal of Fixed Assets		(416,639)			(9,621)	19,686			(34,179)	
Transfer to Charter Schools									(492,374)	(379,505)
Cancellation of Prior Year Receivable							(127,921)			
Close Out Capital Projects							(527,874)			
Cancellation of Prior Year Payables							12,490			
Total Governmental Activities	20,215,187	23,833,186	21,044,467	21,012,225	20,894,262	20,168,253	19,573,991	20,021,508	22,776,492	29,540,285
Business-Type Activities										
Transfers						30,314				
Fixed Asset Adjustment									(1,035)	
Cancellation of Prior Year Receivable							(23,312)	(3,327)		
Total Business-Type Activities						30,314	(23,312)	(3,327)	(1,035)	
Total District-Wide	20,215,187	23,833,186	21,044,467	21,012,225	20,894,262	20,198,567	19,550,679	20,018,181	22,775,457	29,540,285
Change in Net Position										
Governmental Activities	(788,904)	2,886,865	81,589	(938,578)	(17,311)	534,086	230,406	(459,201)	1,290,097	9,260,840
Business-Type Activities	8,597	(75,468)	(110,553)	(107,956)	(46,910)	63,865	54,364	54,581	7,364	895
Total District-Wide	\$(780,307)	2,811,397	(28,964)	(1,046,534)	(64,221)	597,951	284,770	(404,620)	1,297,461	9,261,735

Source: CAFR Schedule A-2

CITY OF VENTNOR SCHOOL DISTRICT
FUND BALANCES-GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
 (Modified Accrual Basis of Accounting)
 (UNAUDITED)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund										
Restricted	\$	\$ 391,946	\$ 1,082,431	\$ 1,236,772	\$ 1,484,060	\$ 1,220,529	\$ 1,066,677	\$ 1,788,613	\$ 2,924,601	\$ 3,079,562
Committed		259,599	280,115	64,972	259,700	717,402	1,109,700	1,294,844		
Assigned		39,712	20,971	15,942	18,846	7,607	527,382	6,849	199,926	112,521
Unassigned		377,339	338,912	275,578	315,523	345,085	346,116	312,803	309,558	304,757
Reserved	755,525									
Unreserved	218,536									
Total General Fund	<u>974,061</u>	<u>1,068,596</u>	<u>1,722,429</u>	<u>1,593,264</u>	<u>2,078,129</u>	<u>2,290,623</u>	<u>3,049,875</u>	<u>3,403,109</u>	<u>3,434,085</u>	<u>3,496,840</u>
All Other Governmental Funds										
Assigned - Capital Projects Fund									167,775	4,108,381
Committed - Capital Projects Fund									284,224	4,517,914
Unassigned, Reported in:										
Special Revenue Fund	(19,905)	(19,860)	(13,477)	(21,681)	(20,026)	(12,335)	(16,405)	(9,747)	(74,123)	(75,586)
Capital Projects Fund						1,040,438	71	68,600		
Total All Other Governmental Funds	<u>\$ (19,905)</u>	<u>\$ (19,860)</u>	<u>\$ (13,477)</u>	<u>\$ (21,681)</u>	<u>\$ (20,026)</u>	<u>\$ 1,028,103</u>	<u>\$ (16,334)</u>	<u>\$ 58,853</u>	<u>\$ 377,876</u>	<u>\$ 8,550,709</u>

