

**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, 2021**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**of the**

**City of Ventnor Board of Education**

**Ventnor, New Jersey**

**For the Fiscal Year Ended June 30, 2021**

**Prepared by**

**City of Ventnor Board of Education**

**Finance Department**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
OF THE VENTNOR SCHOOL DISTRICT  
TABLE OF CONTENTS**

**INTRODUCTORY SECTION**

<u>Exhibit</u>	<u>Page</u>
Letter of Transmittal	1-7
Organizational Chart	8
Roster of Officials	9
Consultants and Advisors	10

**FINANCIAL SECTION**

<b>Independent Auditor's Report</b>	11-13
<b>Required Supplementary Information – Part I Management's Discussion and Analysis (Unaudited)</b>	14-20

**Basic Financial Statements**

A. District-wide Financial Statements:

A-1 Statement of Net Position	21
A-2 Statement of Activities	22

B. Fund Financial Statements:

Governmental Funds:

B-1 Balance Sheet	23
B-2 Statement of Revenues, Expenditures, and Changes in Fund Balances	24
B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	25

Proprietary Funds:

B-4 Statement of Net Position	26
B-5 Statement of Revenues, Expenses, and Changes in Fund Net Position	27
B-6 Statement of Cash Flows	28

Fiduciary Funds:

B-7 Statement of Fiduciary Net Position	N/A
B-8 Statement of Changes in Fiduciary Net Position	N/A

<b>Notes to the Financial Statements</b>	29-57
------------------------------------------	-------

**Required Supplementary Information – Part II**

C. Budgetary Comparison Schedule (Unaudited)

C-1 Budgetary Comparison Schedule – General Fund	58-62a
C-1a Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	N/A
C-1b Community Development Block Grant – Budget and Actual	N/A
C-2 Budgetary Comparison Schedule – Special Revenue Fund	63

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
OF THE VENTNOR SCHOOL DISTRICT  
TABLE OF CONTENTS**

**FINANCIAL SECTION (Continued)**

<u>Exhibit</u>	<u>Page</u>
<b>Notes to the Required Supplementary Information - Part II</b>	
C-3 Budget-to-GAAP Reconciliation	64
<b>Required Supplementary Information – Part III</b>	
L. Schedules Related to Accounting and Reporting for Pensions (GASB 68) (Unaudited)	
L-1 Schedule of the District’s Proportionate Share of the Net Pension Liability – PERS	65
L-2 Schedule of District Contributions – PERS	66
L-3 Schedule of the District’s Proportionate Share of the Net Pension Liability – TPAF	67
M. Schedules Related to Accounting and Reporting for Postemployment Benefits Other Than Pensions	
M-1 Schedule of Changes in the Total OPEB Liability and Related Ratios	68
<b>Other Supplementary Information</b>	
D. School Based Budget Schedules (if applicable):	N/A
E. Special Revenue Fund:	
E-1 Combining Schedule of Program Revenues and Expenditures – Budgetary Basis	69
E-2 Preschool Education Aid Schedule(s) of Expenditures – Budgetary Basis	70
F. Capital Projects Fund:	
F-1 Summary Schedule of Project Expenditures	71
F-2 Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budgetary Basis	72
F-2a-b Schedule(s) of Project Revenues, Expenditures, Project Balance, and Project Status – Budgetary Basis	73-74
G. Proprietary Funds:	
Enterprise Fund:	
G-1 Combining Schedule of Net Position	75
G-2 Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position	76
G-3 Combining Schedule of Cash Flows	77

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
OF THE VENTNOR SCHOOL DISTRICT  
TABLE OF CONTENTS**

<u>Exhibit</u>	<u>Page</u>
<b>Other Supplementary Information (Continued)</b>	
H. Fiduciary Funds:	
H-1 Combining Statement of Fiduciary Net Position	N/A
H-2 Combining Statement of Changes in Fiduciary Net Position	N/A
I. Long-Term Debt:	
I-1 Statement of Serial Bonds	N/A
I-2 Schedule of Obligations under Capital Leases	N/A
I-3 Debt Service Fund Budgetary Comparison Schedule	N/A

**STATISTICAL SECTION (Unaudited)**

**Introduction to the Statistical Section**

**Financial Trends Information/Schedules**

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

**Revenue Capacity Information**

J-6 Assessed Value and Estimated Actual Value of Taxable Property	83
J-7 Direct and Overlapping Property Tax Rates	84
J-8 Principal Property Taxpayers	85
J-9 Property Tax Levies and Collections	86

**Debt Capacity Information**

J-10 Ratios of Outstanding Debt by Type	87
J-11 Ratios of General Bonded Debt Outstanding	88
J-12 Direct and Overlapping Governmental Activities Debt	89
J-13 Legal Debt Margin Information	90

**Demographic and Economic Information**

J-14 Demographic and Economic Statistics	91
J-15 Principal Employers	92

**Operating Information**

J-16 Full-time Equivalent District Employees by Function/Program	93
J-17 Operating Statistics	94
J-18 School Building Information	95
J-19 Schedule of Required Maintenance Expenditures by School Facility	96
J-20 Insurance Schedule	97

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
OF THE VENTNOR SCHOOL DISTRICT  
TABLE OF CONTENTS**

**Exhibit**

**Page**

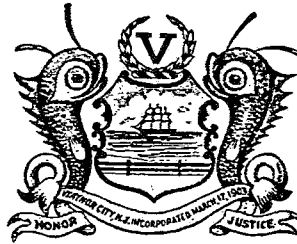
**SINGLE AUDIT SECTION**

K-1	Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	98-99
K-2	Report on Compliance for Each Major Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures Required by Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB Treasury Circular 15-08	100-101
K-3	Schedule of Expenditures of Federal Awards - Schedule A	102
K-4	Schedule of Expenditures of State Financial Assistance - Schedule B	103
K-5	Notes to the Schedules of Awards and Financial Assistance	104-105
K-6	Schedule of Findings and Questioned Costs- Summary of Auditor's Results	106-107
K-6	Schedule of Findings and Questioned Costs - Financial Statement Federal Awards and State Financial Assistance	108-109
K-7	Summary Schedule of Prior Year Audit Findings and Questioned Costs as Prepared by Management	110

## **INTRODUCTORY SECTION**

# Ventnor Educational Community Complex

Superintendent  
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(609) 487-7900 Ext 5020  
Business Administrator/Board Secretary  
**TERRI NOWOTNY**  
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January 31, 2022

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, 2021, 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 2020-2021 fiscal year with an enrollment of 600 students. The following details the changes in the student enrollment of the district over the last six years:

<u>Year</u>	<u>Enrollment</u>
2020 - 2021	600
2019 - 2020	635
2018 - 2019	669
2017 - 2018	665
2016 - 2017	698
2015 - 2016	753

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, 2019 and 2020. The City approved a \$9,315,017 bond which covered parking lot renovations, fire suppression and alarm upgrades, HVAC replacements, canopy panel replacements, repair of building leaks and on-going 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 174 regular education and for 26 special education students to the high school during the 2020-21 school year at a tuition rate of \$19,019 and \$33,196 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 2020-2021 school year, the district will operate with a budget of \$22,632,425. The district's management team consists of a superintendent/elementary principal, business administrator/board secretary, middle school principal, and supervisor of special education. The staff team employed by the district consists of 77 full or part-time certified instructional staff, 5 secretaries, 4 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 learning acceleration 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 53.0% in October 2020. Our ESL (English as a Second Language) Program assists in supporting a complement of programs to meet the needs of all of our students.

**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. Grades 1 through 8 will be 1-to-1 using Windows based laptops and HDTV's linked to the Internet for instructional purposes. Virtual learning was incorporated using Microsoft Teams. 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 2020-2021 school year, the district continued to move forward with web-based tools. These tools encourage collaboration as well as greater access resources outside the district for staff and students. The district is 1-to-1 in grades K - 8. The district changed web filtering to allow devices to be filtered at home as well as within the district. GoGuardian was incorporated to view student desktop activity while in class., Nearpod was purchased and utilized throughout the district. 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. Technology changes were in the early stages of relocating resources to the cloud. Evaluation of cybersecurity and steps to reduce exposure. 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.

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.

Ventnor Public Schools will strengthen mental health and social emotional learning supports through teacher professional development to ensure that all students will receive social and emotional support to become adaptable, confident citizens who embody self-awareness and strong interpersonal skills, and who are capable of responsible decision-making and managing their emotions and behaviors.

Ventnor Public schools will enhance the levels of support in the reading intervention program with expanded tiered levels of support to promote student growth in ELA.

Ventnor Public schools will monitor student achievement through local benchmarks, formative and summative assessments, and web-based programs focused on addressing student needs through data driven instruction to ensure student growth and achievement in ELA and Math.

The district curricula review, and revision supports the correlation to the New Jersey Student Learning Standards and the review is ongoing. The school district promotes character-building programs. "Character Counts" which stresses conduct of "Respect, Responsibility and Citizenship," Social Skills Streaming programs, Second Step, and Violence and Vandalism Awareness are among the programs offered in this area. A focus on mental health and social emotional learning will be further developed through training and implementation of the Nurtured Heart Approach and Trauma Informed Education. 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.

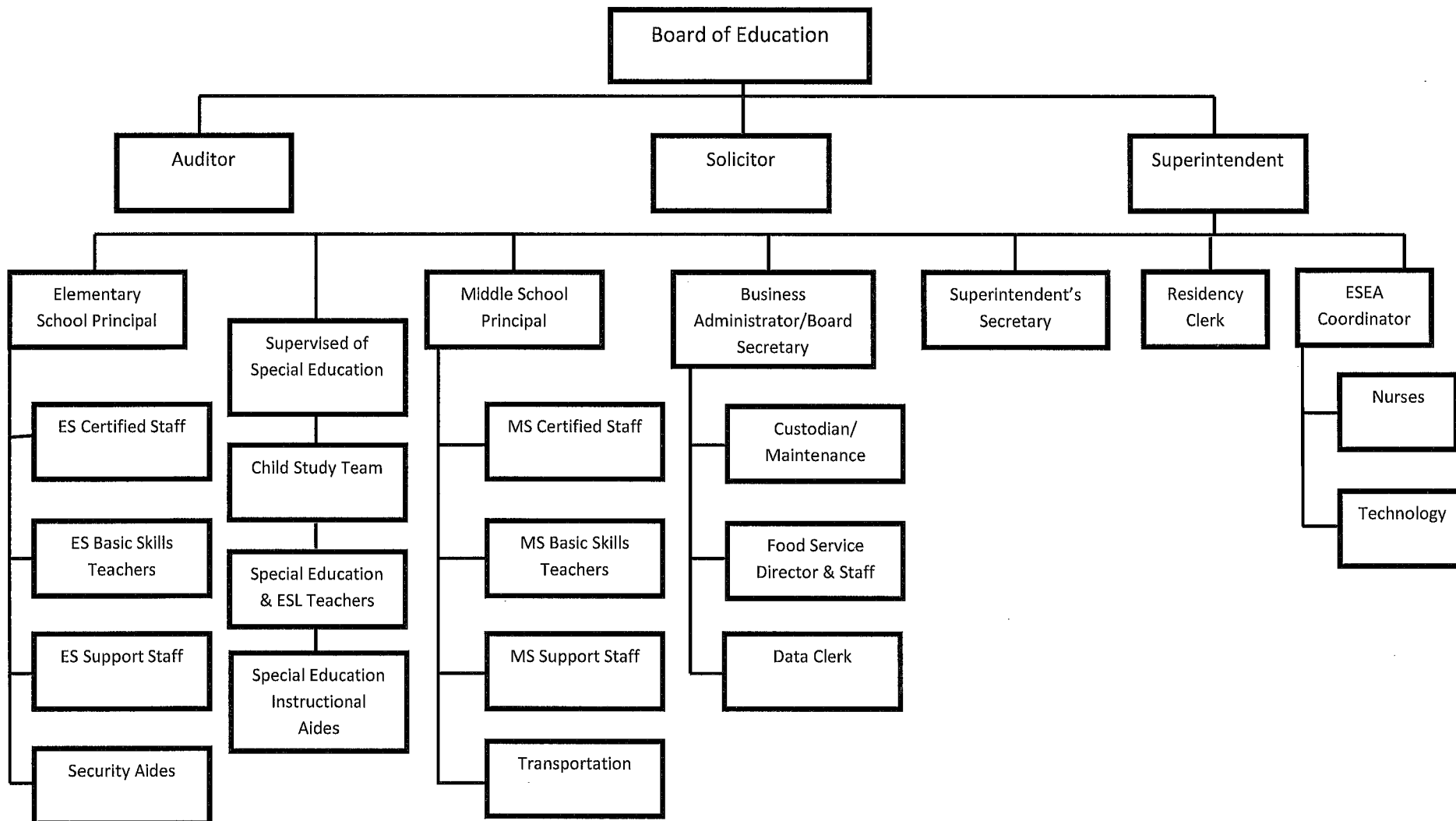
Respectfully submitted,

*Dr. Carmela Somershoe*

*Terri Nowotny*

Dr. Carmela Somershoe  
Superintendent

Terri Nowotny  
Board Secretary/ Business Administrator



CITY OF VENTNOR BOARD OF EDUCATION

ROSTER OF OFFICIALS

JUNE 30, 2021

<u>MEMBERS OF THE BOARD OF EDUCATION</u>	<u>TERM EXPIRES</u>
Douglas Biagi, President	2024
Kimble Bassford, Vice President	2023
Lori Abbott	2022
Michael Advena	2023
Michael Cupeles	2023
Michael J. Hagelgans	2024
	2022
Vacancy (From 12/6/19)	

<u>OTHER OFFICIALS</u>	<u>BOND AMOUNT</u>
Carmela Somershoe, Superintendent / Treasurer (From 7/1/20)	\$ 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**

**Raymond Colavita, CPA, RMA, PSA**  
**Nightlinger, Colavita and Volpa, PA**  
P.O. Box 799  
Williamstown, NJ 08094

**ATTORNEY**

Andrew Brown, Esq.  
**Adams, Gutierrez, and Lattibourdere**  
1037 Raymond Blvd, Suite 900  
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**OFFICIAL DEPOSITORY**

**OceanFirst Bank**  
7806 Ventnor Avenue  
Margate City, NJ 08042

## **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, 2021, 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, 2021, and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

As discussed in Note 21 to the basic financial statements, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 84, Fiduciary Activities, during the fiscal year ended June 30, 2021. Our opinions are not modified with respect to this matter.

## **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 January 31, 2022 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 and compliance.

Respectfully submitted,

**NIGHTLINGER, COLAVITA & VOLPA, P.A.**



Raymond Colavita, C.P.A., R.M.A.  
Licensed Public School Accountant  
No. 915  
January 31, 2022

**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, 2021. 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 decreased by \$408,841. The decrease was due to various expenditures in excess of revenues.
- The State of New Jersey reimbursed the District \$496,058 during the fiscal year ended June 30, 2021 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. Also, the State of New Jersey paid \$2,506,802 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, 2021, the District had excess fund balance in the amount of \$2,522,611, of which \$1,382,862 has been included in the 2021-2022 budget and the remaining \$1,139,749 will be included in the 2022-2023 budget.
- During the fiscal year ended June 30, 2021, the District's general governmental fund revenues exceeded expenditures by \$942,539, net of the transfers to Charter Schools of \$132,991 and \$84,924 for the Preschool Program. This was mainly a result of positive spending variances during the current year. During the prior fiscal year, comparative revenues and special items exceeded expenditures by \$905,206. In addition, there was \$1,967,867 in Capital Project Fund expenditures.
- In the District's business-type activities, net assets decreased by \$23,641 due to the costs of operation exceeding revenues, as compared to the prior year of \$36,195.

### 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	Fund Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire district (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as food service and 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 decreased \$437,348 between fiscal years 2020 and 2021. The business-type activities net assets decreased \$23,641 due to operating costs in excess of revenue.

	Governmental Activities		Business-Type Activities		Totals	
	2021	2020	2021	2020	2021	2020
<b>ASSETS</b>						
Current and Other Assets	\$ 7,840,217	\$ 9,573,221	\$ 93,858	\$ 110,171	\$ 7,934,075	\$ 9,683,392
Capital Assets	23,532,807	23,093,457	27,906	35,308	23,560,713	23,128,765
Deferred Outflows	828,292	1,139,903			828,292	1,139,903
<b>Total Assets</b>	<b>32,201,316</b>	<b>33,806,581</b>	<b>121,764</b>	<b>145,479</b>	<b>32,323,080</b>	<b>33,952,060</b>
<b>LIABILITIES</b>						
Long-term Liabilities	2,811,853	3,456,120			2,811,853	3,456,120
Other Liabilities	183,728	914,354	2,565	2,639	186,293	916,993
Deferred Inflows	1,473,029	1,294,560			1,473,029	1,294,560
<b>Total Liabilities</b>	<b>4,468,610</b>	<b>5,665,034</b>	<b>2,565</b>	<b>2,639</b>	<b>4,471,175</b>	<b>5,667,673</b>
<b>NET POSITION</b>						
Inversted in Capital Assets	23,532,807	23,093,457	27,906	35,308	23,560,713	23,128,765
Restricted	6,790,323	8,209,811			6,790,323	8,209,811
Unrestricted	(2,590,424)	(3,161,721)	91,293	107,532	(2,499,131)	(3,054,189)
<b>Total Net Position</b>	<b>\$ 27,732,706</b>	<b>\$ 28,141,547</b>	<b>\$ 119,199</b>	<b>\$ 142,840</b>	<b>\$ 27,851,905</b>	<b>\$ 28,284,387</b>

**Changes in net position of Governmental Activities.** The reduction in net position of \$437,348 included the excess of operating expenditures over Property tax, Federal State and Local revenues in the amount of \$304,357 and transfers to the Charter School of \$132,991.

The local tax levy of \$17,382,698 is 81% of total net governmental activity revenues of \$21,394,207. The municipality levies this tax on properties located in the City and remits the collections on a monthly basis to the District.

