SCHOOL DISTRICT

OF

CITY

OF

VENTNOR

City of Ventnor Board of Education
Ventnor, New Jersey

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2010

Comprehensive Annual Financial Report

of the

City of Ventnor Board of Education

Ventnor, New Jersey

For the Fiscal Year Ended June 30, 2010

Prepared by

City of Ventnor Board of Education

Business Administration

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Introductory Section

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Ventnor Educational Community Complex

Superintendent
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Business Administrator/Board Secretary
JANN L. COHEN, CPA
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October 28, 2010

Honorable President and
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, 2010, 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 and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The 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 Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations* and the New Jersey OMB Circular Letter 04-04, *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 and account groups 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. The Pre-Kindergarten and Kindergarten grades are 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 half-day four year old pre-school, a 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, Drug Resistance Education , Gifted and Talented, World Languages study in French and Spanish, ESL and Bilingual Education, Health and Physical Education including intramurals and interscholastic opportunities, Regular and Special Education Programs, and a variety of community and recreational programs. The VECC houses an infant and pre-school day care program provided by an outside agency for the children of staff members. The district completed the 2009-2010 fiscal year with an enrollment of 981 students. The following details the changes in the student enrollment of the district over the last six

Year	Enrollment
2009 - 2010	981
2008 - 2009	995
2007 – 2008	946
2006 – 2007	956
2005 – 2006	1005
2004 – 2005	1071

2) ECONOMIC CONDITION AND OUTLOOK: The Ventnor City Public School District is located in a delightful seashore hamlet whose children, in grades PK through eight, constitute the student population of the District. Ventnor is immediately adjacent (south) of Atlantic City and 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 and 1997. The District newest renovation was completed in 2001 and the finishing touches of a multimillion dollar renovation project will be completed over the summer of 2010. The 2001 project included 16 classrooms, new roofing over the oldest section of the building, renovated cafeteria and kitchen, some classrooms, and a new gym. The summer 2010 consists of renovation of the oldest portions of the facility to include a new roof, windows and new HVAC systems.

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 294 regular education and 18 special education students to the high school during the 2009-10 school year at a tuition rate of $20,342 and $30,889 per student respectively. A number of additional resident students attend local parochial and public schools 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 2010-2011 school year, the district will operate with a budget of $20,165,872. The district's management team consists of a superintendent, business administrator/board secretary, an elementary school principal and a middle school principal, and a director of special services. The staff team employed by the district consists of 94 full or part-time certified instructional staff, 4 secretaries, 4 full and 1 part-time clerk typist,10 full time support staff, and 24 part-time support personnel. In addition, a Child Study Team is available. The team consists of a part-time school social worker, a learning disabilities teacher consultant, a school psychologist and speech and occupational therapists.

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, up to date curricula, technology programs, language arts, world language programs, gifted and talented programs as well as distance learning opportunities. Other noteworthy program services to students include guidance services, after school homework club, accelerated reading programs, summer reading programs, drug awareness programs, peer mediation programs, character education programs, and bilingual/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,

(realizing the increased growth in student population) established a three-phase building program.

Phase I, was completed in August of 1996. It included the renovations of existing space into classrooms and Phase II that included the construction of eight additional full-sized classrooms, four small group instruction classrooms, a computer lab, and a media center. The 16,000 square foot Phase II addition was completed in August 1997. The Board of Education also invested in a computer network infrastructure to assist in meeting students' technology needs. A Phase III construction/renovation project added an additional 16 classrooms. Ten of these classrooms serve as an Early Childhood Center to accommodate the needs of full day kindergarten and half-day pre-kindergarten programs. A new gymnasium, reading room for lower elementary students, child study team offices, board office area, music classrooms (instrumental and vocal), renovated kitchen and cafeteria, reconfigured bus, car, foot traffic patterns and additional parking are among the additions and renovations. Phase III added approximately 45,000 square feet to the site improvements.

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 56.8% in October 2009. Our ESL (English as a Second Language) Program and our bilingual program assist in supporting a complement of programs to meet the needs of all of our students.