Source: CAFR Schedule B-1

CITY OF VENTNOR SCHOOL DISTRICT
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(UNAUDITED)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues										
Tax Levy	\$ 16,686,417	17,142,480	17,483,143	17,483,143	17,483,143	17,819,977	17,819,977	17,734,656	17,705,694	16,405,694
Other Tuition		7,944		10,278	1,733	61,995	37,531	23,786		46,035
Transportation	257,260	312,527	306,962	336,869	313,510	281,848	227,202	181,661	294,265	279,702
Rents and Royalties					12,874	69,950	54,571	70,775	72,995	77,878
Miscellaneous	61,223	592,306	31,866	10,628	75,316	58,464	159,902	25,122	5,736	149,270
State Sources	3,316,074	2,899,897	3,310,916	3,727,050	3,575,451	4,430,078	4,427,877	4,111,279	4,914,761	5,232,193
Federal Sources	1,326,038	1,094,212	1,072,943	839,858	1,029,303	818,079	795,502	777,295	776,289	819,083
Total Revenues	21,647,012	22,049,366	22,205,830	22,407,826	22,491,330	23,540,391	23,522,562	22,924,574	23,769,740	23,009,855
Expenditures										
Instruction										
Regular Instruction	5,945,871	5,744,215	5,277,796	5,712,690	5,636,593	5,643,169	5,576,035	5,769,282	5,413,100	5,591,385
Special Education Instruction	893,615	857,345	833,213	833,623	805,781	762,289	764,148	1,005,270	1,013,168	1,309,864
Other Special Instruction	509,073	514,316	603,538	609,215	491,320	462,304	319,593	264,255	203,917	212,352
Other Instruction	48,019	15,066	29,893	49,563	71,497	46,390	56,311	49,586	52,574	54,662
Nonpublic School Program	55,778	18,919								
Support Services										
Instruction	6,769,492	6,897,300	6,867,285	6,911,910	6,261,039	6,508,286	6,470,159	5,853,516	4,588,963	3,988,618
Student and Instruction Related Services	1,063,830	1,016,211	1,225,435	1,167,271	1,260,961	1,393,282	1,392,065	1,266,564	1,593,791	1,734,361
School Administrative Services	525,919	514,490	551,125	475,997	453,955	447,883	467,206	473,384	584,775	531,538
General Administrative Services	292,569	306,717	183,598	244,563	338,108	301,006	376,936	325,510	562,584	542,110
Business Administrative Services	261,186	253,972	1,062,692	954,699	1,115,446	1,192,807	1,116,532	1,258,626		
Plant Operations and Maintenance	1,139,793	1,073,398	858,547	950,934	926,819	933,246	951,348	901,615	1,366,676	1,340,460
Pupil Transportation	1,112,945	848,721	268,176	319,021	284,190	283,757	283,692	287,233	929,433	1,138,476
Unallocated Employee Benefits	3,542,686	3,845,234	3,749,443	4,252,280	3,835,173	3,971,506	3,968,158	4,343,245	4,532,196	5,043,527
Capital Outlay	656,612	4,007,701	122,079	63,439	578,946	2,398,512	1,422,259	698,070	2,086,190	2,222,480
Total Expenditures	22,817,388	25,913,605	21,632,820	22,545,205	22,059,828	24,344,437	23,164,442	22,496,156	22,927,367	23,709,833
Excess (Deficiency) of Revenues										
Over (Under) Expenditures	(1,170,376)	(3,864,239)	573,010	(137,379)	431,502	(804,046)	358,120	428,418	842,373	(699,978)
Other Financing Sources (Uses)										
Capital Leases (non-budgeted)	156,325	124,887	64,061							
Cancellation of Prior Year Payable							12,490			
Cancellation of Prior Year Receivable							(127,921)			
Close Out Capital Projects							(527,874)			
(Increase)/Decrease in Emergency Reserve	126,255									
Transfer to/(from) Emergency Reserve	(126,255)									
Transfer to Charter School									(492,374)	(379,505)
(Increase)/Decrease in Maintenance Reserve	75,000									
Transfer to/(from) Maintenance Reserve	(75,000)									
Bond/Lease Proceeds	388,455	3,833,861	23,145		2,100,000					9,315,071
Total Other Financing Sources (Uses)	544,780	3,958,748	87,206		2,100,000		(643,305)		(492,374)	8,935,566
Net Change in Fund Balances	\$ (625,596)	94,509	660,216	(137,379)	2,531,502	(804,046)	(285,185)	428,418	349,999	8,235,588
Debt Service as a Percentage of										
Noncapital Expenditures	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Source: CAFR Schedule B-2

CITY OF VENTNOR SCHOOL DISTRICT
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(UNAUDITED)

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Tuition</u> <u>Revenue</u>	<u>Transportation</u> <u>Fees</u>	<u>Rents and</u> <u>Royalties</u>	<u>Miscellaneous</u>	<u>Total</u>
2019	\$ 59,716	\$ 46,035	\$ 279,702	\$ 77,878	\$ 89,554	\$ 552,885
2018	27,919		294,265	72,995	(22,183)	372,996
2017	8,951	23,786	181,661	70,775	16,171	301,344
2016	4,549	37,531	227,202	54,571	155,353	479,206
2015	4,251	61,995	281,848	69,950	54,213	472,257
2014	12,874	1,733	313,510	12,874	75,316	416,307
2013	10	10,278	336,869		10,628	357,785
2012	9,176		306,962		43,445	359,583
2011	24,508	7,944	312,517		567,808	912,777
2010	34,761		257,260		26,462	318,483

Source: District Records

CITY OF VENTNOR SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year Ended June 30,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual County Equalized Value
2019	\$ 37,284,100	\$ 1,899,069,000	\$ 74,391,400	\$ 1,428,400	\$ 16,352,400	\$ 2,028,525,300		\$ 2,028,525,300	\$ 0.877	\$ 2,212,899,576
2018	37,900,300	1,892,074,100	74,836,100	1,428,400	16,352,400	2,022,591,300		2,022,591,300	0.914	2,175,267,199
2017	37,900,300	1,886,825,600	74,836,100	1,428,400	16,352,400	2,017,342,800		2,017,342,800	0.945	2,099,867,597
2016	54,030,900	2,209,240,950	80,962,400	1,604,100	16,162,400	2,362,000,750		2,362,000,750	0.813	2,245,034,455
2015	57,341,700	2,244,666,750	80,033,600	1,604,100	15,525,300	2,399,171,450	1,862,937	2,401,034,387	0.742	2,306,008,699
2014	55,587,800	2,305,924,150	80,719,500	1,604,100	16,553,400	2,460,388,950	1,784,440	2,462,173,390	0.777	2,354,489,177
2013	35,040,600	2,374,781,750	85,956,600	1,604,100	15,007,100	2,512,390,150	2,167,532	2,514,557,682	0.753	2,443,285,466
2012	38,194,100	2,437,719,950	84,926,100	1,604,100	15,426,700	2,577,870,950	2,575,478	2,580,446,428	0.733	2,627,150,899
2011	39,833,900	2,468,549,250	89,032,600	1,604,100	14,663,400	2,613,683,250	2,500,422	2,616,183,672	0.716	2,710,980,496
2010	42,014,300	2,495,328,850	90,037,600	1,604,100	15,028,700	2,644,013,550	2,511,795	2,646,525,345	0.700	2,775,590,293

Source: District records Tax list summary & Municipal Tax Assessor

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.