Approximately 16.6% 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 \$132,991 are as follows:

	2021	2021	2020	2020
	Amount	Percentage	Amount	Percentage
Property Taxes	\$ 17,382,698	73.10%	16,400,478	76.16%
Unrestricted Federal and State Aid	4,001,727	16.83%	3,217,141	14.94%
Transportation	223,668	0.94%	183,969	0.85%
Tuition		0.00%	15,366	0.07%
Miscellaneous	150,077	0.63%	128,862	0.60%
Operating Grants and Contributions	2,021,859	8.50%	1,588,655	7.38%
<b>Total</b>	<b>\$ 23,780,029</b>	<b>100.00%</b>	<b>21,534,471</b>	<b>100.00%</b>

## Governmental Activities

The following schedule summarizes the governmental and business-type activities of the District during the 2021 and 2020 fiscal years.

	Governmental Activities		Business-Type Activities		Totals	
	2021	2020	2021	2020	2021	2020
<b>REVENUES</b>						
Program Revenues						
Charges for Services	\$ 230,972	\$ 199,335	\$ 32,516	\$ 83,311	\$ 263,488	\$ 282,646
Federal and State Grants	2,021,859	1,588,655	245,977	183,494	2,267,836	1,772,149
General Revenues						
Property Taxes	17,382,698	16,400,478			17,382,698	16,400,478
State Aid Entitlements	4,001,727	3,217,141			4,001,727	3,217,141
Bond Proceeds						-
Miscellaneous	142,773	128,862			142,773	128,862
Total Revenues	23,780,029	21,534,471	278,493	266,805	24,058,522	21,801,276
<b>EXPENSES</b>						
Instruction:						
Regular	8,092,051	7,917,234			8,092,051	7,917,234
Special Education	1,778,709	1,651,236			1,778,709	1,651,236
Other Special Instruction	500,402	527,559			500,402	527,559
Other Instruction	597,909	69,815			597,909	69,815
Support Services:						
Instruction - Tuition	6,880,479	5,400,241			6,880,479	5,400,241
Student & Instruction Related Services	2,237,467	2,152,186			2,237,467	2,152,186
General Administrative	544,633	510,015			544,633	510,015
School Administrative	452,440	568,316			452,440	568,316
Business and Other Support Services	393,749	397,386			393,749	397,386
Plant Operations and Maintenance	1,512,667	1,312,865			1,512,667	1,312,865
Student Transportation	1,052,706	1,092,924			1,052,706	1,092,924
Interest Expense	41,174	41,174			41,174	41,174
Other						
Business-type Activities			302,134	303,000	302,134	303,000
Total Expenses	24,084,386	21,640,951	302,134	303,000	24,386,520	21,943,951
Excess (Deficiency) before:	(304,357)	(106,480)	(23,641)	(36,195)	(327,998)	(142,675)
Prior Period Adjustment	28,507				28,507	
Transfer to Charter School	(132,991)	(256,268)			(132,991)	(256,268)
Increase (Decrease) in Net Position	\$ (408,841)	\$ (362,748)	\$ (23,641)	\$ (36,195)	\$ (432,482)	\$ (398,943)

## Business-type Activities

Net Position in the Enterprise Funds decreased by \$23,641 due to an excess of expenditures over revenues in the Food Service Fund of \$23,601 and an excess in revenues over expenditures in the After School Program of \$40

## FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As of the year end, the governmental funds reported a combined fund balance of \$5,273,978 (excluding the Capital Project Fund of \$2,382,511), which is \$936,982 more than at the beginning of the year. This is mainly the result of spending within the operating budget.

### 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 of \$3,002,860, which are not budgeted, the District's actual revenue was more than the budget by \$151,069. 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 \$2,305,090 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 2021, the District had invested over \$23,560,713, 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	
	2021	2020	2021	2020	2021	2020
Land	\$ 107,500	100,000			107,500	100,000
Construction in progress	2,242,466	6,661,031			2,242,466	6,661,031
Buildings and Improvements	21,027,306	16,196,482			21,027,306	16,196,482
Equipment	155,535	135,944	27,906	35,308	183,441	171,252
<b>Total</b>	<b>\$ 23,532,807</b>	<b>23,093,457</b>	<b>27,906</b>	<b>35,308</b>	<b>23,560,713</b>	<b>23,128,765</b>

## 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.

	<b>Balance June 30, 2020</b>	<b>Issued</b>	<b>Retired/ Adjusted</b>	<b>Balance June 30, 2021</b>
Compensated Absences Payable	\$ 253,342	\$	\$ 54,428	\$ 198,914
Net Pension Liability	3,202,778		589,839	2,612,939
<b>Total</b>	<b>\$ 3,456,120</b>	<b>\$</b>	<b>\$ 54,428</b>	<b>\$ 2,811,853</b>

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, 2021**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 5,783,881	\$ 55,114	\$ 5,838,995
Receivables, Net	2,056,336	36,538	2,092,874
Restricted Assets:			
Inventory		2,206	2,206
Capital Assets, Net (Note 5):	23,532,807	27,906	23,560,713
Total Assets	<u>31,373,024</u>	<u>121,764</u>	<u>31,494,788</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Pension Outflows	<u>828,292</u>		<u>828,292</u>
<b>LIABILITIES</b>			
Accounts Payable	142,946	13	142,959
Unearned Revenue	40,782	2,552	43,334
Non-current Liabilities (Note 6):			
Due Within One Year	17,768		17,768
Due Beyond One Year	2,794,085		2,794,085
Total Liabilities	<u>2,995,581</u>	<u>2,565</u>	<u>2,998,146</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Pension Inflows	<u>1,473,029</u>		<u>1,473,029</u>
<b>NET ASSETS</b>			
Invested in Capital Assets, Net of Related Debt	23,532,807	27,906	23,560,713
Restricted for:			
Capital Reserve	347,288		347,288
Maintenance Reserve	560,760		560,760
Tuition Reserve	250,000		250,000
Excess Surplus	1,139,749		1,139,749
Other Purposes	4,465,373		4,465,373
Student Activities	27,153		27,153
Unrestricted (Deficit)	(2,590,424)	91,293	(2,499,131)
Total Net Position	<u>\$ 27,732,706</u>	<u>\$ 119,199</u>	<u>\$ 27,851,905</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, 2021**

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
			Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Governmental Activities:</b>							
Instruction:							
Regular	\$ 6,368,177	1,723,874	\$ -	\$ 1,648,405	\$ (6,443,646)		\$ (6,443,646)
Special Education	1,400,907	377,802			(1,778,709)		(1,778,709)
Other Special Instruction	393,199	107,203			(500,402)		(500,402)
Other Instruction	592,724	5,185			(597,909)		(597,909)
Support Services:							
Instruction - Tuition	5,305,883	1,574,596			(6,880,479)		(6,880,479)
Student & Instruction Related Services	1,761,992	475,475	7,304	373,454	(1,856,709)		(1,856,709)
General Administrative	434,621	110,012			(544,633)		(544,633)
School Administrative	359,870	92,570			(452,440)		(452,440)
Business and Other Support Services	310,953	82,796			(393,749)		(393,749)
Plant Operations and Maintenance	1,512,667				(1,512,667)		(1,512,667)
Student Transportation	1,052,706		223,668		(829,038)		(829,038)
Unallocated Employee Benefits	7,552,374	(7,552,374)					
Interest Expense	41,174				(41,174)		(41,174)
<b>Total Governmental Activities</b>	<b>27,087,247</b>	<b>(3,002,861)</b>	<b>230,972</b>	<b>2,021,859</b>	<b>(21,831,555)</b>		<b>(21,831,555)</b>
<b>Business-type Activities:</b>							
Food Service	300,669		31,091	245,977		\$ (23,601)	(23,601)
After School Program	1,465		1,425			(40)	(40)
<b>Total Business-type Activities</b>	<b>302,134</b>		<b>32,516</b>	<b>245,977</b>		<b>(23,641)</b>	<b>(23,641)</b>
<b>Total Primary Government</b>	<b>\$ 27,389,381</b>		<b>\$ 263,488</b>	<b>\$ 2,267,836</b>	<b>\$ (21,831,555)</b>	<b>\$ (23,641)</b>	<b>\$ (21,855,196)</b>
<b>General Revenues:</b>							
Taxes:							
Property Taxes, Levied for General Purposes, Net					\$ 17,382,698		\$ 17,382,698
Federal, State and Local Aid Not Restricted					4,001,727		4,001,727
Miscellaneous Income					90,673		90,673
Rents					52,100		52,100
Transfers - To Charter School					(132,991)		(132,991)
<b>Total General Revenues, Special Items, Extraordinary Items and Transfers</b>					<b>21,394,207</b>		<b>21,394,207</b>
<b>Change in Net Position</b>					<b>(437,348)</b>	<b>(23,641)</b>	<b>(460,989)</b>
Net Position—Beginning					28,141,547	142,840	28,284,387
Prior Period Adjustment					28,507		28,507
					28,170,054	142,840	28,312,894
<b>Net Position—Ending</b>					<b>\$ 27,732,706</b>	<b>\$ 119,199</b>	<b>\$ 27,851,905</b>

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

**GOVERNMENTAL FUNDS**

**CITY OF VENTNOR SCHOOL DISTRICT**  
**(A Component of the City of Ventnor)**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2021**

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 5,245,634	\$ 23,096	\$ 446,724	\$ 5,715,454
Other Receivable			1,935,787	1,935,787
State Aid Receivable	83,886			83,886
Federal Aid Receivable		36,663		36,663
Interfunds Receivable	68,427	25,141		93,568
	<u>\$ 5,397,947</u>	<u>\$ 84,900</u>	<u>\$ 2,382,511</u>	<u>\$ 7,865,358</u>
<b>Total Assets</b>				
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts Payable	\$ 6,379	\$ 114,725		\$ 121,104
Payroll Deductions and Withholding Payable	21,842			21,842
Interfund Payable	25,141			25,141
Unearned Revenue		40,782		40,782
	<u>53,362</u>	<u>155,507</u>		<u>208,869</u>
Fund Balances:				
Restricted For:				
Excess Surplus	1,139,749			1,139,749
Excess Surplus - Designated for Subsequent Year's Expenditures	1,382,862			1,382,862
Maintenance Reserve Account	560,760			560,760
Capital Reserve Account	347,288			347,288
Tuition Reserve	250,000			250,000
Student Activities		27,153		27,153
Assigned To:				
Designated for Subsequent Years Expenditures:				
Capital Reserve	200,000			200,000
Tuition Reserve	500,000			500,000
Fund Balance	69,025			69,025
Year-End Encumbrances	219,127		2,135,615	2,354,742
Committed			246,896	246,896
Unassigned, Reported In:				
General Fund Balance	675,774			675,774
Grant Fund Balance (Deficit)		(97,760)		(97,760)
	<u>5,344,585</u>	<u>(70,607)</u>	<u>2,382,511</u>	<u>7,656,489</u>
<b>Total Fund Balances</b>				
<b>Total Liabilities and Fund Balances</b>	<u>\$ 5,397,947</u>	<u>\$ 84,900</u>	<u>\$ 2,382,511</u>	

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 \$43,347,857 and the accumulated depreciation is \$19,815,050 (See Note 5)	23,532,807
Deferred Outflow of Resources - Deferred Pension Contribution.	828,292
Deferred Inflows of Resources - Pension Actuarial Gains.	(1,473,029)
Long Term Net Pension Liability	(2,612,939)
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).	(198,914)
Net Position of Governmental Activities	\$ 27,732,706

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, 2021**

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
<b>REVENUES</b>				
Local Sources:				
Local Tax Levy	\$ 17,382,698	\$	\$	\$ 17,382,698
Tuition from Individuals				-
Transportation Fees from Other LEAS	223,668			223,668
Rent	52,100			52,100
Interest Earned	41,961			41,961
Interest Earned on Capital Reserve Funds	500			500
Interest Earned on Maintenance Reserve Funds	50			50
Miscellaneous	48,162			48,162
Local Sources		7,304		7,304
Total - Local Sources	17,749,139	7,304		17,756,443
State Sources	4,870,940	984,008		5,854,948
Federal Sources	33,833	1,259,098		1,292,931
Total Revenues	22,653,912	2,250,410		24,904,322
<b>EXPENDITURES</b>				
Current:				
Regular Instruction	4,160,499	1,648,405		5,808,904
Special Education Instruction	1,273,073			1,273,073
Other Special Instruction	361,241			361,241
Other Instruction	17,473			17,473
Support Services:				
Instruction - Tuition	5,305,883			5,305,883
Student & Instruction Related Services	1,228,746	373,454		1,602,200
General Administrative Services	370,704			370,704
School Administrative Services	311,932			311,932
Central Services	201,732			201,732
Admin Info Tech	77,263			77,263
Plant Operations and Maintenance	1,512,667			1,512,667
Student Transportation	1,052,706			1,052,706
Unallocated Employee Benefits	5,508,961	319,032		5,827,993
Capital Outlay	110,578		1,967,867	2,078,445
Total Expenditures	21,493,458	2,340,891	1,967,867	25,802,216
Excess (Deficiency) of Revenues Over Expenditures	1,160,454	(90,481)	(1,967,867)	(897,894)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers to Charter School	(132,991)			(132,991)
Transfer to Grant Fund - Preschool	(84,924)	84,924		
Total Other Financing Sources and Uses	(217,915)	84,924		(132,991)
Net Change in Fund Balances	942,539	(5,557)	(1,967,867)	(1,030,885)
Fund Balance—July 1 (Deficit)	4,402,046	(93,557)	4,350,378	8,658,867
Prior Period Adjustment		28,507		28,507
Fund Balance—July 1 (Deficit) Restated	4,402,046	(65,050)	4,350,378	8,687,374
Fund Balance—June 30 (Deficit)	\$ 5,344,585	\$ (70,607)	\$ 2,382,511	\$ 7,656,489

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, 2021**

**Total Net Change in Fund Balances - Governmental Funds (from B-2)** **\$ (1,030,885)**

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

Prior Period Adjustment

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 \$	(1,597,921)	
	Capital outlays	2,037,271	
			439,350

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. 99,759

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 (+) 54,428

**Change in Net Position of Governmental Activities (A-2)** **\$ (437,348)**

**PROPRIETARY FUNDS**

**CITY OF VENTNOR SCHOOL DISTRICT**  
**(A Component Unit of the City of Ventnor)**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2021**

	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Food Service</b>	<b>After School Program</b>	<b>Totals</b>
<b>ASSETS</b>			
Current Assets:			
Cash	\$	\$ 123,541	\$ 123,541
Accounts Receivable	36,538		36,538
Inventory	2,206		2,206
<b>Total Current Assets</b>	<b>38,744</b>	<b>123,541</b>	<b>162,285</b>
Non-current Assets			
Fixed Assets:			
Equipment	178,211		178,211
Less Accumulated Depreciation	(150,305)		(150,305)
<b>Total Fixed Assets</b>	<b>27,906</b>		<b>27,906</b>
<b>Total Assets</b>	<b>66,650</b>	<b>123,541</b>	<b>190,191</b>
<b>LIABILITIES:</b>			
Current Liabilities:			
Accounts Payable		13	13
Interfund Payable	68,427		68,427
Unearned Revenue	2,552		2,552
<b>Total Current Liabilities</b>	<b>70,979</b>	<b>13</b>	<b>70,992</b>
<b>NET POSITION:</b>			
Invested in Capital Assets Net of net of Accumulated Depreciation	27,906		27,906
Unrestricted (Deficit)	(32,235)	123,528	91,293
<b>Total Net Position (Deficit)</b>	<b>\$ (4,329)</b>	<b>\$ 123,528</b>	<b>\$ 119,199</b>

**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, 2021**

	Business-type Activities - Enterprise Fund		
	Food Service	After School Program	Total Enterprise
<b>OPERATING REVENUES:</b>			
Charges for Services:			
Daily Sales - Reimbursable Programs	\$ 30,591	\$	\$ 30,591
Daily Sales - Non-Reimbursable Programs			30,591
Program Fees		1,425	1,425
Miscellaneous	500		500
	31,091	1,425	32,516
<b>OPERATING EXPENSES:</b>			
Salaries	128,518	1,002	129,520
Employee Benefits	50,828	77	50,905
Other Purchased Services	4,138		4,138
Other Costs		386	386
Cost of Sales - Reimbursable Programs	108,864		108,864
Cost of Sales - Non Reimbursable Programs	919		919
Depreciation	7,402		7,402
	300,669	1,465	302,134
Total Operating Expenses			
Operating Income (Loss)	(269,578)	(40)	(269,618)
<b>NON-OPERATING REVENUES:</b>			
State Sources:			
State School Lunch Program			
Federal Sources:			
SFSP - Food	209,611		209,611
SFSP - Admin	21,424		21,424
National School Lunch Program			
National School Breakfast Program			
National School Snack Program			
Healthy Hunger Free Kids Act			
Food Distribution Program	14,942		14,942
	245,977		245,977
Total Non-operating Revenues (Expenses)			
Income (Loss) Before Contributions & Transfers	(23,601)	(40)	(23,641)
Change in Net Position	(23,601)	(40)	(23,641)
Total Net Position—Beginning	19,272	123,568	142,840
Total Net Position—Ending (Deficit)	\$ (4,329)	\$ 123,528	\$ 119,199