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

The Board of Education promotes the use of technology for our students. To meet this goal, the district continues to purchase new computers along with monitors and laser disc players that are used by students throughout the district. A major technology upgrade will be completed during the 2010-20011 school year. Our media center/library has also been upgraded to include networked computers and other state-of-the-art technology. The multi-media distribution system has been completed and is in use. E-boards and a Global Connect phone notification system are used throughout the school year and summer to enhance parent and community communication. The computer network infrastructure has received praise throughout Atlantic County and the State of New Jersey. The district curricula review and revision supports the correlation to the New Jersey Core Curriculum Standards and the review is on going. The school district promotes character-building programs. "Character Counts" which stresses conduct of "Respect, Responsibility and Citizenship," Social Skills Streaming programs, and Violence and Vandalism Awareness are among the programs offered in this area. The district is fortunate to have an active HSA (Home School Association) that works to assist in funding student programs and activities. Atlantic County officials have also commended us for our meaningful intergenerational programs and activities aimed at strengthening the bonds between seniors and students in the community.

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

3) MAJOR INITIATIVES: The Board of Education has endorsed many initiatives for the district. It continues its commitment to providing cutting edge opportunities to incorporate technology into the classroom setting and instruction. Students receive regular instruction in the use of technology. In addition, a majority of classrooms have at least four computers. 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 Core Curriculum Standards. The largest and most encompassing initiative was the Phase III addition and renovations to the facility. They provide much needed instructional space as well as satellite service areas.

4) INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse, and to ensure that adequate accounting data 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.

5) BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of School Estimates 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, 2010.

6) ACCOUNTING SYSTEM AND REPORTS: The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is

organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements," Note 1.

7) DEBT ADMINISTRATION: 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.

8) CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 1. 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.

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

10) OTHER INFORMATION: Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The Accounting firm of Swartz & Co., LLC, CPAs, was selected by the Board's Finance Committee. In addition to meeting the requirements set forth in the state statues, 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.

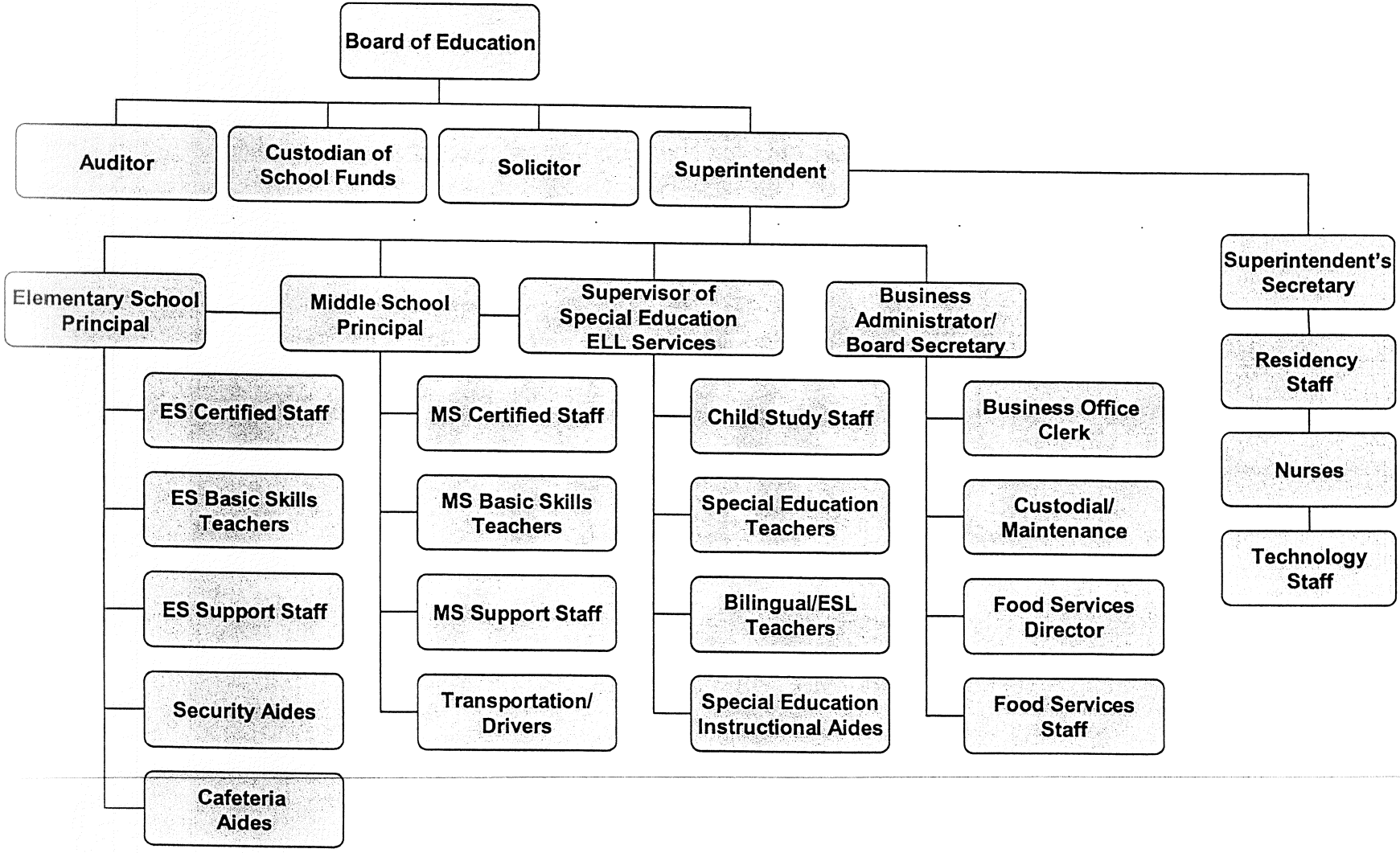
11) ACKNOWLEDGEMENTS: We would like to express our appreciation to the members of the City of Ventnor School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of 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,