Reassessment occurs when ordered by the County Board of Taxation

a Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

b Tax rates are per \$100

c Estimate

**CITY OF VENTNOR SCHOOL DISTRICT
 DIRECT AND OVERLAPPING PROPERTY TAX RATES
 LAST TEN FISCAL YEARS
 (Rate Per \$100 of Assessed Value)
 (UNAUDITED)**

Year Ended June 30,	Ventnor School District			Overlapping Rates		
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	City of Ventnor	Atlantic County	Total
2019	\$ 0.808	\$ 0.069	\$ 0.877	\$ 1.118	\$ 0.590	\$ 2.585
2018	0.844	0.070	0.914	1.121	0.599	2.634
2017	0.876	0.069	0.945	1.012	0.837	3.788
2016	0.754	0.059	0.813	1.012	0.846	3.799
2015	0.683	0.059	0.742	0.984	0.802	3.732
2014	0.717	0.060	0.777	0.998	1.255	4.113
2013	0.695	0.058	0.753	1.425	1.124	5.371
2012	0.677	0.056	0.733	1.497	1.073	5.300
2011	0.661	0.055	0.716	1.379	1.054	5.085
2010	0.639	0.061	0.700	1.347	1.041	5.034

Source: District Records and Municipal Tax Collector

Note: NJSA 18A:7F-5d limits the amount that the District can submit for a general fund tax levy. The levy when added to other components of the District's net budget may not exceed the pre-budget year net budget by more than the spending growth limitation calculation.

a The District's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net Valuation Taxable.

b Rates for debt service are based on each year's requirements.

CITY OF VENTNOR SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)

Taxpayer	2019		2010	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Ventnor Loan LLC	\$ 12,509,900	0.62%	\$	
Taxpayer #1	4,754,800	0.24%		
Seascape Villa, LLC	4,417,300	0.22%		
111 S. Cornwall Assoc. LLC	4,238,400	0.21%		
Taxpayer #2	3,666,600	0.18%		NOT AVAILABLE
Somerset Associates	3,516,100	0.17%		
Taxpayer #3	3,237,000	0.16%		
Marshall Trustee Alvin	3,076,700	0.15%		
5806 Boardwalk LLC	3,063,000	0.15%		
Derby Partners LLC	3,033,000	0.15%		
Total	\$ 45,512,800	2.25%	\$	0.00%

Source: District CAFR & Municipal Tax Assessor

CITY OF VENTNOR SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	% of Levy	
2019	\$ 16,405,694	\$ 16,405,694	100.00%	\$
2018	17,705,694	16,230,219	91.67%	1,475,475
2017	17,734,656	17,734,656	100.00%	
2016	17,819,977	17,819,977	100.00%	
2015	17,819,977	17,819,977	100.00%	
2014	17,483,143	17,483,143	100.00%	
2013	17,483,143	17,483,143	100.00%	
2012	17,312,812	17,312,812	100.00%	
2011	17,142,480	17,142,480	100.00%	
2010	16,686,417	16,686,417	100.00%	

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

Note: School taxes are collected by the Municipal Tax Collector. Under New Jersey State Statute, a municipality is required to remit to the School District the entire property tax balance, the amount voted upon or certified prior to the end of the school year.

**CITY OF VENTNOR SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(UNAUDITED)**

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Total District	Percentage of	
	General Obligation Bonds ^b	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Personal Income ^a		Per Capita ^a	
2010	\$ 11,025,000	106,821	\$	\$	\$ 11,131,821	2.685%	\$ 1,046	
2011	13,173,000	172,915			13,345,915	3.083%	1,256	
2012	12,163,000	117,641			12,280,641	2.783%	1,159	
2013	11,123,000	106,445			11,229,445	2.522%	1,064	
2014	10,053,000	2,164,650			12,217,650	2.699%	1,167	
2015	8,763,000	1,694,548			10,457,548	2.296%	1,011	
2016	7,638,000	744,454			8,382,454	1.824%	817	
2017	6,093,000	320,102			6,413,102	1.443%	672	
2018	4,875,000				4,875,000	1.044%	488	
2019	4,055,000				4,055,000	0.978%	460	

Source: District CAFR Schedules I-2

Note: Details regarding the District's outstanding debt can be found in the notes to the financial statements.

- a See Exhibit NJ J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.
- b Includes Early Retirement Incentive Plan (ERIP) refunding

CITY OF VENTNOR SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions			
2010	\$ 11,025,000	\$	\$ 11,025,000	0.45%	\$ 1,036
2011	13,173,000		13,173,000	0.45%	1,240
2012	12,163,000		12,163,000	0.42%	1,148
2013	11,123,000		11,123,000	0.50%	1,054
2014	10,053,000		10,053,000	0.47%	960
2015	8,763,000		8,763,000	0.44%	847
2016	7,638,000		7,638,000	0.41%	749
2017	6,093,000		6,093,000	0.36%	603
2018	4,875,000		4,875,000	0.32%	486
2019	4,055,000		4,055,000	0.38%	405

Note: Details regarding the District's outstanding debt can be found in the notes to the financial statements.

a See Exhibit NJ J-6 for property tax data.

b Population data can be found in Exhibit NJ J-14.