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, 2021**

	<b>Business-type Activities</b>		
	<b>Enterprise Funds</b>		
	<b>Food Service</b>	<b>After School Program</b>	<b>Total Enterprise</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from Customers	\$ 31,091	\$ 1,425	\$ 32,516
Payments to Employees	(128,518)	(1,002)	(129,520)
Payments for Employee Benefits	(50,828)	(77)	(50,905)
Payments to Suppliers	(82,780)	(373)	(83,153)
Net Cash Provided by (used for) Operating Activities	(231,035)	(27)	(231,062)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
State Sources			
Federal Sources	231,035		231,035
Net Cash Provided by (used for) Non-capital Financing Activities	231,035		231,035
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Purchases of Capital Assets			
Net Cash Provided by (used for) Capital and Related Financing Activities			
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest and Dividends			
Net Cash Provided by (used for) Investing Activities			
Net Increase (Decrease) in Cash and Cash Equivalents		(27)	(27)
Balances—Beginning of Year		123,568	123,568
Balances—End of Year	\$	\$ 123,541	\$ 123,541
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:</b>			
Operating Income (Loss)	\$ (269,578)	\$ (40)	\$ (269,618)
Adjustments to Reconcile Operating Income (Loss) to Net Cash provided by (used for) Operating Activities:			
Depreciation and Net Amortization	7,402		7,402
Food Distribution Program	14,942		14,942
(Increase)/Decrease in Accounts Receivable, Net	(30,803)		(30,803)
(Increase)/Decrease in Interfund Receivable			
(Increase)/Decrease in Inventory	3,817		3,817
Increase/(Decrease) in Accounts Payable	(140)	13	(127)
Increase/(Decrease) in Interfund Payable	43,272		43,272
Increase/(Decrease) in Deferred Revenue	53		53
Total Adjustments	38,543	13	38,556
Net Cash Provided by (used for) Operating Activities	\$ (231,035)	\$ (27)	\$ (231,062)

Noncash Noncapital Financing Activities:

During the year, the District received \$12,840 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)**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**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, 2021 of 567 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, 2021**

**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, 2021**

**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, 2021**

**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, 2021**

**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, 2021 is \$397.

As of June 30, 2021, the District did not have inventory in the general fund and had the following inventory in the enterprise fund:

Food	\$ 1,102
Supplies	<u>1,104</u>
Total	<u>\$ 2,206</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, 2021**

**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, 2021**

**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		
Kindergarten	\$ 34,541	\$ 34,541
Grades 1-5		34,541
Grades 6-8		56,074
Resource Room	49,981	
General Supplies		132,073
Special Education	63,323	
Transportation - between Home and School - Vendors		16,074
Required Maintenance for School Facilities	121,038	

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, 2021**

**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 2020-2021 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.

**CITY OF VENTNOR SCHOOL DISTRICT**  
**(A COMPONENT UNIT OF THE CITY OF VENTNOR)**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The School District has adopted the following GASB statements:

- 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, 2019. The adoption of GASB 84 will impact the financial statements of the School District.
- 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, 2019. The adoption of GASB 90 did not 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. 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 June 15, 2021. Management 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, 2020. Management is evaluating the potential impact of the adoption of GASB 89 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, 2021. Management is evaluating the potential impact of the adoption of GASB 91 on the School District's financial statements.
- GASB Statement - No. 92 – *Omnibus 2020*: The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. Management is evaluating the potential impact of the adoption of GASB 92 on the School District's financial statements.
- GASB Statement - No. 93 – *Replacement of Interbank Offered Rates*: The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. Management is evaluating the potential impact of the adoption of GASB 93 on the School District's financial statements.

**CITY OF VENTNOR SCHOOL DISTRICT**  
**(A COMPONENT UNIT OF THE CITY OF VENTNOR)**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

- GASB Statement - No. 94 – *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*: The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). The requirements of this Statement are effective for reporting periods beginning after June 15, 2022. Management is evaluating the potential impact of the adoption of GASB 94 on the School District's financial statements.
- GASB Statement - No. 96 – *Subscription-Based Information Technology Arrangements*: This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). The requirements of this Statement are effective for reporting periods beginning after June 15, 2022. Management is evaluating the potential impact of the adoption of GASB 96 on the School District's financial statements.
- GASB Statement - No. 97 – *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*: The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans); and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans). The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. Management is evaluating the potential impact of the adoption of GASB 97 on the School District's financial statements.

**NOTE 2. INVESTMENTS**

As of June 30, 2021, 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.

**CITY OF VENTNOR SCHOOL DISTRICT**  
**(A COMPONENT UNIT OF THE CITY OF VENTNOR)**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 3. CASH**

As of June 30, 2021, cash and cash equivalents in the fund financial statements of the District consisted of the following:

	<u>Cash and</u> <u>Equivalents</u>
Checking Accounts	\$ 5,838,995
Savings and Investment Accts	
Total	<u>\$ 5,838,995</u>

Custodial Credit Risk- Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits may not be recovered. Although the District does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 t seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA is a supplemental insurance program set forth by the New Jersey Legislature to protect the deposits of local government agencies. The program is administered by the Commissioner of the NJ Department of Banking and Insurance. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Funds owned by the District in excess of FDIC insured amounts are protected by GUDPA. The District does not place a limit on the amount that may be invested in any one issuer. As of June 30, 2021, the District's bank balance of \$6,278,603 was insured or collateralized as follows:

Insured by Depository Insurance	\$ 500,000
Uninsured and collateralized by GUDPA by pledging financial institutions	5,778,603
	<u>\$ 6,278,603</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, 2021**

**NOTE 4. FIXED ASSETS**

Capital asset activity for the year ended June 30, 2021 was as follows:

	<u>Balance</u> <u>7/1/2020</u>	<u>Additions</u>	<u>Transfer</u>	<u>Balance</u> <u>6/30/2021</u>
<b>Governmental activities:</b>				
Capital Assets That Are Not Being Depreciated:				
Land	\$ 100,000	\$ 7,500	\$	\$ 107,500
Construction in progress	6,661,031	1,967,867	(6,386,432)	2,242,466
Total capital assets not being depreciated	<u>6,761,031</u>	<u>1,975,367</u>	<u>(6,386,432)</u>	<u>2,349,966</u>
Building and building improvements	33,754,038	29,300	6,362,652	40,145,990
Machinery & equipment	819,297	32,604		851,901
Totals at historical cost	<u>34,573,335</u>	<u>61,904</u>	<u>6,362,652</u>	<u>40,997,891</u>
Total Cost Basis	<u>41,334,366</u>	<u>2,037,271</u>	<u>(23,780)</u>	<u>43,347,857</u>
Less accumulated depreciation for :				
Building and improvements	(17,557,556)	(1,561,128)		(19,118,684)
Machinery & equipment	(683,353)	(36,793)	23,780	(696,366)
Total accumulated depreciation	<u>(18,240,909)</u>	<u>(1,597,921)</u>	<u>23,780</u>	<u>(19,815,050)</u>
<b>Government activities capital assets, net</b>	<u>\$ 23,093,457</u>	<u>\$ 439,350</u>	<u>\$ -</u>	<u>\$ 23,532,807</u>
Business-type activities:				
Capital assets being depreciated:				
Equipment	\$ 178,211	\$	\$	\$ 178,211
Less accumulated depreciation for :				
Equipment	(142,903)	(7,402)		(150,305)
<b>Business-type activities capital assets, net</b>	<u>\$ 35,308</u>	<u>\$ (7,402)</u>	<u>\$</u>	<u>\$ 27,906</u>

\* Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 559,273
Special Education	127,834
Other Special Instruction	31,958
Instruction	575,251
Student & Instruction Related Services	159,792
School Administration Expenses	47,938
General & Business Administration	63,917
Business & Other Support Services	31,958
Total Depreciation Expense	<u>\$ 1,597,921</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, 2021**

**NOTE 5. LONG-TERM OBLIGATIONS**

Long-term obligation activity for the year ended June 30, 2021 was as follows:

<b>Governmental Activities:</b>	Balance			Amounts Due		
	July 1, 2020	Additions	Reductions	June 30, 2021	Within One Year	Long-Term Portion
Compensated Absences	\$ 253,342	\$ -	\$ 54,428	\$ 198,914	\$ 17,768	\$ 181,146
Net Pension Liability	3,202,778		589,839	2,612,939		2,612,939
<b>Total Liabilities</b>	<b>\$ 3,456,120</b>	<b>\$ -</b>	<b>\$ 644,267</b>	<b>\$ 2,811,853</b>	<b>\$ 17,768</b>	<b>\$ 2,794,085</b>

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 \$1,935,787 is receivable from the City of Ventnor, as of June 30, 2021. 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.

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.

**CITY OF VENTNOR SCHOOL DISTRICT**  
**(A COMPONENT UNIT OF THE CITY OF VENTNOR)**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 6. PENSION PLANS**

**Public Employees' Retirement System (Continued)**

The following represents the membership tiers for PERS (Continued):

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, 2019 was 7.5% of base salary. The District employees' contributions for the year ended June 30, 2021 were 91,004. 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 2021 is 15.11% 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, 2021, and 2020, were \$175,284 and \$173,827 respectively.

The total payroll for the year ended June 30, 2021 was \$9,009,827. Payroll covered by PERS was \$1,205,124 for fiscal year 2021.

**Components of Net Pension Liability** - At June 30, 2021, the District's proportionate share of the PERS net pension liability was \$2,612,939. The net pension liability was measured as of June 30, 2020. 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, 2020. The District's proportion measured as of June 30, 2020 was 0.016023% which was a decrease of 0.00175% from its proportion measured as of June 30, 2019.

**Pension Expense and Deferred Outflows/Inflows of Resources** - The District's 2021 PERS pension expense, with respect to GASB 68, was \$76,982. The District's 2021 deferred outflows of resources and deferred inflows of resources were from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 47,577	\$ 9,240
Changes of assumptions	84,767	1,094,062
Net difference between projected and actual earnings on pension plan investments	89,312	
Changes in proportion	431,352	369,727
Contributions subsequent to the measurement date	175,284	
<b>Total</b>	<b>\$ 828,292</b>	<b>\$ 1,473,029</b>



**CITY OF VENTNOR SCHOOL DISTRICT**  
**(A COMPONENT UNIT OF THE CITY OF VENTNOR)**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 6. PENSION PLANS (CONTINUED)**

**Public Employees' Retirement System (Continued)**

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
2021	\$ (356,842)
2022	(228,154)
2023	(89,049)
2024	(119,027)
2025	(26,949)
Thereafter	
Total	\$ (820,021)

**Additional Information** - Collective Balances at June 30, 2021 and 2020 are as follows:

Year	2021	2020
Collective deferred outflows of resources	\$ 828,292	\$ 1,139,903
Collective deferred inflows of resources	\$ 1,473,029	\$ 1,294,560
Collective Net Pension Liability	\$ 2,612,939	\$ 3,202,778
District's Proportion	0.016023%	0.017775%

**Actuarial Assumptions** - The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	PERS
Investment Rate of Return	7.00%
Salary Scale (Based on Age):	
Through 2026	2.00% - 6.00%
Thereafter	3.00% - 7.00%
Inflation Rate – Price	2.75%
Inflation Rate – Wage	3.25%

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

**CITY OF VENTNOR SCHOOL DISTRICT**  
**(A COMPONENT UNIT OF THE CITY OF VENTNOR)**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 6. PENSION PLANS (CONTINUED)**

**Public Employees' Retirement System (Continued)**

**Long-Term Expected Rate of Return** – In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2020 are summarized in the following table:

	PERS	
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Markets Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%
<b>Total</b>	<b>100.00%</b>	

**Discount Rate** - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. 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 and the nonemployer contributing entity will be based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

**CITY OF VENTNOR SCHOOL DISTRICT**  
**(A COMPONENT UNIT OF THE CITY OF VENTNOR)**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 6. PENSION PLANS (CONTINUED)**

**Public Employees' Retirement System (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, 2020, 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 or 1-percentage-point higher than the current rate:

	1% Decrease (6.00%)	Current Discount (7.00%)	1% Increase (8.00%)
District's Proportionate Share of the Net Pension Liability	\$ <u>3,315,119</u>	\$ <u>2,612,939</u>	\$ <u>2,055,101</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. 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. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer.

**CITY OF VENTNOR SCHOOL DISTRICT**  
**(A COMPONENT UNIT OF THE CITY OF VENTNOR)**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**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, 2019. 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 2019, the State's pension contribution was less that 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, 2021 because of the 100% special funding situation with the State of New Jersey.

During the fiscal year ended June 30, 2021, the State of New Jersey contributed \$1,908,311 to the TPAF for pension contributions, \$598,035 for post-retirement benefits on behalf of the School, and \$456 for long-term disability. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$496,058 during the year ended June 30, 2021 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, 2021, 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, 2021, the District recognized pension expense of \$2,537,761 and revenue of \$2,537,761 for support provided by the State.

**Actuarial Assumptions** - The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	<u>TPAF</u>
Investment Rate of Return	7.00%
Salary Scale (Based on Age):	
Through 2026	1.55% - 4.45%
Thereafter	2.75% - 5.65%
Inflation Rate – Price	2.75%
Inflation Rate – Wage	3.25%

**CITY OF VENTNOR SCHOOL DISTRICT**  
**(A COMPONENT UNIT OF THE CITY OF VENTNOR)**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**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, 2020 are summarized in the following table:

Asset Class	TPAF Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Markets Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%
Total	100.00%	

**Discount Rate** - The discount rate used to measure the total pension liability was 5.40% as of June 30, 2020. 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 2.21% as of June 30, 2020 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 based on 78% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2062. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2062 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**CITY OF VENTNOR SCHOOL DISTRICT**  
**(A COMPONENT UNIT OF THE CITY OF VENTNOR)**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**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, 2020, 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 or 1-percentage-point higher than the current rate:

	1% Decrease (4.40%)	Current Discount (5.40%)	1% Increase (6.40%)
State's Share of the Net Pension Liability associated with the District	\$ 48,041,863	\$ 40,810,339	\$ 34,969,917
State's Share of the Net Pension Liability	\$ <u>77,517,093,055</u>	\$ <u>65,993,498,688</u>	\$ <u>56,425,087,777</u>

**Defined Contribution Retirement Program (DCRP)**

**The Defined Contribution Retirement Program (DCRP)** is a multiple-employer defined contribution pension fund that was established in 2007 under the provisions of N.J.S.A 43:15C-1. The DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and long-term disability coverage. Vesting and benefit provisions are established by N.J.S.A. 43:15C-1 et seq.

The following represents the individuals eligible for membership in the DCRP:

Eligibility

1. State or Local Officials who are elected or appointed on or after July 1, 2007
2. Employees enrolled in the PERS or TPAF on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits
3. Employees enrolled in the PFRS or SPRS after May 21, 2010, who earn salary in excess of established "maximum compensation" limits
4. Employees otherwise eligible to enroll in the PERS or TPAF on or after November 2, 2008, who do not earn the minimum annual salary for PERS or TPAF Tier 3 enrollment but who earn salary of at least \$5,000 annually
5. Employees otherwise eligible to enroll in the PERS or TPAF after May 21, 2010, who do not work the minimum number of hours per week required for PERS or TPAF Tier 4 or Tier 5 enrollment but who earn salary of at least \$5,000 annually

**Contributions** – The contribution policy is set by N.J.S.A 43:15C-3 and requires contributions by active members and contributing employers. Plan members are required to contribute 5.5% of their base salary and the District's employer match is an additional 3% contribution. For the year ended June 30, 2021, employee contributions totaled \$13,979 and the District's employer contribution, recognized in pension expense, was \$10,295. There were no forfeitures during the fiscal year.

**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.

**CITY OF VENTNOR SCHOOL DISTRICT**  
**(A COMPONENT UNIT OF THE CITY OF VENTNOR)**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**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.

**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.

**CITY OF VENTNOR SCHOOL DISTRICT**  
**(A COMPONENT UNIT OF THE CITY OF VENTNOR)**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

**Total OPEB Liability**

The State of New Jersey's total OPEB liability, as of the measurement date of June 30, 2020, was \$67,809,962,608. Of this amount, the total OPEB liability attributable to the School District was \$41,074,932. The State of New Jersey's proportionate share of the total OPEB liability is 100%, including the proportion attributable to the School District of 0.06057%. The total OPEB liability for the School District measured as of June 30, 2020 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, 2020 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, 2020 was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2020. 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:

	<b>TPAF/ABP</b>	<b>PERS</b>	<b>PFRS</b>
Inflation Rate	2.50%	2.50%	2.50%
	Based on	Based on	Based on
Salary Increases:	Service Years	Service Years	Service Years
Through 2026	1.55% - 4.45%	2.00% - 6.00%	3.25% - 15.25%
Thereafter	1.55% - 4.45%	3.00% - 7.00%	Applied to all future years

Preretirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP), "General" (PERS), and "Safety" (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. Postretirement mortality rates were based on the Pub-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. Disability mortality was based on the Pub-2010 "General" classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 – June 30, 2018, July 1, 2014 – June 30, 2018, and July 1, 2013 – June 30, 2018 for TPAF, PERS and PFRS, respectively.

**Health Care Trend Assumptions**

For pre-Medicare medical benefits, the trend rate is initially 5.6% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2021 through 2022 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to a 4.5% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%.



**CITY OF VENTNOR SCHOOL DISTRICT**  
**(A COMPONENT UNIT OF THE CITY OF VENTNOR)**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

**Discount rate**

The discount rate for June 30, 2020 was 2.21%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

**Changes in the Total OPEB Liability**

	<b><u>Total OPEB Liability</u></b>
<b>State of New Jersey</b>	
<b>Balance as of June 30, 2019 Measurement Date</b>	<b>\$ 41,729,081,045</b>
Changes for the year:	
Service Cost	1,790,973,822
Interest	1,503,341,357
Changes of Benefit Terms	
Differences between Expected and Actual	11,544,750,637
Changes of Assumptions	12,386,549,981
Benefit Payments	35,781,384
Contributions from Members	<u>(1,180,515,618)</u>
<b>Net Changes</b>	<b>26,080,881,563</b>
<b>Balance as of June 30, 2020 Measurement Date</b>	<b>\$ <u>67,809,962,608</u></b>

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

The following presents the total nonemployer OPEB liability as of June 30, 2020, 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:

	<b><u>June 30, 2020</u></b>		
	<b><u>At 1.00% Decrease</u></b>	<b><u>At Discount Rate</u></b>	<b><u>At 1.00% Increase</u></b>
	<b>2.50%</b>	<b>3.50%</b>	<b>4.50%</b>
\$	81,748,410,002	67,809,962,608	56,911,439,160

**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, 2020, 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:

	<b><u>June 30, 2020</u></b>		
	<b><u>1.00% Decrease</u></b>	<b><u>Healthcare Cost</u></b>	<b><u>1.00% Increase</u></b>
	<b>54,738,488,540</b>	<b>Trend Rate</b>	<b>83,375,182,975</b>
\$	54,738,488,540	67,809,962,608	83,375,182,975

**CITY OF VENTNOR SCHOOL DISTRICT**  
**(A COMPONENT UNIT OF THE CITY OF VENTNOR)**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

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

For the year ended June 30, 2021, the School District recognized OPEB expense of \$1,847,153. The School District reported deferred outflows of resources and deferred inflows of resources from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences Between Expected and Actual Experience	\$ 6,236,245	\$ 5,555,025
Changes of Assumptions	6,986,711	4,686,882
Net difference Between Projected and Actual Earnings on OPEB Plan Investments		
Changes in Proportion	240,188	-
Contributions Subsequent to the Measurement Date		
Total	\$ 13,463,144	\$ 10,241,907

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
2021	\$	60,313
2022		60,313
2023		60,313
2024		60,313
2025		60,313
Thereafter		2,919,672
Total	\$	3,221,237

**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

**CITY OF VENTNOR SCHOOL DISTRICT**  
**(A COMPONENT UNIT OF THE CITY OF VENTNOR)**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**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.