Carmine C. Bonanni, Jr.
Superintendent

Jann L. Cohen, CPA
Board Secretary/ Business Administrator

Ventnor Board of Education
Organizational Chart



CITY OF VENTNOR BOARD OF EDUCATION

Roster of Officials
June 30, 2010

Members of the Board of Education	Term Expires
David Laveson, President	2011
Lisa Martinelli, Vice President	2011
Joan Glick	2013
James Pacanowski II	2013
Thomas Gabriel	2011
Marianne Callahan	2012
Douglas Biagi	2012

Other Officials

Carmine C. Bonanni, Jr., Superintendent

Jann Cohen, CPA, School Business Administrator/Board Secretary

Charles Beirne, Treasurer

Catherine Tuohy, Esq., Solicitor

CITY OF VENTNOR BOARD OF EDUCATION

Consultants and Advisors

Audit Firm

Swartz & Co., LLC
Certified Public Accountants
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Attorney

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Financial Section

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Independent Auditor's Report

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the 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 year ended June 30, 2010, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Ventnor Board of Education's (a component unit of the City of Ventnor) management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of 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 includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information, of the City of Ventnor Board of Education (a component unit of the City of Ventnor), in the County of Atlantic, State of New Jersey, as of June 30, 2010, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 28, 2010 on our consideration of the City of Ventnor Board of Education's (a component unit of the City of Ventnor) internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management Discussion and Analysis and Budgetary Comparison Information as listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Ventnor Board of Education's (a component unit of the City of Ventnor) basic financial statements. The introductory section, combining and individual fund financial statements and statistical information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* respectively, and are not a required part of the basic financial statements of the City of Ventnor Board of Education (a component unit of the City of Ventnor) in the County of Atlantic, State of New Jersey. The combining and individual fund financial statements and the schedules of expenditures of federal awards and state financial assistance have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Kenneth Moore, CPA
Licensed Public School Accountant
No. CS00499