If a District has resources that are restricted to repaying the principal of debt outstanding, these amounts should be shown in a separate column "Deductions" and be subtracted from the total, and the schedule should be named ratios of net general bonded debt outstanding.

CITY OF VENTNOR SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2019
(UNAUDITED)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid with Property Taxes			
City of Ventnor	\$ 2,652,609	100.00%	\$ 2,652,609
Other Debt			
Atlantic County as of December 31, 2018	148,371,554	7.07%	10,492,506
Subtotal, Overlapping Debt			13,145,115
CITY OF VENTNOR School District Direct Debt			b 4,055,000
Total Direct and Overlapping Debt			\$ 17,200,115

Sources: Atlantic County Board of Taxation

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Commercial. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

a For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the District's boundaries and dividing it by each unit's total taxable value.

b Type I School District Debt

**CITY OF VENTNOR SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)**

Legal Debt Margin Calculation for Fiscal Year 2019

	Equalized Valuation Basis
	2018 \$ 2,203,039,333
	2017 2,175,267,199
	2016 2,173,553,649
	<u>[A] \$ 6,551,860,181</u>
Average Equalized Valuation of Taxable Property	<u>[A/3] \$ 2,183,953,394</u>
Debt Limit (3% of Average Equalization Value)	<u>[B] \$ 65,518,602 a</u>
Net Bonded School Debt	<u>[C] 4,055,000</u>
Legal Debt Margin	<u>[B-C] \$ 61,463,602</u>

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Debt Limit	\$ 86,684,198	\$ 85,166,383	\$ 81,965,768	\$ 78,982,609	\$ 75,575,008	\$ 72,650,869	\$ 70,443,638	\$ 68,187,672	\$ 66,291,853	\$ 65,518,602
Total Net Debt Applicable to Limit	<u>11,025,000</u>	<u>13,173,000</u>	<u>12,163,000</u>	<u>11,123,000</u>	<u>10,053,000</u>	<u>8,763,000</u>	<u>7,683,000</u>	<u>6,093,000</u>	<u>4,875,000</u>	<u>4,055,000</u>
Legal Debt Margin	<u>\$ 75,659,198</u>	<u>\$ 16,503,752</u>	<u>\$ 69,802,768</u>	<u>\$ 67,859,609</u>	<u>\$ 65,522,008</u>	<u>\$ 63,887,869</u>	<u>\$ 62,760,638</u>	<u>\$ 62,094,672</u>	<u>\$ 61,416,853</u>	<u>\$ 61,463,602</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	13%	15%	4%	14%	13%	12%	11%	9%	7%	6%

Source: Abstract of Ratables and District Records CAFR Schedule J-7

a Limit set by NJSA 18A:24-19 for a K through 8 District; other % limits would be applicable for other Districts

CITY OF VENTNOR SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)

<u>Year</u>	<u>Population ^a</u>	<u>Personal Income (thousands of dollars) ^b</u>	<u>Per Capita Personal Income ^c</u>	<u>Unemployment Rate ^d</u>
2019 *	10,013	\$ 470,848,648	\$ 47,024	4.7%
2018	10,039	469,722,652	46,790	4.9%
2017	10,101	459,507,725	46,557	7.0%
2016	10,197	456,529,887	44,771	8.5%
2015	10,341	455,552,073	44,053	10.2%
2014	10,468	452,678,192	43,244	10.7%
2013	10,550	445,220,550	42,201	13.6%
2012	10,592	441,305,088	41,664	13.0%
2011	10,623	432,823,512	40,744	12.8%
2010	10,642	414,654,888	38,964	12.6%

Source:

^a Population information provided by the NJ Dept of Labor and Workforce Development

^b Personal income

^c Per Capita

^d Unemployment data provided by the NJ Dept of Labor and Workforce Development

* Estimate

CITY OF VENTNOR SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)

<u>Employer</u>	<u>2019</u>		<u>2010</u>	
	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
Borgata Hotel Casino and Spa	5,800	5.18%		
Harrah's	3,400	3.04%		
Tropicana	3,000	2.68%	Not Available	
Caesars	3,000	2.68%		
	<u>15,200</u>	<u>13.57%</u>		

Source:

**CITY OF VENTNOR SCHOOL DISTRICT
 FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
 LAST TEN FISCAL YEARS
 (UNAUDITED)**

<u>Function/Program</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Instruction										
Regular	61.0	59.5	59.0	58.0	59.5	54.5	57.0	57.0	61.0	58.0
Special Education	10.5	9.5	15.5	16.0	16.0	13.0	12.0	12.0	17.0	20.0
Other Special Education	12.0	10.0	5.5	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Other Instruction	2.0	2.5	2.0	4.5	4.0	3.5	3.5	3.5	1.5	1.5
Support Services:										
Student & Instruction Related Services	23.5	24.5	19.0	19.5	17.5	24.5	22.0	22.0	22.5	21.5
General Administrative Services	2.0	2.0	2.0	2.5	2.5	2.5	2.5	2.5	2.5	2.5
School Administrative Services	7.0	8.0	7.0	9.0	9.5	9.5	9.5	9.5	9.5	9.5
Business Administrative Services	5.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	2.5	2.5
Plant Operations and Maintenance	3.5	3.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Pupil Transportation	11.0									
Food Service	8.0	7.5	7.5	7.5	7.5	7.0	7.0	7.0	6.0	6.0
Child Care	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Total	146.5	130.5	125.5	127.0	126.5	124.5	123.5	123.5	129.0	128.0