**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  
Syracusa  
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 69.56% of the Districts 2020-2021 governmental operations.

**CITY OF VENTNOR SCHOOL DISTRICT**  
**(A COMPONENT UNIT OF THE CITY OF VENTNOR)**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 12. INTERFUND RECEIVABLES AND PAYABLES**

The following interfund balances remained on the balance sheet at June 30, 2021:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 68,427	\$ 25,141
Special Revenue Fund	25,141	
Capital Projects Fund		
Food Service Fund		68,427
Total	\$ 93,568	\$ 93,568

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.

The activity of the Maintenance reserve for the July 1, 2020 to June 30, 2021 fiscal year is as follows:

Beginning Balance July 1, 2020	\$ 209,950
Interest Earnings	50
Added	550,000
Withdrawn	(199,240)
Ending Balance June 30, 2021	\$ 560,760

**NOTE 14. CAPITAL RESERVE ACCOUNT**

A capital reserve account was established by Ventnor City Board of Education for the accumulation of funds for 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, 2020 to June 30, 2021 fiscal year is as follows:

**CITY OF VENTNOR SCHOOL DISTRICT**  
**(A COMPONENT UNIT OF THE CITY OF VENTNOR)**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 14. CAPITAL RESERVE ACCOUNT (Continued)**

The activity of the capital reserve account for the July 1, 2020 to June 30, 2021 fiscal year is as follows:

Beginning Balance July 1, 2020		\$	720,590
Interest Earnings			500
Withdrawn			<u>(173,802)</u>
Ending Balance June 30, 2021		\$	<u>547,288</u>

**NOTE 15. TUITION RESERVE ACCOUNT**

The activity of the Tuition Reserve account for the July 1, 2020 to June 30, 2021 fiscal year is as follows:

Beginning Balance July 1, 2020		\$	500,000
Added			250,000
Withdrawn			<u>                    </u>
Ending Balance June 30, 2021		\$	<u>750,000</u>

There was also \$500,000 appropriated in the 2021-22 budget.

**NOTE 16. FUND BALANCE APPROPRIATED**

General Fund – Of the \$5,344,585 General Fund Balance at June 30, 2021, \$219,127 is reserved for Encumbrances; \$2,522,611 is reserved as excess surplus in accordance with N.J.S.A.18A:7F-7 (\$1,382,862 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2022); \$560,760 has been reserved in the Maintenance Reserve Account, of which none has been appropriated and also included as anticipated revenue for the year ending June 30, 2022; \$547,288 has been reserved in the Capital Reserve Account, of which \$200,000 has been appropriated and also included as anticipated revenue for the year ending June 30, 2022; \$750,000 has been reserved in the Tuition Reserve Account, of which \$500,000 has been appropriated and included as anticipated revenue for the year ending June 30, 2022) \$69,025 has been assigned and appropriated/included as anticipated revenue for the year ending June 30, 2022 and \$675,774 is unrestricted and undesignated.

**NOTE 17. ACCOUNTS RECEIVABLE**

Accounts receivable at June 30, 2021 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	\$ 83,886	\$ 36,663	\$	\$ 28,968	\$ 149,517
Other				7,570	7,570
Totals	<u>\$ 83,886</u>	<u>\$ 36,663</u>	<u>\$</u>	<u>\$ 36,538</u>	<u>\$ 157,087</u>

**NOTE 18. CALCULATION OF EXCESS SURPLUS**

**CITY OF VENTNOR SCHOOL DISTRICT**  
**(A COMPONENT UNIT OF THE CITY OF VENTNOR)**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 18. 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, 2021 is \$2,522,611, of which \$1,382,862 has been appropriated and included as anticipated revenue for the year ended June 30, 2022 and \$1,139,749 must be budgeted in 2022-2023.

**NOTE 19. DEFICIT FUND BALANCES**

The District has a deficit fund balance of \$(97,760) in the Special Revenue Fund as of June 30, 2021, 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 20. LITIGATION**

From time to time, the District is a defendant in legal proceedings relating to its operations as a school district. The District is currently involved in one Prompt Payment Act claim involving a company regarding a roof repair project. The District's attorney believes the District has a valid defense but is seeking a negotiated settlement deemed to be immaterial. 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.

**CITY OF VENTNOR SCHOOL DISTRICT**  
**(A COMPONENT UNIT OF THE CITY OF VENTNOR)**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 21. PRIOR YEAR ADJUSTMENT**

GASB 84, Fiduciary Activities, was implemented during the fiscal year June 30, 2021. As part of this implementation, the Student Activities Fund is now reported in the Special Revenue Fund. The ending balances as of June 30, 2020 were restated due to the implementation as follows:

	Balance June 30, 2020 as Previously Reported	Retroactive Adjustments	Balance June 30, 2020 Restated
Statement of Net Activities - Governmental Activities			
Net Position	\$ 28,141,574	\$ 28,507	\$ 28,170,081
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds:			
General Fund	4,402,046	-	4,402,046
Special Revenue	(93,557)	28,507	(65,050)
Statement of Changes in Fiduciary Net Position - Fiduciary Funds:			
Student Activities	28,507	(28,507)	

**NOTE 22. SUBSEQUENT EVENTS**

The District has evaluated events through January 31, 2022, the date on which the financial statements were available to be issued and no additional items were noted for disclosure.

End of Notes to Financial Statements

**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, 2021**

	<b>Original Budget</b>	<b>Budget Amendments/ Transfers</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 17,382,698	\$	\$ 17,382,698	\$ 17,382,698	\$
Transportation Fees From Other LEAs	222,944		222,944	223,668	724
Rents	48,000		48,000	52,100	4,100
Interest Earned				41,961	41,961
Interest Earned on Capital Reserve	500		500	500	
Interest Earned on Maintenance Reserve	50		50	50	
Miscellaneous				48,162	48,162
<b>Total - Local Sources</b>	<b>17,654,192</b>		<b>17,654,192</b>	<b>17,749,139</b>	<b>94,947</b>
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	340,567		340,567	340,567	
Extraordinary Aid				50,106	50,106
Non-Public Transportation				9,280	9,280
On-behalf Pension Contribution				1,908,311	1,908,311
On-behalf TPAF Post Retirement Medical Contribution				598,035	598,035
On-behalf TPAF Long-Term Disability Contribution				456	456
Reimbursement TPAF Social Security				496,058	496,058
<b>Total - State Sources</b>	<b>1,803,799</b>		<b>1,803,799</b>	<b>4,866,045</b>	<b>3,062,246</b>
Federal Sources:					
Medicaid Reimbursement	37,097		37,097	33,833	(3,264)
<b>Total - Federal Sources</b>	<b>37,097</b>		<b>37,097</b>	<b>33,833</b>	<b>(3,264)</b>
<b>TOTAL REVENUES</b>	<b>\$ 19,495,088</b>	<b>\$</b>	<b>\$ 19,495,088</b>	<b>\$ 22,649,017</b>	<b>\$ 3,153,929</b>
<b>EXPENDITURES:</b>					
<b>Current Expense:</b>					
Instruction - Regular Programs:					
Salaries of Teachers:					
Preschool	\$ 41,652	\$ 1	\$ 41,653	\$ 12,781	28,872
Kindergarten	305,148	34,541	339,689	339,689	
Grades 1-5	1,849,287	(34,541)	1,814,746	1,757,871	56,875
Grades 6-8	1,874,432	(56,074)	1,818,358	1,780,373	37,985
Home instruction:					
Salaries of Teachers	11,000		11,000	160	10,840
Purchased Prof/Ed Services	2,000		2,000	180	1,820
Regular Programs - Undistributed - Instruction:					
General Supplies	498,211	(132,073)	366,138	266,551	99,587
Textbooks	78,869		78,869	78,869	
Other Objects	7,664		7,664	2,894	4,770
<b>Total Regular Programs</b>	<b>4,668,263</b>	<b>(188,146)</b>	<b>4,480,117</b>	<b>4,160,499</b>	<b>319,618</b>

**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, 2021**

	Original Budget	Budget Amendments/ Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
<b>CURRENT EXPENSES: (Continued)</b>					
<b>Special Education</b>					
Multiple Disabilities:					
Salaries of Teachers	\$ 195,900	\$ 16,338	\$ 212,238	\$ 197,899	\$ 14,339
Other Salaries for Instruction	102,119	35,741	137,860	121,426	16,434
Purchased Professional - Educational Services	9,000	(6,739)	2,261	2,076	185
General Supplies	1,200	(1,200)			
Total Multiple Disabilities	308,219	44,140	352,359	321,401	30,958
Resource Room:					
Salaries of Teachers	761,715	49,981	811,696	811,696	
Other Salaries for Instruction	152,952	(38,153)	114,799	113,686	1,113
General Supplies	11,000	16,440	27,440	26,290	1,150
Total Resource Room	925,667	28,268	953,935	951,672	2,263
Home Instruction - Special:					
Salaries of Teachers	10,000	(9,085)	915		915
Total Home Instruction - Special	10,000	(9,085)	915		915
<b>TOTAL SPECIAL EDUCATION</b>	<b>1,243,886</b>	<b>63,323</b>	<b>1,307,209</b>	<b>1,273,073</b>	<b>34,136</b>
Basic Skills/Remedial-Instruction:					
Salaries of Teachers	354,576	5,738	360,314	353,568	6,746
Other Salaries for Instruction	3,200	(830)	2,370	133	2,237
Total Basic Skills/Remedial-Instruction	357,776	4,908	362,684	353,701	8,983
Bilingual Education-Instruction					
Salaries of Teachers	23,564	17,336	40,900	7,540	33,360
Total Bilingual Education-Instruction	23,564	17,336	40,900	7,540	33,360
School Sponsored Co-curricular Activities:					
Salaries	33,110		33,110	5,335	27,775
Purchased Services (300-500 Series)	500		500		500
Supplies and Materials	6,869		6,869	1,894	4,975
Other Objects	2,000		2,000	129	1,871
Total School Sponsored Co-curricular Activities	42,479		42,479	7,358	35,121
School Sponsored Athletics:					
Salaries	30,000	(3,500)	26,500	8,575	17,925
Purchased Services (300-500 Series)		3,500	3,500		3,500
Supplies and Materials	5,625		5,625		5,625
Total School Sponsored Athletics	35,625		35,625	8,575	27,050
Summer School - Instruction:					
Salaries of Teachers	8,037		8,037		8,037
Total Summer School - Instruction	8,037		8,037		8,037
Other Alternate Education Programs - Instruction:					
Salaries of Teachers	2,112		2,112	1,540	572
Total Other Alternate Education Programs - Instruction	2,112		2,112	1,540	572
Total Instruction	6,381,742	(102,579)	6,279,163	5,812,286	466,877
Undistributed Expenditures:					
Instruction:					
Tuition - Other LEAs Within the State - Regular	3,517,533	(1)	3,517,532	3,485,128	32,404
Tuition - Other LEAs Within the State - Special	1,003,819	2,100	1,005,919	958,536	47,383
Tuition - Co Voc. School Dist. - Regular	331,608		331,608	331,608	
Tuition - Co Voc. School Dist. - Special	7,500		7,500	7,500	
Tuition - CSSD & Regional Day Schools	514,143		514,143	309,747	204,396
Tuition to Private Schools for the Disabled Within State	378,400	14,000	392,400	213,364	179,036
Total Undistributed Expenditures - Instruction	5,753,003	16,099	5,769,102	5,305,883	463,219

**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, 2021**

	Original Budget	Budget Amendments/ Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
<b>CURRENT EXPENDITURES: (Continued)</b>					
Undistributed Expenditures - Attendance and Social Work:					
Salaries	\$ 70,973		\$ 70,973	\$ 70,841	\$ 132
Supplies and Materials	150		150	80	70
Total Undistributed Expend. - Attendance & Social Work	71,123		71,123	70,921	202
Health Services:					
Salaries	119,575		119,575	115,579	3,996
Purch Prof/ Tech Services	10,076		10,076	8,283	1,793
Supplies and Materials	4,813	795	5,608	4,459	1,149
Total Health Services	134,464	795	135,259	128,321	6,938
Speech, OT, PT & Related Services					
Salaries	142,129	(622)	141,507	141,507	
Purchased Professional - Educational Services	30,980	11,238	42,218	24,452	17,766
Total Related Services	173,109	10,616	183,725	165,959	17,766
Other Support Services - Students - Extra Services:					
Salaries	64,413	(32,491)	31,922		31,922
Purchased Prof Ed Services	232,689	10,485	243,174	123,809	119,365
Total Extra Services	297,102	(22,006)	275,096	123,809	151,287
Guidance:					
Salaries Other Professionals	131,331		131,331	122,772	8,559
Purchased Professional - Educational Services	9,855	7,435	17,290	17,290	
Other Purchased Professional & Technical Services	300		300		300
Supplies and Materials	2,224		2,224	602	1,622
Other Objects	100		100		100
Total Guidance	143,810	7,435	151,245	140,664	10,581
Child Study Team					
Salaries of Other Professional Staff	302,019	(12,879)	289,140	252,685	36,455
Salaries Secr. & Clerical Asst.	41,116	12,879	53,995	53,995	
Purchased Professional - Educational Services	165,595	(6,836)	158,759	92,228	66,531
Supplies and Materials	7,350		7,350	7,009	341
Total Child Study Teams	516,080	(6,836)	509,244	405,917	103,327
Improv. Instruction Services/Other Support					
Salaries of Other Professional Staff	3,080		3,080		3,080
Total Improvement of Instruction Services/Other Support	3,080		3,080		3,080
Educational Media Services/School Library:					
Salaries	188,950	(2,133)	186,817	168,036	18,781
Salaries of Technology Coordinators	900		900		900
Purchased Professional and Technical Services	10,018	12,743	22,761	18,801	3,960
Other Purchased Services	671		671	664	7
Supplies and Materials	23,000	447	23,447	5,602	17,845
Total Educational Media Services/School Library	223,539	11,057	234,596	193,103	41,493

**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, 2021**

	Original Budget	Budget Amendments/ Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
<b>CURRENT EXPENSES: (Continued)</b>					
Undistributed Expenditures:					
Instructional Staff Training Services					
Purchased Professional and Educational Services	\$ 75		\$ 75		
Other Purchased Services (400-500 Series)	15,930		15,930	52	\$ 15,878
<b>Total Inst. Staff Training Services</b>	<b>16,005</b>		<b>16,005</b>	<b>52</b>	<b>15,953</b>
Support Services General Administration:					
Salaries	212,307	(660)	211,647	203,507	8,140
Legal Services	45,000	5,000	50,000	49,858	142
Audit Fees	20,200		20,200	20,200	
Architectural/Engineering Services	5,000	17,624	22,624	20,444	2,180
Communication/Telephone	40,829	(932)	39,897	36,978	2,919
BOE Other Purchased Prof. Services	1,600	(1,600)			
Other Purchased Services	23,627	431	24,058	19,471	4,587
General Supplies	4,500	(2,666)	1,834	1,705	129
BOE In-House Training/Meeting Supplies	1,500	(824)	676	331	345
Miscellaneous Expenditures	5,460	3,344	8,804	8,804	
BOE Membership Dues and Fees	9,594	(50)	9,544	9,406	138
<b>Total Support Services General Administration</b>	<b>369,617</b>	<b>19,667</b>	<b>389,284</b>	<b>370,704</b>	<b>18,580</b>
Support Services School Administration:					
Salaries of Principals/Assistant Principals	247,228	(13,001)	234,227	154,017	80,210
Salaries of Secretarial and Clerical Assistants	182,472		182,472	142,966	39,506
Purchased Professional and Technical Services	2,671		2,671	2,649	22
Supplies and Materials	15,600		15,600	7,824	7,776
Other Objects	9,300		9,300	4,476	4,824
<b>Total Support Services School Administration</b>	<b>457,271</b>	<b>(13,001)</b>	<b>444,270</b>	<b>311,932</b>	<b>132,338</b>
Central Services:					
Salaries	164,967		164,967	164,967	
Purchased Professional Services	40,452	1,075	41,527	33,866	7,661
Miscellaneous Purchased Services	5,500		5,500	665	4,835
Supplies and Materials	5,500		5,500	1,144	4,356
Miscellaneous Expenditures	2,991		2,991	1,090	1,901
<b>Total Central Services</b>	<b>219,410</b>	<b>1,075</b>	<b>220,485</b>	<b>201,732</b>	<b>18,753</b>
Admin. Info. Technology:					
Salaries	59,274		59,274	57,130	2,144
Other Purchased Services	34,675		34,675	20,133	14,542
<b>Total Admin. Info. Technology</b>	<b>93,949</b>		<b>93,949</b>	<b>77,263</b>	<b>16,686</b>
Required Maintenance for School Facilities:					
Salaries	238,121	798	238,919	238,679	240
Cleaning, Repair and Maintenance Services	206,225	371,992	578,217	401,935	176,282
General Supplies	25,750	1,809	27,559	27,411	148
<b>Total Required Maintenance for School Facilities</b>	<b>470,096</b>	<b>374,599</b>	<b>844,695</b>	<b>668,025</b>	<b>176,670</b>