Swartz & Co, LLC
Swartz & Co., LLC
Certified Public Accountants

October 28, 2010

Required Supplemental Information
Part I

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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, 2010. 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 assets of the District decreased approximately $780,000. The decrease is due to depreciation expense.
- The State of New Jersey reimbursed the District $961,951 during the fiscal year ended June 30, 2010 for the employer's share of social security contributions and pension contributions for TPAF members as calculated on their base salaries. This amount, which is not budgeted, is 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, 2010, the District had excess fund balance in the amount of $559,492 of which $429,391 has been included in the 2010-2011 budget and the remaining $130,101 will be included in the 2011-2012 budget.
- During the fiscal year ended June 30, 2010, the District's expenditures exceeded revenues and special items by $788,904. During the prior fiscal year, expenditures exceeded revenues and special items by approximately $404,616.
- In the District's business-type activities, net assets increased $8,597 due to an excess of revenues over expenditures.

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)

		Fund Statements		
	Government wide 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 assets Statement of activities	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 assets includes *all* of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the District's *net assets* and how they have changed. Net assets – 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 assets 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 assets: The District's governmental activities net assets decreased approximately $789,000 between fiscal years 2009 and 2010. The business-type activities net assets increased $8,597 due to an excess of revenues over expenditures in the after school program.

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Current and other assets	$ 1,709,962	2,405,315	295,956	269,544	2,005,918	2,674,859
Capital assets	18,335,578	18,429,451	41,357	52,869	18,376,935	18,482,320
Total assets	20,045,540	20,834,766	337,313	322,413	20,382,853	21,157,179
Long-term liabilities	429,850	466,417			429,850	466,417
Other liabilities	977,744	941,499	15,275	8,972	993,019	950,471
Total liabilities	1,407,594	1,407,916	15,275	8,972	1,422,869	1,416,888
Net assets						
Invested in Capital Assets	18,228,757	18,198,966	41,357	52,869	18,270,114	18,251,835
Restricted	755,525	1,402,608			755,525	1,402,608
Unrestricted	(346,336)	(174,724)	280,681	260,572	(65,655)	85,848
Total net assets	$ 18,637,946	19,426,850	322,038	313,441	18,959,984	19,740,291

Changes in net assets. The total general fund revenue of the District increased approximately $650,000 due an increase in local tax levy of $931,000 offset by a decrease in state aid of $282,000. The local tax levy is 75.73% of total revenues. The municipality levies this tax on properties located in the City and remits the collections on a monthly basis to the District.

Approximately 14% 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.

	2010 Amount	2010 Percentage	2009 Amount	2009 Percentage
Property taxes	$ 16,686,417	75.73%	$ 15,755,683	74.41%
Unrestricted Federal and State aid	3,083,699	13.99%	3,362,925	15.88%
Transportation	257,260	1.17%	236,943	1.12%
Miscellaneous	56,616	0.26%	80,300	0.38%
Bond Proceeds	388,455	1.76%	-	0.00%
Operating grants and contributions	1,563,020	7.09%	1,737,012	8.20%
Totals	$ 22,035,467	100.00%	21,172,863	100.00%

Governmental Activities

The following schedule summarizes the governmental and business-type activities of the District during the 2010 and 2009 fiscal years.