Source: District Personnel Records

CITY OF VENTNOR SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year	Enrollment	Operating Expenditures^a	Cost Per Pupil	Percentage Change	Teaching Staff^b	Pupil/Teacher Ratio Elementary/ Middle	Average Daily Enrollment (ADE)^c	Average Daily Attendance (ADA)^c	% Change in Average Daily Enrollment	Student Attendance Percentage
2019	656	\$ 21,487,353	\$ 32,755	0.0489	82	8.0:1	665	628	-4.32%	94.44%
2018	665	20,841,177	31,340	0.0035	81	8.2:1	665	628	-10.50%	94.44%
2017	698	21,798,085	31,229	0.0816	83	8.5:1	695	661	-6.46%	95.11%
2016	753	21,742,182	28,874	0.0458	82	9:1	743	708	-3.63%	95.29%
2015	778	21,480,882	27,610	0.0501	86	9.5:1	771	731	-4.70%	94.81%
2014	817	21,480,882	26,292	0.0198	80	10:1	809	771	-5.60%	95.30%
2013	872	22,481,766	25,782	0.0847	77	12:1	857	808	-4.03%	94.28%
2012	905	21,510,741	23,769	0.1265	77	12:1	893	851	-5.90%	95.30%
2011	987	20,825,590	21,100	-0.0464	82	11:1	949	896	-2.06%	94.42%
2010	990	21,905,904	22,127	0.0019	86	10:1	969	909	-1.62%	93.81%

Sources: District records, ASSA

Note: Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-4
- 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).

**CITY OF VENTNOR SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)**

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<u>District Building</u>										
<u>Ventnor Educational Community</u>										
Complex (1969)										
Square Feet	152,357	152,357	152,357	152,357	152,357	152,357	152,357	152,357	152,357	152,357
Capacity (Students)	1,063	1,063	1,063	1,063	1,063	1,063	1,063	1,063	1,063	1,063
Enrollment	990	987	905	872	817	778	753	698	665	656

Number of Schools at June 30, 2019
Elementary/Middle School - 1

Source: District records, ASSA

Note: Year of original construction is shown in parentheses.
Enrollment is based on the annual October District count.

CITY OF VENTNOR SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF REQUIRED MAINTENANCE EXPENDITURES BY SCHOOL FACILITIES
LAST TEN FISCAL YEARS
(UNAUDITED)

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

<u>School Facilities</u>	<u>Gross Square Footage</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
City of Ventnor School	152,357	\$ 603,302	574,675	458,818	357,166	367,584	262,596	246,110	161,065	150,140	186,361
Total School Facilities		603,302	574,675	458,818	357,166	367,584	262,596	246,110	161,065	150,140	186,361
Other Facilities											
Grand Total		\$ 603,302	574,675	458,818	357,166	367,584	262,596	246,110	161,065	150,140	186,361

CITY OF VENTNOR SCHOOL DISTRICT
INSURANCE SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
 (UNAUDITED)

Company	Type of Coverage	Coverage	Deductible
	School Package Policy		
	Property - Blanket Building & Contents	\$ 500,000,000	\$ 2,500
	Flood A & V Zones	25,000,000	500,000
	Extra Expense	50,000,000	
	Miscellaneous School Property	25,000,000	
	General Liability	\$5,000,000/Occur/Aggregate	
	Personal/Advertising Injury	5,000,000	
	Sexual Molestation	10,000,000	
	Employee Dishonesty	500,000	1,000
	Forgery/Alterations	50,000	1,000
	Automobile Liability		
	Comprehensive Automobile Liability	5,000,000	
	Uninsured Motorist	\$15,000/PP / \$30,000/Accident	
	Medical Payments	10,000	
	Physical Damage		1,000
	School Board Legal	\$5,000,000/Occur/Aggregate	5,000
	Cyber Liability	2,000,000	10,000
	Environmental Impairment	1,000,000	
	Excess Liability	5,000,000	
	Boiler & Machinery	100,000,000	2,500
	Flood Insurance		
	Property - Building	500,000	5,000
	Property - Contents	500,000	5,000
	Student Accident	1,000,000	
	Surety Bonds		
	Superintendent / Treasurer of School Monies	250,000	
	Board Secretary / Business Administrator	250,000	

SINGLE AUDIT SECTION

NIGHTLINGER, COLAVITA & VOLPA

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

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
City of Ventnor School District
County of Atlantic, New Jersey 08406

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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the City of Ventnor School District, in the County of Atlantic, State of New Jersey, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Board of Education of the City of Ventnor School District's basic financial statements, and have issued our report thereon dated November 13, 2019.

Internal Control Over Financial Reporting

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

A deficiency in internal control 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 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 over financial reporting 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 financial reporting 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Ventnor Board of Education's financial statements are free of 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 the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

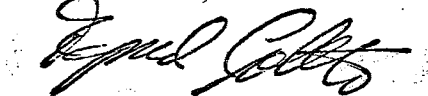
Purpose of this Report

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 City of Ventnor Board of Education'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.