**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, 2021**

	Original Budget	Budget Amendments/ Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
<b>EXPENDITURES: (Continued)</b>					
<b>CURRENT EXPENSES: (Continued)</b>					
Other Operation and Maintenance of Plant-Custodial Services:					
Salaries	\$ 6,417	\$ (1,500)	\$ 4,917	\$ 4,632	\$ 285
Cleaning, Repair and Maintenance Services	338,030	(20,549)	317,481	313,637	3,844
Insurance	103,649	70	103,719	103,719	
General Supplies	60,000	(15,225)	44,775	37,936	6,839
Energy (Natural Gas)	100,000	8,432	108,432	82,268	26,164
Energy (Electricity)	290,000	(18,882)	271,118	270,315	803
Other Objects	4,700	(3,888)	812	812	
<b>Total Other Operation and Maintenance of Plant - Custodial</b>	<b>902,796</b>	<b>(51,542)</b>	<b>851,254</b>	<b>813,319</b>	<b>37,935</b>
Undistributed Expenditures - Care & Upkeep of Grounds:					
Cleaning, Repair and Maintenance Services	7,824	(17)	7,807	7,741	66
General Supplies	3,000	(3,000)			
<b>Total Care &amp; Upkeep of Grounds</b>	<b>10,824</b>	<b>(3,017)</b>	<b>7,807</b>	<b>7,741</b>	<b>66</b>
Undistributed Expenditures - Security:					
Salaries	79,659	(57,989)	21,670	21,670	
Cleaning, Repair and Maintenance Services	21,788	(19,981)	1,807	1,802	5
General Supplies	2,000	(1,890)	110	110	
<b>Total Security</b>	<b>103,447</b>	<b>(79,860)</b>	<b>23,587</b>	<b>23,582</b>	<b>5</b>
<b>Total Operation and Maintenance of Plant Services</b>	<b>1,487,163</b>	<b>240,180</b>	<b>1,727,343</b>	<b>1,512,667</b>	<b>214,676</b>
Undistributed Expenditures - Student Transportation Services:					
Contracted Services (Bet Home/School) - Vendor	1,055,470	(83,461)	972,009	822,234	149,775
Contracted Services (Not Bet Home/School) - Vendors	8,300		8,300	1,425	6,875
Contracted Services (Sp. Ed. Stds.) - Joint Agrmnts	202,704	67,387	270,091	204,397	65,694
Contracted Services - Aid in Lieu of Payments - Nonpublic	31,000		31,000	24,650	6,350
Contracted Services - Aid in Lieu of Payments - Charter School	4,000		4,000		4,000
<b>Total Student Transportation Services</b>	<b>1,301,474</b>	<b>(16,074)</b>	<b>1,285,400</b>	<b>1,052,706</b>	<b>232,694</b>
Unallocated Employee Benefits:					
Social Security Contributions	140,000		140,000	104,969	35,031
Other Retirement Contributions - PERS	167,904	7,380	175,284	175,284	
Unemployment Compensation	4,000	(4,000)			
Workers Compensation	109,570	(2,078)	107,492	107,492	
Health Benefits	2,180,003	(30,000)	2,150,003	2,028,035	121,968
Tuition Reimbursement	60,000	(22,955)	37,045	2,550	34,495
Other Employee Benefits	35,572	3,758	39,330	31,690	7,640
Unused Sick Payments to Terminated/Retired Staff	38,186	17,895	56,081	56,081	
<b>Total Unallocated Employee Benefits</b>	<b>2,735,235</b>	<b>(30,000)</b>	<b>2,705,235</b>	<b>2,506,101</b>	<b>199,134</b>
On-behalf TPAF Pension Contribution				1,908,311	(1,908,311)
On-behalf TPAF Post Retirement Medical Contribution				598,035	(598,035)
On-behalf TPAF Long-Term Disability Contribution				456	(456)
Reimbursement TPAF Social Security				496,058	(496,058)
<b>Total Personal Services - Employee Benefits</b>	<b>2,735,235</b>	<b>(30,000)</b>	<b>2,705,235</b>	<b>5,508,961</b>	<b>(2,803,726)</b>
<b>Total Undistributed Expenditures</b>	<b>13,995,434</b>	<b>219,007</b>	<b>14,214,441</b>	<b>15,570,594</b>	<b>(1,356,153)</b>
Interest Earned on Maintenance Reserve	50		50		50
<b>TOTAL EXPENDITURES - CURRENT EXPENSE</b>	<b>20,377,226</b>	<b>116,428</b>	<b>20,493,654</b>	<b>21,382,880</b>	<b>(889,226)</b>

**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, 2021**

	<b>Original Budget</b>	<b>Budget Amendments/ Transfers</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>EXPENDITURES: (Continued)</b>					
<b>CAPITAL OUTLAY:</b>					
Increase in Capital Reserve	\$ 500		\$ 500		\$ 500
	500		500		500
Undistributed Expenditures: Instructional:					
Regular Programs-Instruction Grades 1-5		19,687	19,687		19,687
Undistributed Expenditures - Required Maint for School Facilities	68,797		68,797	61,904	6,893
Total Equipment	68,797	19,687	88,484	61,904	26,580
Facilities Acquisition - Construction Services:					
Architectural/Engineering Services	82,525	(19,687)	62,838		62,838
Construction Services	110,000	19,275	129,275	7,500	121,775
Assessment for Debt Service on SDA Funding	41,174		41,174	41,174	
Total Facilities Acquisition and Construction Services	233,699	(412)	233,287	48,674	184,613
<b>TOTAL CAPITAL OUTLAY</b>	<b>302,996</b>	<b>19,275</b>	<b>322,271</b>	<b>110,578</b>	<b>211,693</b>
<b>TOTAL EXPENDITURES</b>	<b>20,680,222</b>	<b>135,703</b>	<b>20,815,925</b>	<b>21,493,458</b>	<b>(677,533)</b>
Excess (Deficiency) of Revenues and Other Over (Under) Expenditures	(1,185,134)	(135,703)	(1,320,837)	1,155,559	2,476,396
Other Financing Sources (Uses):					
Transfer to Charter School	(240,983)		(240,983)	(132,991)	107,992
Transfer to Grant Fund - Preschool	(84,924)		(84,924)	(84,924)	(84,924)
Total Other Financing Sources	(240,983)		(240,983)	(217,915)	23,068
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,426,117)	(135,703)	(1,561,820)	937,644	2,499,464
Fund Balances, July 1	4,533,574		4,533,574	4,533,574	
Fund Balances, June 30	\$ 3,107,457	\$ (135,703)	\$ 2,971,754	\$ 5,471,218	\$ 2,499,464

**RECAPITULATION:**

**Restricted Fund Balance:**

Excess Surplus	\$ 1,139,749
Excess Surplus - Designated for Subsequent Year's Expenditures	1,382,862
Maintenance Reserve	560,760
Capital Reserve	347,288
Tuition Reserve	250,000

**Assigned Fund Balance:**

Capital Reserve - Designated for Subsequent Year's Expenditures	200,000
Tuition Reserve - Designated for Subsequent Year's Expenditures	500,000
Designated for Subsequent Year's Expenditures	69,025
Year-End Encumbrances	219,127
<b>Unassigned Fund Balance</b>	<b>802,407</b>

5,471,218

Reconciliation to Governmental Funds Statements (GAAP):

Last State Aid Payments not Recognized on GAAP Basis align="right">(126,633)

Fund Balance per Governmental Funds (GAAP) align="right">\$ 5,344,585

**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, 2021**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Sources		36,226	36,226	7,304	(28,922)
Federal Sources					
Title I	\$ 397,290	\$ 121,883	\$ 519,173	\$ 481,088	\$ (38,085)
Title I - Reallocated		10,242	10,242	7,110	(3,132)
Title I - SIA	33,675	19,267	52,942	52,941	(1)
Title II	48,692	73,469	122,161	49,622	(72,539)
Title III	9,178	(9,178)			
Title IV	5,546	10,084	15,630	13,352	(2,278)
I.D.E.A., Part B	177,103	36,731	213,834	213,834	
I.D.E.A., Part B Preschool Initiative	6,466	1,095	7,561	7,561	
Coronavirus Relief Fund		71,411	71,411	71,411	
Cares Act		199,078	199,078	199,077	(1)
	677,950	534,082	1,212,032	1,095,996	(116,036)
State Sources					
Preschool	1,077,792		1,077,792	988,211	(89,581)
<b>Total Revenues</b>	<b>1,755,742</b>	<b>570,308</b>	<b>2,326,050</b>	<b>2,091,511</b>	<b>(234,539)</b>
<b>EXPENDITURES:</b>					
<b>Instruction</b>					
Salaries of Teachers	766,318	51,584	817,902	802,036	15,866
Other Salaries for Instruction	227,747	5,023	232,770	232,770	
Tuition	6,466	1,095	7,561	7,561	
Other Purchased Services (400-500 Series)	178,453	35,381	213,834	213,834	
General Supplies	26,968	207,991	234,959	230,397	4,562
<b>Total Instruction</b>	<b>1,205,952</b>	<b>301,074</b>	<b>1,507,026</b>	<b>1,486,598</b>	<b>20,428</b>
<b>Support Services</b>					
Salaries	13,711	42,138	55,849	55,847	2
Salaries of Principals	19,797	(630)	19,167	19,167	
Salaries of Other Professional Staff	25,868	11,720	37,588	37,588	
Salaries of Facilitator/Coach	24,915	(1,300)	23,615	23,615	
Personal Services - Employee Benefits	253,192	69,037	322,229	319,032	3,197
Purchased Professional - Educational Services	107,376	(2,245)	105,131	105,131	
Cleaning, Repair and Maintenance Services	8,868		8,868	8,868	
Other Purchased Services	64,984	69,697	134,681	51,537	83,144
Supplies and Materials	28,117	41,552	69,669	61,748	7,921
Student Activities		36,227	36,227	8,658	27,569
<b>Total Support Services</b>	<b>546,828</b>	<b>266,196</b>	<b>813,024</b>	<b>691,191</b>	<b>121,833</b>
<b>Facilities Acquisition and Construction Services:</b>					
Instructional Equipment	2,962	3,038	6,000		6,000
Non-Instructional Equipment					
<b>Total Facilities Acquisition and Construction Services</b>	<b>2,962</b>	<b>3,038</b>	<b>6,000</b>		<b>6,000</b>
Total Expenditures	1,755,742	570,308	2,326,050	2,177,789	148,261
Transfer from General Fund				84,924	84,924
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>				<b>(1,354)</b>	<b>(1,354)</b>
<b>Fund Balances, July 1</b>					
Prior Period Adjustment				28,507	28,507
<b>Fund Balances, July 1 Restated</b>				<b>28,507</b>	<b>28,507</b>
<b>Fund Balances, June 30</b>				<b>\$ 27,153</b>	<b>\$ 27,153</b>
<b>Recapitulation:</b>					
<b>Restricted:</b>					
Student Activities				\$ 27,153	
<b>Total Fund Balance</b>				<b>\$ 27,153</b>	



**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, 2021**

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
<b>Sources/inflows of resources</b>		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1] \$ 22,649,017	[C-2] \$ 2,091,511
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		179,742
Current Year		(16,640)
State aid payment recognized for GAAP statements in current year, previously recognized for budgetary purposes.	131,528	93,557
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(126,633)	(97,760)
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>[B-2] \$ 22,653,912</u>	<u>[B-2] \$ 2,250,410</u>
<b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1] \$ 21,493,458	[C-2] \$ 2,177,789
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.		
Prior Year		179,742
Current Year		(16,640)
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	<u>[B-2] \$ 21,493,458</u>	<u>[B-2] \$ 2,340,891</u>

**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>2020</u>	<u>2019</u>	<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	0.016023%	0.017775%	0.014684%	0.014581%	0.015178%	0.016018%	0.016711%	0.014946%
District's Proportionate Share of the Net Pension Liability	\$ 2,612,939	\$ 3,202,778	\$ 2,891,239	\$ 3,446,279	\$ 4,495,182	\$ 3,595,750	\$ 3,128,845	\$ 2,856,552
District's Covered-Employee Payroll	\$ 1,205,124	\$ 1,151,172	\$ 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	216.82%	278.22%	249.31%	293.16%	429.79%	332.05%	283.96%	249.80%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	58.32%	56.27%	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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ 175,284	\$ 173,827	\$ 146,659	\$ 139,049	\$ 135,620	\$ 137,713	\$ 137,767	\$ 112,617
Contributions in relation to the Contractually Required Contribution	(175,284)	(173,827)	(146,659)	(139,049)	(135,620)	(137,713)	(137,767)	(112,617)
Contribution Deficiency (Excess)	\$	\$	\$	\$	\$	\$	\$	\$
District's Covered-Employee Payroll	\$ 1,205,124	\$ 1,151,172	\$ 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	14.54%	15.10%	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>2020</u>	<u>2019</u>	<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	0.061976%	0.064951%	0.064915%	0.065551%	0.066391%	0.067570%	0.064478%	0.069027%
District's Proportionate Share of the Net Pension Liability	\$ 40,810,339	\$ 39,860,832	\$ 41,297,776	\$ 44,197,100	\$ 42,706,874	\$ 36,100,658	\$ 34,461,363	\$ 34,885,514
District's Covered-Employee Payroll	\$ 6,942,995	\$ 7,152,641	\$ 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	587.79%	557.29%	583.67%	661.44%	623.81%	528.95%	507.05%	528.36%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	24.60%	26.95%	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**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>Total OPEB Liability</b>				
Service Cost	\$ 877,885	\$ 842,530	\$ 975,727	\$ 1,167,833
Interest Cost	901,875	1,090,992	1,176,030	1,013,316
Changes of Benefit Terms				
Differences Between Expected and Actual Experiences	7,251,902	(4,045,150)	(2,763,249)	
Changes of Assumptions	7,502,979	376,237	(3,181,092)	(3,977,305)
Member Contributions	21,674	22,961	25,619	27,488
Gross Benefit Payments	(715,081)	(774,599)	(741,242)	(746,491)
<b>Net Change in Total OPEB Liability</b>	<u>15,841,234</u>	<u>(2,487,029)</u>	<u>(4,508,207)</u>	<u>(2,515,159)</u>
<b>Total OPEB Liability - Beginning</b>	<u>25,233,698</u>	<u>27,720,727</u>	<u>32,228,934</u>	<u>34,744,093</u>
<b>Total OPEB Liability - Ending</b>	<u>\$ 41,074,932</u>	<u>\$ 25,233,698</u>	<u>\$ 27,720,727</u>	<u>\$ 32,228,934</u>
<b>Covered-Employee Payroll</b>	<u>\$ 8,148,119</u>	<u>\$ 8,303,813</u>	<u>\$ 8,235,270</u>	<u>\$ 7,857,497</u>
<b>Total OPEB Liability as a Percentage of Covered-Employee Payroll</b>	504.10%	303.88%	336.61%	410.17%

## Notes to Schedule:

Changes of Benefit Terms: None

Differences Between Expected and Actual Experiences: The decrease in the Total OPEB Liability from June 30, 2018 to June 30, 2019 is due to changes in the census, claims and premium experiences. The increase in liability from June 30, 2019 to June 30, 2020 is due to changes in the census, claims and premiums experience.

Changes in Assumptions: The increase in the liability from June 30, 2018 to June 30, 2019 is due to the decrease in the assumed discount rate from 3.87% as of June 30, 2018 to 3.50% as of June 30, 2019; and changes in the trend, excise tax, updated decrements, future spouse election, PPO/HMO future retiree elections, salary scale and mortality assumptions. The increase in the liability from June 30, 2019 to June 30, 2020 is due to the combined effect of the decrease in the assumed discount rate from 3.50% as of June 30, 2019 to 2.21% as of June 30, 2020; and changes in the trend, repeal of the excise tax, and updated mortality improvement assumptions.

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 available.