	Governmental Activities		Business-type Activities		Totals	
	2010	2009	2010	2009	2010	2009
Revenues						
Program revenue						
Charges for services	257,260	239,579	213,478	159,674	470,738	399,253
Federal and state grants	1,563,020	1,737,012	381,749	304,621	1,944,769	2,041,633
General revenues						
Property taxes	16,686,417	15,755,683			16,686,417	15,755,683
State aid entitlements	3,083,699	3,362,925			3,083,699	3,362,925
Bond Proceeds	388,455				388,455	
Miscellaneous	56,616	77,664		658	56,616	78,322
Total revenues	22,035,467	21,172,863	595,227	464,953	22,630,694	21,637,816
Expenses						
Instruction:						
Regular	7,316,645	7,146,507			7,316,645	7,146,507
Special Education	1,109,908	1,070,886			1,109,908	1,070,886
Other special instruction	632,289	765,591			632,289	765,591
Other Instruction	59,641	84,091			59,641	84,091
Non-Public Programs	69,279	103,963			69,279	103,963
Support services:						
Instruction	8,407,993	7,210,050			8,407,993	7,210,050
Student & instruction related	1,321,322	1,307,303			1,321,322	1,307,303
School admin services	653,213	575,113			653,213	575,113
General admin services	363,384	392,788			363,384	392,788
Plant operations/maint	1,415,671	1,442,432			1,415,671	1,442,432
Pupil transportation	1,150,622	1,047,992			1,150,622	1,047,992
Business and other support services	324,404	430,763			324,404	430,763
Business-type activities			586,630	500,392	586,630	500,392
Total expenses	22,824,371	21,577,479	586,630	500,392	23,411,001	22,077,871
Excess (Deficiency) before Extraordinary and Special items	(788,904)	(404,616)	8,597	(35,439)	(780,307)	(440,055)
Increase (decrease) in net assets	(788,904)	(404,616)	8,597	(35,439)	(780,307)	(440,055)
Net assets – beginning	19,426,850	19,831,466	313,441	348,880	19,740,291	20,180,346
Net assets – ending	18,637,946	19,426,850	322,038	313,441	18,959,984	19,740,291

Business-type Activities

Operating revenues of the District's business-type activities increased $53,804 over the previous year and expenses increased by $86,238.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As of the year end, the governmental funds reported a combined fund balance of $954,156 which is $625,596 lower than the beginning of the year.

General Fund Budgetary Highlights

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

After adjusting total revenue reported on Exhibit C-1 for the Reimbursed TPAF Social Security Contribution and on-behalf TPAF Pension Contributions, which are not budgeted, the District's actual revenue was less then the budget by $419,521. This is a result of a reduction of state aid in February 2010. Again, after adjusting for the Reimbursed TPAF Social Security Contribution, on-behalf TPAF Pension Contributions, actual expenditures were $612,900 less than the budgeted appropriations.

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CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2010, the District had invested over $18.3 million, 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		Total	
	2010	2009	2010	2009	2010	2009
Land	$ 100,000	100,000			100,000	100,000
Buildings and Improvements	17,723,855	17,916,263			17,723,855	17,916,263
Equipment	511,723	413,188	41,358	52,676	553,081	465,864
Total	$ 18,335,578	18,429,451	41,358	52,676	18,376,936	18,482,127

Long-term Debt

The District's debt consisted of capital leases for technology equipment in the amount $106,821. The District is Type I and all other school debt is held by the City.

	Balance June 30, 2009	Issued	Retired/ Adjusted	Balance June 30, 2010
Obligations under Capital Leases	$ 230,485	156,325	279,989	106,821
Compensated Absences Payable	347,471	193,190		540,661
Total	$ 577,956	349,515	279,989	647,482

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

The basic financial statements provide a financial overview of the district's operation. These financial statements present the financial position and operating results of all funds as of June 30, 2010.

DISTRICT-WIDE FINANCIAL STATEMENTS

The district-wide financial statements provide a financial overview of the district's operation. These financial statements present the financial position and operating results of the governmental and business-type funds as of June 30, 2010.

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City of Ventnor School District
(A Component Unit of the City of Ventnor)
Statement of Net Assets
June 30, 2010

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	$ 66,899	69,929	136,828
Receivables, net	4,660	18,010	22,670
Due from other governments	1,806,207	26,126	1,832,333
Internal Funds	(179,906)	179,906	-
Due from fiduciary funds	12,102		12,102
Inventory		1,985	1,985
Capital assets not being depreciated:			
Land	100,000		100,000
Capital assets, net of accumulated depreciation	18,235,578	41,357	18,276,935
Total Assets	20,045,540	337,313	20,382,853
LIABILITIES			
Accounts payable	737,307	15,275	752,582
Payable to state government	7,181		7,181
Accrued Interest Payable	4,306		4,306
Deferred revenue	11,318		11,318
Noncurrent liabilities:			
Due within one year	217,632		217,632
Due beyond one year	429,850		429,850
Total liabilities	1,407,594	15,275	1,422,869
NET ASSETS			
Invested in Capital Assets, net of related debt	18,228,757	41,357	18,270,114
Restricted for:			
Other purposes	755,525		755,525
Unrestricted	(346,336)	280,681	(65,655)
Total Net Assets	$ 18,637,946	322,038	18,959,984