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

Respectfully Submitted,

NIGHTLINGER, COLAVITA & VOLPA, PA



Raymond Colavita, CPA
Licensed Public School Accountant
No. 915
November 13, 2019

NIGHTLINGER, COLAVITA & VOLPA

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REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE AND NEW JERSEY OMB CIRCULAR 15-08

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
City of Ventnor School District
County of Atlantic, New Jersey 08406

Report on Compliance for Each Major Federal and State Program

We have audited the Board of Education of the City of Ventnor School District, in the County of Atlantic, State of New Jersey, compliance with the types of compliance requirements described in the OMB Compliance Supplement and the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the City of Ventnor School District's major federal and state programs for the year ended June 30, 2019. The City of Ventnor Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of federal and state statutes, regulations, and the terms and conditions of its federal and state awards applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Ventnor Board of Education's major federal and 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, and the audit requirements as prescribed by the *Office of School Finance, Department of Education, State of New Jersey, Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and *New Jersey Treasury Circular OMB 15-08*. Those standards, *Uniform Guidance* and *New Jersey OMB 15-08*, 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 federal and state program occurred.

An audit includes examining, on a test basis, evidence about the City of Ventnor Board of Education'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 federal and state program. Our audit does not provide a legal determination of City of Ventnor Board of Education's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the Board of Education of the City of Ventnor School District, in the County of Atlantic, State of New Jersey, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal and state programs for the fiscal year ended June 30, 2019.

Report on Internal Control Over Compliance

Management of the City of Ventnor School District's Board of Education 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 City of Ventnor Board of Education's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal or state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal or state program and to test and report on internal control over compliance in accordance with Uniform Guidance and New Jersey OMB Treasury 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 City of Ventnor Board of Education'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 federal or state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance; such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of the 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, as defined above or any instance of deficiency in internal control over compliance that we have to report to the Board of Education in a separate report entitled ***Auditors' Management Report on Administrative Findings - Financial, Compliance and Performance*** dated November 13, 2019. 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 New Jersey OMB 15-08. Accordingly, this report is not suitable for any other purpose.

This report is intended solely for the information and use of the audit committee, management, the City of Ventnor Board of Education, the New Jersey State Department of Education, other state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Respectfully Submitted,
NIGHTLINGER, COLAVITA & VOLPA, PA



Raymond Colavita, CPA
Licensed Public School Accountant
No. 915
November 13, 2019

CITY OF VENTNOR SCHOOL DISTRICT
(A Component Unit of the City of Ventnor)
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - Schedule A
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Program or Award		Grant Period From To	Balance at July 1, 2018	Cash Received	Budgetary Expenditures Pass Through Funds	Budgetary Expenditures Direct	Total Budgetary Expenditures (A)	Adjustment / Repayment of Prior Year Balance	Balance at June 30, 2019				
				Award Amount	Grant								(Accounts Receivable)	Unearned Revenue	Due to Grantor		
U.S. Department of Education																	
General Fund																	
Medicaid Assistance Program	93.778	1905NJ5MAP	N/A	\$36,360	7/1/18	6/30/19		\$ 36,360	\$ (36,360)		\$ (36,360)						
Total General Fund								36,360	(36,360)		(36,360)						
U.S. Department of Agriculture																	
Passed-through State Department of Education:																	
Enterprise Fund:																	
Child Nutrition Cluster:																	
Cash Assistance:																	
School Breakfast Program	10.553	191NJ304N1099	N/A	45,189	7/1/18	6/30/19		41,406	(45,189)		(45,189)		\$ (3,783)				
School Breakfast Program	10.553	181NJ304N1099	N/A	48,453	7/1/17	6/30/18	\$ (3,678)	3,678									
National School Lunch Program	10.555	191NJ304N1099	N/A	157,610	7/1/18	6/30/19		146,622	(157,610)		(157,610)		(10,988)				
National School Lunch Program	10.555	181NJ304N1099	N/A	163,569	7/1/17	6/30/18	(11,567)	11,567									
School Snack Program	10.555	191NJ304N1099	N/A	3,790	7/1/18	6/30/19		3,790	(3,790)		(3,790)						
Health Hunger for Kids Act.	10.555	191NJ304N1099	N/A	3,406	7/1/18	6/30/19		3,172	(3,406)		(3,406)		(234)				
Health Hunger for Kids Act.	10.555	181NJ304N1099	N/A	3,566	7/1/17	6/30/18	(253)	253									
Non-Cash Assistance:																	
Food Distribution Program	10.565	Unknown	N/A	16,571	7/1/18	6/30/19		16,571	(14,781)		(14,781)			\$ 1,790			
Food Distribution Program	10.565	Unknown	N/A	16,605	7/1/17	6/30/18	2,578		(2,578)		(2,578)						
Total Enterprise Fund								(12,920)	227,059	(227,354)	(227,354)		(15,005)	1,790			
U.S. Department of Education																	
Passed-through State Department of Education:																	
Special Revenue Fund:																	
E.S.E.A.:																	
Title I, Part A	84.010A	S010A180030	ESEA0950-19	522,447	7/1/18	6/30/19		326,159	(504,975)		(504,975)		(178,816)				
Title I, Part A	84.010A	S010A170030	ESEA0950-18	477,773	7/1/17	6/30/18	(123,654)	123,654									
Title I, SIA Part A	84.010A	S010A180030	ESEA0950-19	60,097	7/1/18	6/30/19											
Title II, Part A Teachers and Principals	84.367A	S367A180029	ESEA0950-19	89,561	7/1/18	6/30/19		42,227	(48,577)		(48,577)		(6,350)				
Title II, Part A Teachers and Principals	84.367A	S367A170029	ESEA0950-18	36,781	7/1/17	6/30/18	(10,620)	10,620									
Title III A English language Enhancement	84.365A	S365A180030	ESEA0950-19	11,059	7/1/18	6/30/19		4,037	(10,478)		(10,478)		(6,441)				
Title III A English language Enhancement	84.365A	S365A170030	ESEA0950-18	13,577	7/1/17	6/30/18	(2,719)	2,719									
Title IV	84.424A	S424A180031	ESEA0950-19	10,000	7/1/18	6/30/19		6,970	(8,200)		(8,200)		(1,230)				
IDEA Cluster:																	
I.D.E.A. Part B Basic	84.027	H027A180100	IDEA0950-19	209,198	7/1/18	6/30/19		188,279	(209,198)		(209,198)		(20,919)				
I.D.E.A. Part B, Pre-school	84.173	H173A180114	IDEAP0950-19	7,545	7/1/18	6/30/19		6,568	(7,545)		(7,545)		(977)				
Total Special Revenue Fund								(136,993)	711,233	(788,973)	(788,973)		(214,733)				
Total Federal Financial Awards								\$ (149,913)	\$ 974,652	\$ (1,052,687)	\$ (1,052,687)	\$	\$ (229,738)	\$ 1,790			