**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, 2021**  
**(WITH COMPARATIVE TOTALS FOR JUNE 30, 2020)**

	E.S.E.A			I.D.E.A. - Part B				Preschool	Cares Act	Coronavirus Relief Fund	Student Activities	Totals	
	Title I	SIA	Title II A	Title IV	Basic	Preschool	2021					2020	
	2020-21		2020-21	2020-21	2020-21	2020-21	2021					2020	
<b>REVENUES:</b>													
Federal Sources	\$481,088	\$ 7,110	\$ 52,941	\$ 49,622	\$ 13,352	\$ 213,834	\$ 7,561		\$ 199,077	\$ 71,411		\$ 1,095,996	\$ 1,080,511
State Sources								\$ 988,211				988,211	1,063,853
Local Sources											\$ 7,304	7,304	
<b>Total Revenues</b>	<b>481,088</b>	<b>7,110</b>	<b>52,941</b>	<b>49,622</b>	<b>13,352</b>	<b>213,834</b>	<b>7,561</b>	<b>988,211</b>	<b>199,077</b>	<b>71,411</b>	<b>7,304</b>	<b>2,091,511</b>	<b>2,144,364</b>
<b>EXPENDITURES:</b>													
Instruction:													
Salaries of Teachers	337,007		26,071					438,958				802,036	786,507
Other Salaries for Instruction								232,770				232,770	240,899
Tuition							7,561					7,561	7,608
Other Purchased Services (400-500 Series)						213,834						213,834	208,357
General Supplies		7,110	15,793		6,561			21,963	178,970			230,397	357,721
<b>Total Instruction</b>	<b>337,007</b>	<b>7,110</b>	<b>41,864</b>		<b>6,561</b>	<b>213,834</b>	<b>7,561</b>	<b>693,691</b>	<b>178,970</b>			<b>1,486,598</b>	<b>1,601,092</b>
Support Services:													
Salaries	14,901									40,946		55,847	16,100
Salaries of Principals								19,167				19,167	18,721
Salaries of Other Professional Staff								37,588				37,588	22,881
Salaries of Facilitator/Coach								23,615				23,615	15,733
Personal Services - Employee Benefits	129,180		11,077					178,775				319,032	285,053
Purchased Prof/Educational Services								105,131				105,131	101,595
Other Purchased Services (400-500 Series)				49,573					1,964			51,537	36,394
Cleaning, Repair and Maintenance Services								8,868				8,868	7,705
Supplies and Materials				49	6,791			6,300	18,143	30,465		61,748	26,844
Student Activities											8,658	8,658	8,777
<b>Total Support Services</b>	<b>144,081</b>		<b>11,077</b>	<b>49,622</b>	<b>6,791</b>			<b>379,444</b>	<b>20,107</b>	<b>71,411</b>	<b>8,658</b>	<b>691,191</b>	<b>539,803</b>
Facilities Acquisition/Construction:													
Instructional Equipment													
Non-Instructional Equipment													3,469
<b>Total Facilities Acquisition/Construction</b>													<b>3,469</b>
<b>Total Expenditures</b>	<b>\$481,088</b>	<b>\$ 7,110</b>	<b>\$ 52,941</b>	<b>\$ 49,622</b>	<b>\$ 13,352</b>	<b>\$ 213,834</b>	<b>\$ 7,561</b>	<b>\$ 1,073,135</b>	<b>\$ 199,077</b>	<b>\$ 71,411</b>	<b>\$ 8,658</b>	<b>\$ 2,177,789</b>	<b>\$ 2,144,364</b>
Excess (Deficiency) of Revenues Over Expenditures								\$ (84,924)			\$ (1,354)	\$ (86,278)	
Transfer from General Fund								84,924				84,924	
<b>Net Excess of Revenues over Expenditures</b>								<b>\$</b>			<b>(1,354)</b>	<b>(1,354)</b>	
Fund Balances, July 1													
Prior Period Adjustment											28,507	28,507	
Fund Balances, July 1 (Restated)											28,507	28,507	
Fund Balances, June 30											<b>\$ 27,153</b>	<b>\$ 27,153</b>	

**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, 2021**

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
<b>EXPENDITURES:</b>			
<b>Instruction:</b>			
Salaries of Teachers	\$ 438,958	\$ 438,958	\$
Other Salaries for Instruction	232,770	232,770	
Supplies and Materials	21,963	21,963	
<b>Total instruction</b>	<u>693,691</u>	<u>693,691</u>	
<b>Support services:</b>			
Salaries of Principals	19,167	19,167	
Salaries of Other Professional Staff	37,588	37,588	
Salaries of Masters teachers	23,615	23,615	
Personal Services - Employee Benefits	178,775	178,775	
Purchased Professional Educational Services	105,131	105,131	
Cleaning, Repair and Maintenance Services	8,868	8,868	
Supplies and materials	6,300	6,300	
<b>Total support services</b>	<u>379,444</u>	<u>379,444</u>	
Facilities Acquisition and Construction:			
Instructional Equipment	6,000		6,000
	<u>6,000</u>		<u>6,000</u>
<b>Total expenditures</b>	<u>\$ 1,079,135</u>	<u>\$ 1,073,135</u>	<u>\$ 6,000</u>

**CALCULATION OF BUDGET & CARRYOVER**

Total Revised 2020-2021 Preschool Education Aid Allocation	\$ 977,605
Add: Actual ECPA/PEA Carryover (June 30, 2021)	20,790
Add: Budgeted Transfer from the General Fund 2020-2021	84,924
Total Preschool Education Aid Funds Available for 2020-2021 Budget	<u>1,083,319</u>
Less: 2020-2021 Budgeted Preschool Education Aid (Including prior year budgeted carryover)	<u>(1,079,135)</u>
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2021	4,184
Add: June 30, 2021 Unexpended Preschool Education Aid	6,000
2020-2021 Carryover - Preschool Education Aid Programs	<u>\$ 10,184</u>
2020-2021 Preschool Education Aid Carryover Budgeted for Preschool Programs in 2021-2022	<u>\$</u>

Note: Since the 2020-2021 Actual Carryover is more than the amount budgeted in 2021-2022, the District should consider revising the 2019-20 Budget or appropriating this amount in the 2021-2022 School Year Preschool Education Program Budget by amendment. \$ 10,184

**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, 2021**

<b><u>Project Title/Issue</u></b>	<b><u>Original Date</u></b>	<b><u>Appropriations</u></b>	<b><u>Expenditures to Date</u></b>		<b><u>Encumbered</u></b>	<b><u>Unexpended Balance June 30, 2021</u></b>
			<b><u>Prior Years</u></b>	<b><u>Current Year</u></b>		
School Windows, Roof and Other Exterior Replacement	2017-18	\$ 1,863,076	\$ 1,578,831	\$	\$ 109,138	\$ 175,107
Various Renovations and Equipment	2018-19	9,315,071	7,209,988	6,817	2,026,477	71,789
		<u>\$ 11,178,147</u>	<u>\$ 8,788,819</u>	<u>\$ 6,817</u>	<u>\$ 2,135,615</u>	<u>\$ 246,896</u>
					Encumbered \$	(2,135,615)
					Fund Balance	2,382,511
						<u>\$ 246,896</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, 2021**

**Revenues and Other Financing  
Sources**

Type 1 Bond Proceeds - Due from City of Ventnor Refund \$ \_\_\_\_\_

Total Revenues \_\_\_\_\_

**Expenditures and Other Financing Uses**

Purchased Professional and Technical Services 195,182  
Construction Services 1,772,685

Total Expenditures 1,967,867

Excess (Deficiency) of Revenues Over (Under) Expenditures (1,967,867)

Fund Balance - Beginning 4,350,378

Fund Balance - Ending \$ 2,382,511

**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, 2021**

	<u>Prior</u> <u>Periods</u>	<u>Current</u> <u>Year</u>	<u>Totals</u>	<u>Revised</u> <u>Authorized</u> <u>Cost</u>
<b>Revenues and Other Financing Sources</b>				
Designated Fund Balance	\$ 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	<u>1,863,076</u>		<u>1,863,076</u>	<u>1,863,076</u>
<b>Expenditures and Other Financing Uses</b>				
Architectural Costs	73,100		73,100	76,392
Construction Services	1,505,731	109,138	1,614,869	1,786,684
Total Expenditures	<u>1,578,831</u>	<u>109,138</u>	<u>1,687,969</u>	<u>1,863,076</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 284,245</u>	<u>\$ (109,138)</u>	<u>\$ 175,107</u>	<u>\$</u>
<b>Additional Project Information:</b>				
Total Projected Cost	\$1,863,076			
Percentage Completion	98%			
Original Target Completion Date	9/1/2017			
Revised Target Completion Date	9/1/2021			

**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, 2021**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
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>
<b>Expenditures and Other Financing Uses</b>				
Purchased Professional and Technical Services	2,523,498	195,182	2,718,680	3,444,052
Construction Services	4,798,000	1,726,602	6,524,602	5,871,019
Total Expenditures and Other Financing Uses	<u>7,321,498</u>	<u>1,921,784</u>	<u>9,243,282</u>	<u>9,315,071</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 1,993,573</u>	<u>\$ (1,921,784)</u>	<u>\$ 71,789</u>	<u>\$</u>

**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	90%
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, 2021 AND 2020**

	<b>Food Service Enterprise Fund</b>	<b>After School Program</b>	<b>Totals</b>	
			<b>2021</b>	<b>2020</b>
<b>ASSETS:</b>				
Current Assets:				
Cash and Cash Equivalents	\$	\$ 123,541	\$ 123,541	\$ 123,568
Accounts Receivable:				
State				757
Federal	28,968		28,968	4,978
Other	7,570		7,570	
Inventory	2,206		2,206	6,023
<b>Total Current Assets</b>	<b>38,744</b>	<b>123,541</b>	<b>162,285</b>	<b>135,326</b>
Fixed Assets:				
Equipment	178,211		178,211	178,211
Accumulated Depreciation	(150,305)		(150,305)	(142,903)
<b>Total Fixed Assets</b>	<b>27,906</b>		<b>27,906</b>	<b>35,308</b>
<b>Total Assets</b>	<b>66,650</b>	<b>123,541</b>	<b>190,191</b>	<b>170,634</b>
<b>LIABILITIES:</b>				
Current Liabilities:				
Accounts Payable		13	13	140
Interfund Payable	68,427		68,427	25,155
Unearned Revenue	2,552		2,552	2,499
<b>Total Current Liabilities</b>	<b>70,979</b>	<b>13</b>	<b>70,992</b>	<b>27,794</b>
<b>NET POSITION:</b>				
Invested in Capital Assets Net of Related Debt	27,906		27,906	35,308
Unrestricted (Deficit)	(32,235)	123,528	91,293	107,532
<b>Total Net Position</b>	<b>\$ (4,329)</b>	<b>\$ 123,528</b>	<b>\$ 119,199</b>	<b>\$ 142,840</b>

**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, 2021 AND 2020**

	Food Service Enterprise Fund	After School Program	Totals	
			2021	2020
<b>OPERATING REVENUES:</b>				
Local Sources:				
Daily Sales - Reimbursable Programs:				
School Lunch Program	\$	\$	\$	\$ 17,849
School Breakfast Program				16,198
Total Daily Sales - Reimbursable Programs				34,047
Daily Sales Non-Reimbursable Programs	30,591		30,591	24,866
Miscellaneous	500		500	5,643
Program Fees		1,425	1,425	18,755
Total Operating Revenue	31,091	1,425	32,516	83,311
<b>OPERATING EXPENSES:</b>				
Salaries	128,518	1,002	129,520	141,170
Employee Benefits	50,828	77	50,905	47,390
Other Purchases Services	4,138		4,138	5,299
Cost of Sales -Reimbursable Programs	108,864		108,864	91,351
Cost of Sales - Non Reimbursable Programs	919		919	8,019
Depreciation	7,402		7,402	7,401
Other Costs		386	386	2,370
Total Operating Expenses	300,669	1,465	302,134	303,000
Operating Income (Loss)	(269,578)	(40)	(269,618)	(219,689)
Non-Operating Revenues:				
State Sources:				
State School Lunch Program				2,876
Federal Sources:				
SFSP - Food	209,611		209,611	
SFSP - Admin	21,424		21,424	
School Breakfast Program				43,980
National School Lunch Program				116,297
National School Snack Program				2,619
Healthy Hunger Free Kids Act				2,798
Food Distribution Program	14,942		14,942	14,924
Total Non-Operating Revenues	245,977		245,977	183,494
Net Income before Operating Transfers	(23,601)	(40)	(23,641)	(36,195)
Gain/(Loss) from Disposals of Assets				
Net Income	(23,601)	(40)	(23,641)	(36,195)
Net Position - July 1	19,272	123,568	142,840	179,035
Net Position - June 30 (Deficit)	\$ (4,329)	\$ 123,528	\$ 119,199	\$ 142,840

**CITY OF VENTNOR SCHOOL DISTRICT**  
**(A Component Unit of the City of Ventnor)**  
**ENTERPRISE FUND**  
**COMBINING SCHEDULE OF CASH FLOWS**  
**AS OF JUNE 30, 2021 AND 2020**

	Food Service	After	Totals	
	Enterprise Fund	School Program	2021	2020
<b>Cash Flows from Operating Activities:</b>				
Receipts from Customers	\$ 31,091	\$ 1,425	\$ 32,516	\$ 83,311
Payments to Employees	(128,518)	(1,002)	(129,520)	(141,170)
Payments for Employee Benefits	(50,828)	(77)	(50,905)	(47,390)
Payments to Suppliers	(82,780)	(373)	(83,153)	(54,742)
Net Cash Provided by (Used for) Operating Activities	(231,035)	(27)	(231,062)	(159,991)
<b>Cash Flows from Non-Capital Financing Activities</b>				
State Sources			0	2,876
Federal Sources	231,035		231,035	165,694
Net Cash Provided by (Used for) Operating Activities	231,035		231,035	168,570
<b>Cash Flows from Capital and Related Financing Activities</b>				
Purchases of Equipment				
Sale of Equipment				
Net Cash Provided by (Used for) Capital and Related Financing Activities				
<b>Cash Flows from Investing Activities</b>				
Net Cash Provided by (Used for) Investing Activities				
Net Increase (Decrease) in Cash and Cash Equivalents		(27)	(27)	8,579
Balances - Beginning of Year		123,568	123,568	114,989
Balances - End of Year	\$	\$ 123,541	\$ 123,541	\$ 123,568
<b>Operating Income (Loss)</b>				
Operating Income (Loss)	\$ (269,578)	\$ (40)	\$ (269,618)	\$ (219,689)
<b>Adjustments to Reconcile Operating Income (Loss) to Cash Used by Operating Activities:</b>				
Depreciation	7,402		7,402	7,401
Food Distribution Program	14,942		14,942	14,924
<b>Change in Assets and Liabilities:</b>				
(Increase)/Decrease in Accounts Receivable	(30,803)		(30,803)	17,101
(Increase)/Decrease in Inventory	3,817		3,817	(2,569)
Increase/(Decrease) in Accounts Payable	(140)	13	(127)	140
Increase/(Decrease) in Interfund Payable	43,272		43,272	24,082
Increase/(Decrease) in Unearned Revenue	53		53	(1,381)
Total Adjustments	38,543	13	38,556	59,698
Net Cash Used by Operating Activities	\$ (231,035)	\$ (27)	\$ (231,062)	\$ (159,991)

## **LONG-TERM DEBT SCHEDULES**

The Long-Term Schedules are used to reflect the outstanding principal balances of the general long-term liabilities of the school district. This includes serial bonds outstanding and obligations under capital leases.

**STATISTICAL SECTION**

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Governmental Activities</b>										
Invested in Capital Assets, Net of Related Debt \$	20,026,494	19,197,067	16,591,987	17,943,708	18,685,560	18,072,989	18,962,359	19,985,123	23,093,457	23,532,807
Restricted	562,931	901,500	694,732	1,945,538	2,703,759	3,090,306	3,376,600	11,705,857	8,209,811	6,790,323
Unrestricted (Deficit)	758,462	310,742	361,345	(1,707,095)	(2,976,762)	(3,209,936)	(3,095,504)	(3,186,685)	(3,161,721)	(2,590,424)
<b>Total Governmental Activities Net Position</b>	<b>\$ 21,347,887</b>	<b>20,409,309</b>	<b>17,648,064</b>	<b>18,182,151</b>	<b>18,412,557</b>	<b>17,953,359</b>	<b>19,243,455</b>	<b>28,504,295</b>	<b>28,141,547</b>	<b>27,732,706</b>
<b>Business-Type Activities</b>										
Invested in Capital Assets, Net of Related Debt \$	47,717	32,996	23,887	20,370	20,179	18,053	37,650	42,709	35,308	27,906
Restricted										
Unrestricted	105,376	12,141	(25,920)	41,461	96,017	152,723	140,490	136,326	107,532	91,293
<b>Total Business-Type Activities Net Position</b>	<b>\$ 153,093</b>	<b>45,137</b>	<b>(2,033)</b>	<b>61,831</b>	<b>116,196</b>	<b>170,776</b>	<b>178,140</b>	<b>179,035</b>	<b>142,840</b>	<b>119,199</b>
<b>District-Wide</b>										
Invested in Capital Assets, Net of Related Debt \$	20,074,211	19,230,063	16,615,874	17,964,078	18,705,739	18,091,042	19,000,009	20,027,832	23,128,765	23,560,713
Restricted	562,931	901,500	694,732	1,945,538	2,703,759	3,090,306	3,376,600	11,705,857	8,209,811	6,790,323
Unrestricted (Deficit)	863,838	322,883	335,424	(1,665,634)	(2,880,745)	(3,057,213)	(2,955,014)	(3,050,359)	(3,054,189)	(2,499,131)
<b>Total District-Wide Net Position</b>	<b>\$ 21,500,980</b>	<b>20,454,446</b>	<b>17,646,030</b>	<b>18,243,982</b>	<b>18,528,753</b>	<b>18,124,135</b>	<b>19,421,595</b>	<b>28,683,330</b>	<b>28,284,387</b>	<b>27,851,905</b>