See accompanying notes to the financial statements

City of Ventnor School District
(A Component Unit of the City of Ventnor)
Statement of Activities
For the Year Ended June 30, 2010

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Governmental Activities	Net (Expense) Revenue and Changes in Net Assets: Business-type Activities	Total
Governmental activities:							
Instruction:							
Regular	$ 6,185,253	1,131,392		1,392,226	(5,924,419)		(5,924,419)
Special education	939,869	170,039			(1,109,908)		(1,109,908)
Other special instruction	535,422	96,867			(632,289)		(632,289)
Other instruction	50,504	9,137			(59,641)		(59,641)
Non-Public Programs	58,665	10,614		55,778	(13,501)		(13,501)
Support services:							
Instruction	7,119,881	1,288,112		115,016	(8,292,977)		(8,292,977)
Student and Instruction Related Services	1,118,894	202,428			(1,321,322)		(1,321,322)
General Adminstration	307,713	55,671			(363,384)		(363,384)
School Administration	553,140	100,073			(653,213)		(653,213)
Operations and Maintenance	1,198,789	216,882			(1,415,671)		(1,415,671)
Student Transportation	938,849	211,773	257,260		(893,362)		(893,362)
Business and Other Support Services	274,706	49,698			(324,404)		(324,404)
Unallocated benefits	3,542,686	(3,542,686)			-		-
Total governmental activities	22,824,371	-	257,260	1,563,020	(21,004,091)	-	(21,004,091)
Business-type activities:							
After school program	10,352		17,710			7,358	7,358
Food Service	576,278		195,768	381,749		1,239	1,239
Total business-type activities	586,630		213,478	381,749		8,597	8,597
Total Primary Government	$ 23,411,001		470,738	1,944,769	(21,004,091)	8,597	(20,995,494)
General revenues:							
Taxes:							
Property taxes, levied for general purposes,net					16,686,417		16,686,417
Federal and State Aid Not Restricted					3,083,699		3,083,699
Miscellaneous Income					56,616		56,616
Bond Proceeds					388,455		388,455
Total General Revenues, Special Items, Extraordinary Items, and Transfers					20,215,187	-	20,215,187
Change in Net Assets					(788,904)	8,597	(780,307)
Net Assets—beginning					19,426,850	313,441	19,740,291
Net Assets—ending					18,637,946	322,038	18,959,984

See accompanying notes to the financial statements

FUND FINANCIAL STATEMENTS

The combining and individual fund statements and schedules present more detailed information for the individual funds in a format that segregates information by fund type. The statements are segregated as follows:

Governmental Funds - This section consists of the general, special revenue capital projects funds.

Proprietary Funds - This section consists of the food service fund and after school program. This fund is operated in a manner similar to a private business enterprise.

Fiduciary Funds - This section consists of the unemployment compensation insurance trust fund, the student activity fund, and the payroll agency fund.

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City of Ventnor School District
(A Component Unit of the City of Ventnor)
Balance Sheet
Governmental Funds
June 30, 2010

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
ASSETS:				
Cash and cash equivalents	$ 66,899			66,899
Due from other funds	114,990			114,990
Receivables from other governments	1,487,489	187,330	131,388	1,806,207
Receivables, net	4,660			4,660
Total assets	1,674,038	187,330	131,388	1,992,756
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	699,977	35,400	1,930	737,307
Due to other funds		153,336	129,458	282,794
Payable to Other Governments		7,181		7,181
Deferred revenue		11,318		11,318
Total liabilities	699,977	207,235	131,388	1,038,600
Fund Balances:				
Reserved for:				
Encumbrances	36,333			36,333
Maintenance Reserve	9,700			9,700
Excess surplus	130,101			130,101
Excess surplus - designated for Subsequent year's expenditures	429,391			429,391
Unreserved - Designated for Subsequent Year's Expenditures	150,000			150,000
Unreserved	218,536	(19,905)	-	198,631
Total Fund balances	974,061	(19,905)	-	954,156
Total Liabilities and Fund Balances	$ 1,674,038	187,330	131,388	