(A) There were no awards passed through to subrecipients.

The accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this schedule. These funds were audited in accordance with the Uniform Guidance since the total of all grant expenditures exceeded \$750,000.

CITY OF VENTNOR SCHOOL DISTRICT
(A Component Unit of the City of Ventnor)
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE - Schedule B
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2018			Cash Received	Budgetary Expenditures	Adjustment / Repayment of Prior Year Balance	Balance at June 30, 2019			MEMO	
			From	To	(Accounts Receivable)	Due To Grantor	Carryover Amount				(Accounts Receivable)	Unearned Revenue	Due To Grantor	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education:															
General Fund:															
Special Education Aid	19-495-034-5120-089	701,056	7/1/18	6/30/19				\$ 652,764	\$ (701,056)		\$ (48,292)			* \$ (48,292)	\$ 701,056
Special Education Aid	18-495-034-5120-089	697,283	7/1/17	6/30/18	\$ (52,914)		52,914								
Transportation Aid	19-495-034-5120-014	417,427	7/1/18	6/30/19			388,672	(417,427)			(28,755)			* (28,755)	417,427
Transportation Aid	18-495-034-5120-014	330,385	7/1/17	6/30/18	(25,072)		25,072								
Security Aid	19-495-034-5120-084	344,749	7/1/18	6/30/19			321,001	(344,749)			(23,748)			* (23,748)	344,749
Security Aid	18-495-034-5120-084	344,749	7/1/17	6/30/18	(26,162)		26,162								
Adjustment Aid	19-495-034-5120-085	564,526	7/1/18	6/30/19			525,638	(564,526)			(38,888)			* (38,888)	564,526
Adjustment Aid	18-495-034-5120-085	658,541	7/1/17	6/30/18	(53,167)		53,167								
PARCC Readiness Aid	18-495-034-5120-098	10,650	7/1/17	6/30/18	(808)		808								
Per Pupil Growth Aid	18-495-034-5120-097	10,650	7/1/17	6/30/18	(808)		808								
Prof Learning Comm Aid	18-495-034-5120-101	9,690	7/1/17	6/30/18	(735)		735								
Extraordinary Aid	19-100-034-5120-044	60,861	7/1/18	6/30/19				(60,861)			(60,861)			*	60,861
Extraordinary Aid	18-100-034-5120-473	60,939	7/1/17	6/30/18	(60,939)		60,939								
Non-public Transportation Aid	19-495-034-5120-014	10,150	7/1/18	6/30/19				(10,150)			(10,150)			*	10,150
Non-public Transportation Aid	18-495-034-5120-014	13,630	7/1/17	6/30/18	(13,630)		13,630								
Reimbursed TPAF Social Security Contrib.	19-495-034-5094-003	478,273	7/1/18	6/30/19			478,273	(478,273)						*	478,273
Reimbursed TPAF Social Security Contrib.	18-495-034-5094-003	479,885	7/1/17	6/30/18	(23,108)		23,108								
On-Behalf TPAF Pension Contribution	19-495-034-5094-002	1,304,162	7/1/18	6/30/19			1,304,162	(1,304,162)						*	1,304,162
On-Behalf TPAF Post Retirement Medical	19-495-034-5094-001	591,565	7/1/18	6/30/19			591,565	(591,565)						*	591,565
On-Behalf Long-term Disability	19-495-034-5094-004	308	7/1/18	6/30/19			308	(308)						*	308
Total General Fund															
					(257,343)			4,519,726	(4,473,077)		(210,694)			(139,683)	4,473,077
Special Revenue Fund:															
Preschool Education Aid	19-495-034-5120-086	755,859	7/1/18	6/30/19			\$ 17,234	680,273	(740,596)		(75,586)	\$32,497		* (75,586)	740,596
Preschool Education Aid	18-495-034-5120-086	741,228	7/1/17	6/30/18	(74,123)		(17,234)	91,357							
Total Special Revenue Fund															
					(74,123)			771,630	(740,596)		(75,586)	32,497		(75,586)	740,596
State Department of Agriculture:															
Enterprise Fund:															
School Lunch Prog.	18-100-010-3350-023	3,223	7/1/17	6/30/18	(229)			229							
School Lunch Prog.	19-100-010-3350-023	3,073	7/1/18	6/30/19			2,862	(3,073)			(211)			*	3,073
Total Enterprise Fund															
					(229)			3,091	(3,073)		(211)				3,073
Total State Financial Assistance															
					\$ (331,695)			\$5,294,447	\$ (5,216,746)		\$ (286,491)	\$32,497		\$ (215,269)	\$ 5,216,746
Less: On-Behalf TPAF Pension System Contributions															
On-Behalf TPAF Pension Contribution	19-495-034-5094-002	1,304,162	7/1/18	6/30/19			\$1,304,162	\$ (1,304,162)							
On-Behalf TPAF Post Retirement Medical	19-495-034-5094-001	591,565	7/1/18	6/30/19			591,565	(591,565)							
On-Behalf Long-term Disability	19-495-034-5094-004	308	7/1/18	6/30/19			308	(308)							
Total State Financial Assistance - Major Program Determination															
								\$3,398,412	\$ (3,320,711)						