Source: CAFR Schedule A-1

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Expenses:</b>										
<b>Governmental Activities</b>										
Instruction										
Regular	\$ 6,604,687	7,254,881	7,097,968	7,218,412	5,962,105	8,302,665	7,945,215	8,082,542	7,917,234	8,092,051
Special Education	1,052,321	1,068,960	1,020,838	1,036,022	1,099,632	1,522,699	1,520,869	1,797,174	1,651,236	1,778,709
Other Special Education	762,249	781,200	622,449	628,315	459,904	425,794	304,093	294,844	527,559	500,402
Other Instruction	37,754	63,554	90,579	63,049	81,033	49,586	52,574	71,274	69,815	597,909
Non-Public Programs										
Support Services										
Tuition	8,673,153	8,863,182	7,932,062	8,845,367	9,246,032	8,866,422	6,843,330	5,200,744	5,400,241	6,880,479
Student and Instruction Related Services	1,547,684	1,496,798	1,597,501	1,893,600	2,003,223	1,266,564	2,343,817	2,378,735	2,152,186	2,237,467
General Administrative Services	231,879	313,604	428,347	409,095	542,422	455,704	557,481	495,179	510,015	544,633
School Administrative Services	695,141	610,374	575,111	608,715	672,324	662,724	707,633	592,616	568,316	452,440
Business Administrative Services	1,342,145	1,224,216	1,413,150	1,621,136	1,606,723	1,258,626	445,894	413,201	397,386	393,749
Plant Operations and Maintenance	1,084,316	1,219,389	1,174,180	1,268,368	1,369,019	1,185,551	1,366,676	1,381,462	1,312,865	1,512,667
Pupil Transportation	338,697	409,083	360,038	385,652	408,241	402,118	929,433	1,138,476	1,092,924	1,052,706
Interest Expense	28,873	41,173	186,797	529,607	496,508	535,342	37,424	41,174	41,174	41,174
<b>Total Governmental Activities Expenses</b>	<b>22,398,899</b>	<b>23,346,414</b>	<b>22,499,020</b>	<b>24,507,338</b>	<b>23,947,166</b>	<b>24,933,795</b>	<b>23,054,439</b>	<b>21,887,421</b>	<b>21,640,951</b>	<b>24,084,386</b>
<b>Business-Type Activities</b>										
After School Programs	29,866	18,321	17,741	9,010	19,458	25,321	16,288	20,114	10,176	1,465
Food Service	612,985	579,637	448,161	404,519	367,810	354,921	351,612	344,712	292,824	300,669
<b>Total Business-Type Activities Expense</b>	<b>642,851</b>	<b>597,958</b>	<b>465,902</b>	<b>413,529</b>	<b>387,268</b>	<b>380,242</b>	<b>367,900</b>	<b>364,826</b>	<b>303,000</b>	<b>302,134</b>
<b>Total District Expenses</b>	<b>23,041,750</b>	<b>23,944,372</b>	<b>22,964,922</b>	<b>24,920,867</b>	<b>24,334,434</b>	<b>25,314,037</b>	<b>23,422,339</b>	<b>22,252,247</b>	<b>21,943,951</b>	<b>24,386,520</b>
<b>Program Revenues</b>										
<b>Governmental Activities</b>										
Charge for Services	306,962	347,147	315,243	343,843	264,733	205,447	294,265	625,737	199,335	230,972
Operating Grants and Contributions	1,129,059	1,048,464	1,272,204	4,529,328	4,338,848	4,247,639	1,273,779	1,282,239	1,588,655	2,021,859
<b>Total Gov'n't Activities Program Rev.</b>	<b>1,436,021</b>	<b>1,395,611</b>	<b>1,587,447</b>	<b>4,873,171</b>	<b>4,603,581</b>	<b>4,453,086</b>	<b>1,568,044</b>	<b>1,907,976</b>	<b>1,787,990</b>	<b>2,252,831</b>
<b>Business-Type Activities</b>										
Charges for Services										
Fees for After School Program	15,297	15,421	29,798	36,714	41,529	49,889	21,201	27,566	18,755	1,425
Food Service	176,239	150,612	88,163	124,209	124,381	118,441	117,920	107,728	64,556	31,091
Operating Grants and Contributions	340,762	323,969	301,031	266,157	299,034	269,820	237,178	230,427	183,494	245,977
<b>Total Bus.-Type Activities Prog. Rev.</b>	<b>532,298</b>	<b>490,002</b>	<b>418,992</b>	<b>447,080</b>	<b>464,944</b>	<b>438,150</b>	<b>376,299</b>	<b>365,721</b>	<b>266,805</b>	<b>278,493</b>
<b>Total District Program Revenues</b>	<b>\$ 1,968,319</b>	<b>1,885,613</b>	<b>2,006,439</b>	<b>5,320,251</b>	<b>5,068,525</b>	<b>4,891,236</b>	<b>1,944,343</b>	<b>2,273,697</b>	<b>2,054,795</b>	<b>2,531,324</b>
<b>Net (Expense)/Revenue</b>										
<b>Governmental Activities</b>	<b>\$ (20,962,878)</b>	<b>(21,950,803)</b>	<b>(20,911,573)</b>	<b>(19,634,167)</b>	<b>(19,343,585)</b>	<b>(20,480,709)</b>	<b>(21,486,395)</b>	<b>(20,279,445)</b>	<b>(19,852,961)</b>	<b>(21,831,555)</b>
<b>Business-Type Activities</b>	<b>(110,553)</b>	<b>(107,956)</b>	<b>(46,910)</b>	<b>33,551</b>	<b>77,676</b>	<b>57,908</b>	<b>8,399</b>	<b>895</b>	<b>(36,195)</b>	<b>(23,641)</b>
<b>Total District-Wide Net Expense</b>	<b>\$ (21,073,431)</b>	<b>(22,058,759)</b>	<b>(20,958,483)</b>	<b>(19,600,616)</b>	<b>(19,265,909)</b>	<b>(20,422,801)</b>	<b>(21,477,996)</b>	<b>(20,278,550)</b>	<b>(19,889,156)</b>	<b>(21,855,196)</b>
<b>General Revenues and Other Changes in Net Position</b>										
<b>Governmental Activities</b>										
Property Taxes Levied - General Purp.	\$ 17,734,656	17,483,143	17,483,143	17,819,977	17,819,977	17,734,656	17,705,694	16,405,694	16,400,478	17,382,698
Unrestricted Grants and Contributions	3,254,800	3,518,444	3,332,550	2,200,176	2,182,846	2,190,955	5,518,620	3,971,877	3,217,141	4,001,727
Miscellaneous Income	31,866	10,638	75,316	58,464	159,902	25,122	5,736	149,270	80,862	90,673
Investment Income										
Rents and Royalties			12,874	69,950	54,571	70,775	72,995	77,878	48,000	52,100
Bond Proceeds	23,145									
Special Items								9,315,071		
Loss on the Disposal of Fixed Assets			(9,621)	19,686			(34,179)			
Transfer to Charter Schools							(492,374)	(379,505)	(256,268)	(132,991)
Cancellation of Prior Year Receivable					(127,921)					
Close Out Capital Projects					(527,874)					
Cancellation of Prior Year Payables					12,490					
<b>Total Governmental Activities</b>	<b>21,044,467</b>	<b>21,012,225</b>	<b>20,894,262</b>	<b>20,168,253</b>	<b>19,573,991</b>	<b>20,021,508</b>	<b>22,776,492</b>	<b>29,540,285</b>	<b>19,490,213</b>	<b>21,394,207</b>
<b>Business-Type Activities</b>										
Transfers				30,314						
Fixed Asset Adjustment					(23,312)	(3,327)	(1,035)			
Cancellation of Prior Year Receivable										
<b>Total Business-Type Activities</b>				<b>30,314</b>	<b>(23,312)</b>	<b>(3,327)</b>	<b>(1,035)</b>			
<b>Total District-Wide</b>	<b>\$ 21,044,467</b>	<b>21,012,225</b>	<b>20,894,262</b>	<b>20,198,567</b>	<b>19,550,679</b>	<b>20,018,181</b>	<b>22,775,457</b>	<b>29,540,285</b>	<b>19,490,213</b>	<b>21,394,207</b>
<b>Change in Net Position</b>										
<b>Governmental Activities</b>	<b>\$ 81,589</b>	<b>(938,578)</b>	<b>(17,311)</b>	<b>534,086</b>	<b>230,406</b>	<b>(459,201)</b>	<b>1,290,097</b>	<b>9,260,840</b>	<b>(362,748)</b>	<b>(437,348)</b>
<b>Business-Type Activities</b>	<b>(110,553)</b>	<b>(107,956)</b>	<b>(46,910)</b>	<b>63,865</b>	<b>54,364</b>	<b>54,581</b>	<b>7,364</b>	<b>895</b>	<b>(36,195)</b>	<b>(23,641)</b>
<b>Total District-Wide</b>	<b>\$ (28,964)</b>	<b>(1,046,534)</b>	<b>(64,221)</b>	<b>597,951</b>	<b>284,770</b>	<b>(404,620)</b>	<b>1,297,461</b>	<b>9,261,735</b>	<b>(398,943)</b>	<b>(460,989)</b>

Source: CAFR Schedule A-2

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

	<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>2020</u>	<u>2021</u>
General Fund										
Restricted	\$ 1,082,431	\$ 1,236,772	\$ 1,484,060	\$ 1,220,529	\$ 1,066,677	\$ 1,788,613	\$ 2,924,601	\$ 3,079,562	3,486,391	\$ 3,680,659
Committed	280,115	64,972	259,700	717,402	1,109,700	1,294,844				
Assigned	20,971	15,942	18,846	7,607	527,382	6,849	199,926	112,521	600,713	988,152
Unassigned	338,912	275,578	315,523	345,085	346,116	312,803	309,558	304,757	314,942	675,774
<b>Total General Fund</b>	<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>	<u>4,402,046</u>	<u>5,344,585</u>
All Other Governmental Funds										
Restricted, Reported in:										
Special Revenue Fund										27,153
Assigned, Reported in:										
Capital Projects Fund							167,775	4,108,381	2,072,560	2,135,615
Committed - Capital Projects Fund							284,224	4,517,914	2,277,818	246,896
Unassigned, Reported in:										
Special Revenue Fund (Deficit)	(13,477)	(21,681)	(20,026)	(12,335)	(16,405)	(9,747)	(74,123)	(75,586)	(93,557)	(97,760)
Capital Projects Fund				1,040,438	71	68,600				
<b>Total All Other Governmental Funds</b>	<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>	<u>4,256,821</u>	<u>\$ 2,311,904</u>

Source: CAFR Schedule B-1



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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Revenues</b>										
Tax Levy	\$ 17,483,143	17,483,143	17,483,143	17,819,977	17,819,977	17,734,656	17,705,694	16,405,694	16,400,478	17,382,698
Other Tuition		10,278	1,733	61,995	37,531	23,786		46,035	15,366	
Transportation	306,962	336,869	313,510	281,848	227,202	181,661	294,265	279,702	183,969	223,668
Rents and Royalties			12,874	69,950	54,571	70,775	72,995	77,878	48,000	52,100
Miscellaneous	31,866	10,628	75,316	58,464	159,902	25,122	5,736	149,270	80,862	97,977
State Sources	3,310,916	3,727,050	3,575,451	4,430,078	4,427,877	4,111,279	4,914,761	5,232,193	5,503,230	5,854,948
Federal Sources	1,072,943	839,858	1,029,303	818,079	795,502	777,295	776,289	819,083	826,504	1,292,931
<b>Total Revenues</b>	<b>22,205,830</b>	<b>22,407,826</b>	<b>22,491,330</b>	<b>23,540,391</b>	<b>23,522,562</b>	<b>22,924,574</b>	<b>23,769,740</b>	<b>23,009,855</b>	<b>23,058,409</b>	<b>24,904,322</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	5,277,796	5,712,690	5,636,593	5,643,169	5,576,035	5,769,282	5,413,100	5,591,385	5,601,595	5,808,904
Special Education Instruction	833,213	833,623	805,781	762,289	764,148	1,005,270	1,013,168	1,309,864	1,230,184	1,273,073
Other Special Instruction	603,538	609,215	491,320	462,304	319,593	264,255	203,917	212,352	402,902	361,241
Other Instruction	29,893	49,563	71,497	46,390	56,311	49,586	52,574	54,662	55,342	17,473
Nonpublic School Program										
<b>Support Services</b>										
Instruction	6,867,285	6,911,910	6,261,039	6,508,286	6,470,159	5,853,516	4,588,963	3,988,618	4,280,758	5,305,883
Student and Instruction Related Services	1,225,435	1,167,271	1,260,961	1,393,282	1,392,065	1,266,564	1,593,791	1,734,361	1,606,141	1,602,200
School Administrative Services	551,125	475,997	453,955	447,883	467,206	473,384	584,775	531,538	517,527	389,195
General Administrative Services	183,598	244,563	338,108	301,006	376,936	325,510	562,584	542,110	566,206	572,436
Business Administrative Services	1,062,692	954,699	1,115,446	1,192,807	1,116,532	1,258,626				
Plant Operations and Maintenance	858,547	950,934	926,819	933,246	951,348	901,615	1,366,676	1,340,460	1,312,865	1,512,667
Pupil Transportation	268,176	319,021	284,190	283,757	283,692	287,233	929,433	1,138,476	1,092,924	1,052,706
Unallocated Employee Benefits	3,749,443	4,252,280	3,835,173	3,971,506	3,968,158	4,343,245	4,532,196	5,043,527	5,170,914	5,827,993
Capital Outlay	122,079	63,439	578,946	2,398,512	1,422,259	698,070	2,086,190	2,222,480	4,353,465	2,078,445
<b>Total Expenditures</b>	<b>21,632,820</b>	<b>22,545,205</b>	<b>22,059,828</b>	<b>24,344,437</b>	<b>23,164,442</b>	<b>22,496,156</b>	<b>22,927,367</b>	<b>23,709,833</b>	<b>26,190,823</b>	<b>25,802,216</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>573,010</b>	<b>(137,379)</b>	<b>431,502</b>	<b>(804,046)</b>	<b>358,120</b>	<b>428,418</b>	<b>842,373</b>	<b>(699,978)</b>	<b>(3,132,414)</b>	<b>(897,894)</b>
<b>Other Financing Sources (Uses)</b>										
Capital Leases (non-budgeted)	64,061									
Cancellation of Prior Year Payable					12,490					
Cancellation of Prior Year Receivable					(127,921)					
Close Out Capital Projects					(527,874)					
Transfer to Charter School							(492,374)	(379,505)	(256,268)	(132,991)
Bond/Lease Proceeds	23,145		2,100,000					9,315,071		
<b>Total Other Financing Sources (Uses)</b>	<b>87,206</b>		<b>2,100,000</b>		<b>(643,305)</b>		<b>(492,374)</b>	<b>8,935,566</b>	<b>(256,268)</b>	<b>(132,991)</b>
<b>Net Change in Fund Balances</b>	<b>\$ 660,216</b>	<b>(137,379)</b>	<b>2,531,502</b>	<b>(804,046)</b>	<b>(285,185)</b>	<b>428,418</b>	<b>349,999</b>	<b>8,235,588</b>	<b>(3,388,682)</b>	<b>(1,030,885)</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>

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>
2021	\$ 42,511	\$	\$ 223,668	\$ 52,100	\$ 48,162	\$ 366,441
2020	42,989	15,366	183,969	48,000	37,873	328,197
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

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 <sup>a</sup>	Net Valuation Taxable	Total Direct School Tax Rate <sup>b</sup>	Estimated Actual County Equalized Value
2021	\$ 33,367,300	\$ 1,940,341,300	\$ 74,163,800	\$ 1,428,400	\$ 16,156,000	\$ 2,065,456,800	\$	\$ 4,130,913,600	\$ 0.893	\$ 2,132,634,796
2020	35,915,000	1,914,392,400	73,750,200	1,428,400	16,055,000	2,041,541,000		2,041,541,000	0.894	2,143,204,136
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

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 <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	Total Direct	City of Ventnor	Atlantic County	Total
2021	\$ 0.893	\$ 0.000	\$ 0.893	\$ 1.135	\$ 0.560	\$ 2.588
2020	0.827	0.067	0.894	1.135	0.562	2.591
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

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	2021		2012	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Ventnor Loab LLC	\$ 12,509,900	0.61%	\$	
Seascape Villa LLC	5,044,000	0.24%		
Taxpayer #1	4,754,800	0.23%		
Taxpayer #2	3,906,400	0.19%		
Taxpayer #3	3,587,600	0.17%		<b>Not Available</b>
Somerset Associates	3,516,100	0.17%		
111 S Cornwell Assoc LLC	3,445,600	0.17%		
Taxpayer #4	3,438,200	0.17%		
Santucket LLC	3,255,900	0.16%		
Boardwalk LLC	3,063,000	0.15%		
<b>Total</b>	<b>\$ 46,521,500</b>	<b>2.25%</b>	<b>\$ -</b>	<b>0.00%</b>

Source: District CAFR & Municipal Tax Assessor  
 Not all of 2011 was available

**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	
2021	\$ 17,382,698	\$ 17,382,698	100.00%	\$
2020	16,400,478	16,400,478	100.00%	
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%	

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 Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds <sup>b</sup>	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases				
2012	\$ 12,163,000	\$ 117,641	\$	\$	\$ 12,280,641	2.783%	\$ 1,160	
2013	11,123,000	106,445			11,229,445	2.522%	1,065	
2014	10,053,000	2,164,650			12,217,650	2.699%	1,167	
2015	8,763,000	1,694,548			10,457,548	2.298%	1,012	
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	
2020	2,800,000				2,800,000	0.610%	286	
2021	900,000				900,000	0.181%	92	

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 <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions			
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%	961
2015	8,763,000		8,763,000	0.44%	848
2016	7,638,000		7,638,000	0.41%	751
2017	6,093,000		6,093,000	0.36%	605
2018	4,875,000		4,875,000	0.32%	488
2019	4,055,000		4,055,000	0.38%	405
2020	2,800,000		2,800,000	0.14%	286
2021	900,000		900,000	0.02%	92

**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, 2021**  
*(UNAUDITED)*

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
<b>Debt Repaid with Property Taxes</b>			
City of Ventnor	\$ 33,926,413	100.00%	\$ 33,926,413
<b>Other Debt</b>			
Atlantic County as of December 31, 2020	168,081,327	6.58%	11,060,011
Subtotal, Overlapping Debt			<u>44,986,424</u>
<b>CITY OF VENTNOR School District Direct Debt</b>			b 900,000
<b>Total Direct and Overlapping Debt</b>			<u><u>\$ 45,886,424</u></u>

**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 2020**

	Equalized Valuation Basis	
	2020	\$ 2,107,941,146
	2019	2,126,782,659
	2018	2,203,039,333
	<b>[A]</b>	<b>\$ 6,437,763,138</b>
Average Equalized Valuation of Taxable Property	<b>[A/3]</b>	<b>\$ 2,145,921,046</b>
Debt Limit (3% of Average Equalization Value)	<b>[B]</b>	<b>\$ 64,377,631 <sup>a</sup></b>
Net Bonded School Debt	<b>[C]</b>	<b>900,000</b>
Legal Debt Margin	<b>[B-C]</b>	<b>\$ 63,477,631</b>

	<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>2020</u>	<u>2021</u>
Debt Limit	\$ 81,965,768	\$ 78,982,609	\$ 75,575,008	\$ 72,650,869	\$ 70,443,638	\$ 68,187,672	\$ 66,291,853	\$ 65,518,602	\$ 65,050,892	\$ 64,377,631
Total Net Debt Applicable to Limit	12,163,000	11,123,000	10,053,000	8,763,000	7,683,000	6,093,000	4,875,000	4,055,000	2,800,000	900,000
Legal Debt Margin	\$ 69,802,768	\$ 67,859,609	\$ 65,522,008	\$ 63,887,869	\$ 62,760,638	\$ 62,094,672	\$ 61,416,853	\$ 61,463,602	\$ 62,250,892	\$ 63,477,631
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	4%	14%	13%	12%	11%	9%	7%	6%	4%	1%

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

<sup>a</sup> 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</u> <sup>a</sup>	<u>Personal Income (thousands of dollars)</u> <sup>b</sup>	<u>Per Capita Personal Income</u> <sup>c</sup>	<u>Unemployment Rate</u> <sup>d</sup>
2021 *	9,795	\$ 496,429,617	\$ 50,682	17.1%
2020	9,872	459,272,242	50,631	18.0%
2019	9,894	470,848,648	46,837	4.3%
2018	9,984	467,149,213	48,548	4.9%
2017	10,067	459,507,725	46,796	7.0%
2016	10,174	455,544,925	45,406	8.5%
2015	10,331	455,023,437	44,423	10.2%
2014	10,468	452,591,704	43,636	10.7%
2013	10,551	445,178,349	42,459	13.6%
2012	10,592	441,263,424	41,831	13.0%

**Source:**

<sup>a</sup> Population information provided by the NJ Dept of Labor and Workforce Development

<sup>b</sup> Personal income

<sup>c</sup> Per Capita

<sup>d</sup> 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>2021</u>		<u>2012</u>	
	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
	<b>Not Available</b>		<b>Not Available</b>	
	<hr/>	<hr/>	<hr/>	<hr/>
	<hr/>	<hr/>	<hr/>	<hr/>

Source:  
Information for Atlantic County. The number of employees per company was not given.