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 $27,112,686, and the accumulated depreciation is $8,777,108.	18,335,578
Accrued interest payments on long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	(4,306)
Long-term liabilities, including capital leases payable, are not due and payable in the current period therefore, are not reported as liabilities in the funds.	(647,482)
Net assets of governmental activities	18,637,946

See accompanying notes to the financial statements

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, 2010

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
REVENUES				
Local tax levy	$ 16,686,417			16,686,417
Transportation	257,260			257,260
Miscellaneous	56,616	4,607		61,223
State sources	3,066,912	249,162		3,316,074
Federal sources	16,787	1,309,251		1,326,038
Total revenues	20,083,992	1,563,020	-	21,647,012
EXPENDITURES				
Current:				
Regular instruction	4,734,676	1,211,195		5,945,871
Special education instruction	893,615			893,615
Other special instruction	509,073			509,073
Other instruction	48,019			48,019
Non-Public Programs		55,778		55,778
Support services and undistributed costs:				
Instruction	6,654,476	115,016		6,769,492
Student and Instruction Related Services	1,063,830			1,063,830
General Administration	292,569			292,569
School Administration	525,919			525,919
Operations and Maintenance	1,139,793			1,139,793
Student Transportation	1,112,945			1,112,945
Business and Other Support Services	261,186			261,186
Unallocated Benefits	3,394,197	148,489		3,542,686
Capital outlay	235,615	32,542	388,455	656,612
Total expenditures	20,865,913	1,563,020	388,455	22,817,388
Excess (Deficiency) of revenues over expenditures	(781,921)	-	(388,455)	(1,170,376)
OTHER FINANCING SOURCES (USES)				
Decrease in Emergency Reserve	126,255			126,255
Transfer from Emergency Reserve	(126,255)			(126,255)
Decrease in Maintenance Reserve	75,000			75,000
Transfer from Maintenance Reserve	(75,000)			(75,000)
Bond Proceeds			388,455	388,455
Capital Leases	156,325			156,325
Total other financing sources and uses	156,325	-	388,455	544,780
Net change in fund balances	(625,596)	-	-	(625,596)
Fund balance—July 1	1,599,657	(19,905)	-	1,579,752
Fund balance—June 30	$ 974,061	(19,905)	-	954,156

See accompanying notes to the financial statements

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, 2010

Total net change in fund balances - governmental funds (from B-2)		$ (625,596)
Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.		
Depreciation expense	(770,485)	
Capital outlays	676,612	(93,873)
Issuance of capital leases is a revenue in the governmental funds, but the issuance increases long-term liabilities in the statement of net assets and is not reported in the statement of activities.		(156,325)
Repayment of capital leases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.		279,989
In the statement of activities, interest on capital leases in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an reduction in the reconciliation. (-)		91
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amoun exceeds the paid amount, the difference is reduction in the reconciliation (-);when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).		(193,190)
Change in net assets of governmental activities		$ (788,904)

See accompanying notes to the financial statements

City of Ventnor School District
(A Component Unit of the City of Ventnor)
Statement of Net Assets
Proprietary Funds
June 30, 2010

	Business-type Activities - Enterprise Funds		
	Food Service	After School Program (Non-major fund)	Total
ASSETS			
Current assets:			
Cash and cash equivalents	$ 32,934	36,995	69,929
Due from other funds	179,906		179,906
Accounts receivable			
State	1,045		1,045
Federal	25,081		25,081
Other	17,740	270	18,010
Inventories	1,985		1,985
Total current assets	258,691	37,265	295,956
Noncurrent assets:			
Furniture, machinery & equipment	147,545		147,545
Less accumulated depreciation	(106,188)		(106,188)
Total noncurrent assets	41,357	-	41,357
Total assets	300,048	37,265	337,313
LIABILITIES			
Current liabilities:			
Accounts payable	15,275	-	15,275
NET ASSETS			
Invested in capital assets net of accumulated depreciation	41,357		41,357
Unrestricted	243,416	37,265	280,681
Total net assets	$ 284,773	37,265	322,038