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

VENTNOR BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2019

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, Ventnor School District. 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 schedules 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 food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 2 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of 2 CFR 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and New Jersey Treasury Circular OMB 15-08. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The District has elected not to use the 10-percent de minimis indirect cost rate allowed under Uniform Guidance.

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$19,983 for the general fund and (\$7,713) for the special revenue fund. See Note A (Notes to Required Supplemental Information) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented below:

VENTNOR BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2019
(Continued)

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONT'D)

	Federal	State	Total
General Fund	\$ 36,360	\$ 4,493,060	\$ 4,529,420
Special Revenue Fund	782,723	739,133	1,521,856
Food Service Fund	224,776	3,073	227,849
Total Awards & Financial Assistance	\$ 1,043,859	\$ 5,235,266	\$ 6,279,125

NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5: FEDERAL AND STATE LOANS OUTSTANDING

The Ventnor School District had no outstanding loans as of June 30, 2019.

NOTE 6: OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2019. 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, 2019.

NOTE 7: SCHOOLWIDE PROGRAM FUNDS

As the District's Federal Programs are on a targeted student group basis, there are no schoolwide programs in the District.

NOTE 8: MAJOR PROGRAMS

Major programs are identified in the Summary of Auditor's Results Section of the Schedule of Findings and Questioned Cost.

NOTE 9: ADJUSTMENTS

There were no adjustments reflected on Schedule A of Federal Awards and on Schedule B for State Financial Assistance.

CITY OF VENTNOR SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- 1) Material weakness (es) identified? _____ yes X no
- 2) Significant deficiencies identified? _____ yes X none reported

Noncompliance material to basic financial statements noted? _____ yes X no

Federal Awards

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 issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section .516(a)? _____ yes X no

Identification of major programs:

CFDA Number(s)	<u>FAIN Number(s)</u>	Name of Federal Program or Cluster
84.010	S010A180030	Title IA, Title I SIA

Dollar threshold used to distinguish between type A and type B programs (section .518): \$750,000

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

VENTNOR SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(continued)

Section I - Summary of Auditor's Results (continued)

State Awards

Dollar threshold used to distinguish between type A and type B programs: \$750,000

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

Internal control over major programs:

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

2) Significant deficiencies identified that
are not considered to be material
weaknesses? _____ yes X none
reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to
be reported in accordance with NJ OMB
Circular Letter 15-08 as applicable? _____ yes X no

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
19-495-034-5120-089	Special Education Categorical Aid
19-495-034-5120-084	Security Aid
19-495-034-5120-085	Adjustment Aid

VENTNOR SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(continued)

Section II - Financial Statement Findings

This section identifies the significant deficiencies, material weakness, fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements, and abuse related to the financial statements for which Government Auditing Standards requires reporting and with audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey that requires reporting in the Uniform Guidance, New Jersey OMB Treasury Circular 15-08 audit.

Finding: N/A

Criteria or specific requirement:

Condition:

Context:

Effect:

Cause:

Recommendation:

Views of responsible officials and planned corrective actions:

VENTNOR SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

Section III - Federal Awards and State Financial Assistance
Findings and Questioned Costs

This section identifies audit findings required to be reported by 2 CFR 200 section .516 of the *Uniform Administrative Requirements, Cost principles, and Audit Requirements for Federal Awards* and NJOMB Circular Letter 15-08, as applicable.

FEDERAL AWARDS N/A

STATE AWARDS N/A

VENTNOR SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

This section identifies the status of prior - year findings related to the basic financial statements and Federal and State awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, US OMB *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* section .511(a) (b) and New Jersey OMB's Treasury Circular 15-08.

STATUS OF PRIOR - YEAR FINDINGS **N/A**