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

<u>Function/Program</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>2020</u>	<u>2021</u>
Instruction										
Regular	59.0	58.0	59.5	54.5	57.0	57.0	61.0	58.0	57.5	54.0
Special Education	15.5	16.0	16.0	13.0	12.0	12.0	17.0	20.0	16.5	16.5
Other Special Education	5.5	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Other Instruction	2.0	4.5	4.0	3.5	3.5	3.5	1.5	1.5	1.5	1.0
Support Services:										
Student & Instruction Related Services	19.0	19.5	17.5	24.5	22.0	22.0	22.5	21.5	32.0	34.5
General Administrative Services	2.0	2.5	2.5	2.5	2.5	2.5	2.5	2.5	1.5	1.5
School Administrative Services	7.0	9.0	9.5	9.5	9.5	9.5	9.5	9.5	9.5	8.0
Business Administrative Services	3.5	3.5	3.5	3.5	3.5	3.5	2.5	2.5	2.5	2.5
Plant Operations and Maintenance	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Pupil Transportation										
Food Service	7.5	7.5	7.5	7.0	7.0	7.0	6.0	6.0	5.5	5.0
Child Care	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.0
<b>Total</b>	<b>125.5</b>	<b>127.0</b>	<b>126.5</b>	<b>124.5</b>	<b>123.5</b>	<b>123.5</b>	<b>129.0</b>	<b>128.0</b>	<b>133.0</b>	<b>129.0</b>

**Source:** District Personnel Records

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

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Operating Expenditures<sup>a</sup></u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff<sup>b</sup></u>	<u>Pupil/Teacher Ratio Elementary/ Middle</u>	<u>Average Daily Enrollment (ADE)<sup>c</sup></u>	<u>Average Daily Attendance (ADA)<sup>c</sup></u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
2021	567	\$ 23,723,771	\$ 41,841	0.3398	85	6:07:01	597	567	-10.23%	94.97%
2020	661	21,837,358	33,037	0.0579	81	8.2:1	626	605	-5.86%	96.65%
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%

**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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<b><u>District Building</u></b>										
<b><u>Ventnor Educational Community</u></b>										
<b>Complex (1969)</b>										
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	905	872	817	778	753	698	665	656	661	567

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>2021</u>	<u>2020</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>
City of Ventnor School	152,357	\$ 668,025	579,519	603,302	574,675	458,818	357,166	367,584	262,596	246,110	161,065
Total School Facilities		668,025	579,519	603,302	574,675	458,818	357,166	367,584	262,596	246,110	161,065
Other Facilities											
Grand Total		\$ 668,025	579,519	603,302	574,675	458,818	357,166	367,584	262,596	246,110	161,065



**CITY OF VENTNOR SCHOOL DISTRICT**  
**INSURANCE SCHEDULE**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**  
 (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	5,000
	Sexual Molestation	10,000,000	
	Blanket Dishonesty Bond	100,000	
	Forgery/Alterations	50,000	
	Automobile Liability		
	Comprehensive Automobile Liability	5,000,000	NIL
	Uninsured Motorist	\$15,000/PP / \$30,000/Accident	
	Medical Payments	10,000	
	Physical Damage	500,000	1,000
	School Board Legal	\$5,000,000/Occur/Aggregate	5,000
	Cyber Liability	2,000,000	10,000
	Environmental Impairment	1,000,000	5,000
	Excess Liability	5,000,000	10,000
	Boiler & Machinery	100,000,000	2,500
	Flood Insurance		
	Property - Building	500,000	2,500
	Property - Contents	500,000	2,500
	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, 2021, 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 January 31, 2022.

#### 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 (internal control) as a basis for designing 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. Accordingly, we do not express an opinion on the effectiveness of the City of Ventnor Board of Education's internal control.

*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 was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **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 financial statements. 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.

Respectfully Submitted,

**NIGHTLINGER, COLAVITA & VOLPA, PA**



Raymond Colavita, CPA  
Licensed Public School Accountant  
No. 915  
January 31, 2022

# 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, 2021. 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 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 of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* as prescribed by the *Office of School Finance, Department of Education, State of New Jersey, 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, 2021.

## Report on Internal Control Over Compliance

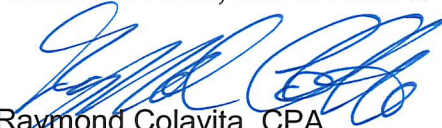
Management of the City of Ventnor School District's Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered City of Ventnor 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 as a basis for designing 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 January 31, 2022. 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.

Respectfully Submitted,  
NIGHTLINGER, COLAVITA & VOLPA, PA



Raymond Colavita, CPA  
Licensed Public School Accountant  
No. 915  
January 31, 2022



**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, 2021**

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period From	Grant Period To	Balance at July 1, 2020	Cash Received	Budgetary Expenditures Pass Through Funds	Budgetary Expenditures Direct	Total Budgetary Expenditures (A)	Adjustment / Repayment of Prior Year Balance	Balance at June 30, 2021		
													(Accounts Receivable)	Unearned Revenue	Due to Grantor
<b>U.S. Department of Education</b>															
General Fund															
Medicaid Assistance Program	93.778	2005NJ5MAP	N/A	\$33,833	7/1/20	6/30/21		\$ 33,833	\$ (33,833)		\$ (33,833)				
Total General Fund								33,833	(33,833)		(33,833)				
<b>U.S. Department of Agriculture</b>															
<b>Passed-through State Department of Education:</b>															
Enterprise Fund:															
Child Nutrition Cluster:															
Cash Assistance:															
SFSP - Food	10.559	211NJ304N1099	N/A	209,611	7/1/20	6/30/21		183,323	(209,611)		(209,611)		\$ (26,288)		
SFSP - Admin	10.559	211NJ304N1099	N/A	21,424	7/1/20	6/30/21		18,744	(21,424)		(21,424)		(2,680)		
School Breakfast Program	10.553	201NJ304N1099	N/A	43,980	7/1/19	6/30/20	\$ (1,921)	1,921							
National School Lunch Program	10.555	201NJ304N1099	N/A	116,297	7/1/19	6/30/20	(2,995)	2,995							
Health Hunger for Kids Act.	10.555	201NJ304N1099	N/A	2,798	7/1/19	6/30/20	(62)	62							
Non-Cash Assistance:															
Food Distribution Program	10.565	Unknown	N/A	15,633	7/1/19	6/30/20	2,499		(2,499)		(2,499)				
Food Distribution Program	10.565	Unknown	N/A	12,840	7/1/20	6/30/21		12,840	(12,443)		(12,443)			\$ 397	
Total Enterprise Fund							(2,479)	219,885	(245,977)		(245,977)		(28,968)	397	
<b>U.S. Department of Education</b>															
<b>Passed-through State Department of Education:</b>															
Special Revenue Fund:															
E.S.E.A:															
Title I, Part A	84.010	S010A200030	ESEA5350-20	486,054	7/1/19	9/30/20	(93,335)	93,335							
Title I, Part A	84.010	S010A200030	ESEA5350-21	519,172	7/1/20	9/30/21		484,286	(481,088)		(481,088)			3,198	
Title I, Part A (Reallocated)	84.010A	S010A190030	ESEA5350-21	10,242	7/1/20	9/30/21		3,063	(7,110)		(7,110)		(4,047)		
Title I, SIA Part A	84.010	S010A200030	ESEA5350-20	104,997	7/1/19	9/30/20	(4,959)	4,959							
Title I, SIA Part A	84.010	S010A200030	ESEA5350-21	52,941	7/1/20	9/30/21		46,527	(52,941)		(52,941)		(6,414)		
Title II, Part A Teachers and Principals	84.367A	S367A200029	ESEA5350-20	98,444	7/1/19	9/30/20	(1,470)	1,090				\$380			
Title II, Part A Teachers and Principals	84.367A	S367A200029	ESEA5350-21	122,161	7/1/20	9/30/21		45,877	(49,622)		(49,622)		(3,745)		
Title III A English language Enhancement	84.365A	S365A200030	ESEA5350-20	11,742	7/1/19	9/30/20	(3,658)	3,430				228			
Title IV	84.424A	S424A200031	ESEA5350-20	6,525	7/1/19	9/30/20	(51)					51			
Title IV	84.424A	S424A200031	ESEA5350-21	15,630	7/1/20	9/30/21		13,352	(13,352)		(13,352)				
IDEA Cluster:															
I.D.E.A. Part B Basic	84.027A	H027A200100	IDEA5350-21	213,834	7/1/20	9/30/21		213,834	(213,834)		(213,834)				
I.D.E.A. Part B, Pre-school	84.173	H173A200114	IDEAPS5350-21	7,561	7/1/20	9/30/21		7,561	(7,561)		(7,561)				
CARES ACT 2020/ESSER	84.425D	S425D200027	CARES5350-20	357,511	3/13/20	9/30/22	(271,658)	354,583	(199,077)		(199,077)	93,695	(22,457)		
<b>U.S. Department of Treasury</b>															
<b>Passed-through State Department of Education:</b>															
Coronavirus Relief Fund Grant	21.019	N/A	CRF-5350-20	83,026	7/1/20	12/30/20	(11,615)	83,026	(71,411)		(71,411)				
Total Special Revenue Fund							(386,746)	1,354,923	(1,095,996)		(1,095,996)	94,354	(36,663)	3,198	
Total Federal Financial Awards							\$ (389,225)	\$ 1,608,641	\$ (1,375,806)		\$ (1,375,806)	\$ 94,354	\$ (65,631)	\$ 3,595	\$

(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 and 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, 2021**

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2020		Carryover Amount	Cash Received	Budgetary Expenditures	Balance at June 30, 2021			MEMO		
			From	To	(Accounts Receivable)	Unearned Revenue				(Accounts Receivable)	Unearned Revenue	Due To Grantor	Budgetary Receivable	Cumulative Total Expenditures	
<b>State Department of Education:</b>															
General Fund:															
Special Education Aid	20-495-034-5120-089	\$ 701,056	7/1/19	6/30/20	\$ (47,437)			\$ 47,437							
Special Education Aid	21-495-034-5120-089	701,056	7/1/20	6/30/21				651,840	\$ (701,056)	\$ (49,216)			* \$ (49,216)	\$ 701,056	
Transportation Aid	20-495-034-5120-014	417,427	7/1/19	6/30/20	(28,245)			28,245							
Transportation Aid	21-495-034-5120-014	417,427	7/1/20	6/30/21				388,122	(417,427)	(29,305)			* (29,305)	417,427	
Security Aid	20-495-034-5120-084	344,749	7/1/19	6/30/20	(23,328)			23,328							
Security Aid	21-495-034-5120-084	344,749	7/1/20	6/30/21				320,546	(344,749)	(24,203)			* (24,203)	344,749	
Adjustment Aid	20-495-034-5120-085	480,568	7/1/19	6/30/20	(32,518)			32,518							
Adjustment Aid	21-495-034-5120-085	340,567	7/1/20	6/30/21				316,658	(340,567)	(23,909)			* (23,909)	340,567	
Extraordinary Aid	20-100-034-5120-044	88,834	7/1/19	6/30/20	(88,834)			88,834							
Extraordinary Aid	21-100-034-5120-044	50,106	7/1/20	6/30/21					(50,106)	(50,106)			*	50,106	
Non-public Transportation Aid	20-495-034-5120-014	5,110	7/1/19	6/30/20	(5,110)			5,110							
Non-public Transportation Aid	21-495-034-5120-014	9,280	7/1/20	6/30/21					(9,280)	(9,280)			*	9,280	
Reimbursed TPAF Social Security Contrib	20-495-034-5094-003	513,987	7/1/19	6/30/20	(25,266)			25,266							
Reimbursed TPAF Social Security Contrib	21-495-034-5094-003	496,058	7/1/20	6/30/21				471,558	(496,058)	(24,500)			*	496,058	
On-Behalf TPAF Pension Contribution	21-495-034-5094-002	1,908,311	7/1/20	6/30/21				1,908,311	(1,908,311)				*	1,908,311	
On-Behalf TPAF Post Retirement Medical	21-495-034-5094-001	598,035	7/1/20	6/30/21				598,035	(598,035)				*	598,035	
On-Behalf Long-term Disability	21-495-034-5094-004	456	7/1/20	6/30/21				456	(456)				*	456	
<b>Total General Fund</b>					<b>(250,738)</b>			<b>4,906,264</b>	<b>(4,866,045)</b>	<b>(210,519)</b>				<b>(126,633)</b>	<b>4,866,045</b>
Special Revenue Fund:															
Preschool Education Aid	20-495-034-5120-086	1,052,146	7/1/19	6/30/20	(93,557)	\$ 20,790	\$ (20,790)	93,557							
Preschool Education Aid	21-495-034-5120-086	1,062,529	7/1/20	6/30/21			20,790	964,769	(1,073,135)	(97,760)	\$ 10,184		* (97,760)	1,073,135	
<b>Total Special Revenue Fund</b>					<b>(93,557)</b>	<b>20,790</b>		<b>1,058,326</b>	<b>(1,073,135)</b>	<b>(97,760)</b>	<b>10,184</b>			<b>(97,760)</b>	<b>1,073,135</b>
<b>State Department of Agriculture:</b>															
Enterprise Fund:															
School Lunch Prog.	20-100-010-3350-023	2,876	7/1/19	6/30/20	(757)			757							
<b>Total Enterprise Fund</b>					<b>(757)</b>			<b>757</b>							
<b>Total State Financial Assistance</b>					<b>\$ (345,052)</b>	<b>\$ 20,790</b>	<b>\$</b>	<b>\$ 5,965,347</b>	<b>\$ (5,939,180)</b>	<b>\$ (308,279)</b>	<b>\$ 10,184</b>			<b>\$ (224,393)</b>	<b>\$ 5,939,180</b>
Less: On-Behalf TPAF Pension System Contributions															
On-Behalf TPAF Pension Contribution	21-495-034-5094-002	1,908,311	7/1/20	6/30/21				\$ 1,908,311	\$(1,908,311)						
On-Behalf TPAF Post Retirement Medical	21-495-034-5094-001	598,035	7/1/20	6/30/21				598,035	(598,035)						
On-Behalf Long-term Disability	21-495-034-5094-004	456	7/1/20	6/30/21				456	(456)						
<b>Total State Financial Assistance - Major Program Determination</b>								<b>\$ 3,458,545</b>	<b>\$(3,432,378)</b>						

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, 2021**

**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 \$4,895 for the general fund and \$158,899 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, 2021**  
**(Continued)**

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

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 33,833	\$ 4,870,940	\$ 4,904,773
Special Revenue Fund	1,259,098	984,008	2,243,106
Food Service Fund	245,977		245,977
Total Awards & Financial Assistance	<u>\$ 1,538,908</u>	<u>\$ 5,854,948</u>	<u>\$ 7,393,856</u>

**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, 2021.

**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, 2021. 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, 2021.

**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 was a net adjustment of \$94,354 reflected on Schedule A of Federal Awards and no adjustments 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, 2021**

**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:

<u>CFDA Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.010	S010A190030	Title IA, Title I SIA, Title I Reallocated

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, 2021**  
**(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>
21-495-034-5120-078	Equalization Aid
21-495-034-5120-089	Special Education Categorical Aid
21-495-034-5120-084	Security Aid
21-495-034-5120-085	Adjustment Aid
21-495-034-5094-003	Reimbursed TPAF Social Security Contrib.

**VENTNOR SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**  
**(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, 2021**  
**(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**

**Finding:** None

**Information on the federal program:**

**Criteria or specific requirement:**

**Condition:**

**Questioned Costs:**

**Effect:**

**Cause:**

**Recommendation:**

**Views of responsible officials and planned corrective actions:**

**STATE AWARDS**

**Finding:** None

**Information on the state program:**

**Criteria or specific requirement:**

**Condition:**

**Questioned Costs:**

**Context:**

**Effect:**

**Cause:**

**Recommendation:**

**Management's response:**

**VENTNOR SCHOOL DISTRICT**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS AS**  
**PREPARED BY MANAGEMENT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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**

There were no prior year findings.