See accompanying notes to the financial statements

City of Ventnor School District
(A Component Unit of the City of Ventnor)
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended June 30, 2010

	Business-type Activities - Enterprise Fund		
	Food Service	After School Program (Non-major fund)	Total
OPERATING REVENUES:			
Local Sources:			
Daily Sales - Reimbursable Programs	$ 76,497		76,497
Daily Sales - Non-Reimbursable Programs	119,271		119,271
After School Program Revenue		17,710	17,710
Total Operating Revenues	195,768	17,710	213,478
OPERATING EXPENSES:			
Salaries	166,412	9,616	176,028
Employee Benefits	33,361	736	34,097
Other Purchased Services	2,610		2,610
Cost of Sales	351,213		351,213
Depreciation	11,512		11,512
Other Costs	11,170		11,170
Total Operating Expenses	576,278	10,352	586,630
Operating income (loss)	(380,510)	7,358	(373,152)
NONOPERATING REVENUES:			
State sources:			
State School Lunch Program	8,435		8,435
State School Breakfast Program	3,606		3,606
Federal sources:			
National School Lunch Program	210,879		210,879
National School Breakfast Program	54,958		54,958
National School Snack Program	5,194		5,194
Special Milk Program	636		636
Food Distribution Program	41,588		41,588
Fresh Fruit and Vegetable Grant	56,453		56,453
Total Nonoperating Revenues	381,749	-	381,749
Net Income/(loss)	1,239	7,358	8,597
Net Assets - July 1	283,534	29,907	313,441
Net Assets - June 30	$ 284,773	37,265	322,038

See accompanying notes to the financial statements

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, 2010

	Business-type Activities - Enterprise Fund		
	Food Service	After School Program (Non-major fund)	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	$ 178,028	17,440	195,468
Cash payments to employees for services	(199,773)	(10,352)	(210,125)
Cash payments to suppliers for goods and services	(306,685)	-	(306,685)
Net cash provided/(used) by operating activities	(328,430)	7,088	(321,342)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:			
Cash received from state and federal reimbursements	361,477		361,477
Interfund loans issued	(178,256)		(178,256)
Net cash provided by noncapital financing activities	183,221	-	183,221
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:			
Purchase of equipment	-		-
Net cash (used) by capital financing activities	-	-	-
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest on investments	-		-
Net cash provided by investing activities	-	-	-
Net Increase/(Decrease) in Cash and Cash Equivalents	(145,209)	7,088	(138,121)
Cash and Cash Equivalents, July 1	178,143	29,907	208,050
Cash and Cash Equivalents, June 30	$ 32,934	36,995	69,929
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income/(Loss)	$ (380,510)	7,358	(373,152)
Adjustments to Reconcile Operating Income/(Loss) to Net Cash provided by (used for) Operating Activities:			
Depreciation	11,512		11,512
Federal Commodities	41,588		41,588
Change in assets and liabilities:			
(Increase) in accounts receivable	(17,740)		(17,740)
Decrease in inventory	6,992		6,992
Decrease in prepaid expenses	3,425		3,425
Increase in accounts payable	6,303		6,303
Net Cash Provided by (Used for) Operating Activities	$ (328,430)	7,358	(321,072)

See accompanying notes to the financial statements

City of Ventnor School District
(A Component Unit of the City of Ventnor)
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2010

	Trust Funds	Agency Funds
	Unemployment Compensation Trust	
ASSETS		
Cash and cash equivalents	$ 72,719	93,074
Due from payroll agency	4,398	
Total assets	77,117	93,074
LIABILITIES		
Due to the State of New Jersey	1,450	
Interfund accounts payable:		
Due to general fund	4,655	7,447
Due to unemployment compensation trust		4,398
Payable to student groups		12,798
Payroll deductions and withholdings		68,431
Total liabilities	6,105	93,074
NET ASSETS		
Held in trust for unemployment claims and other purposes	$ 71,012	

See accompanying notes to the financial statements

City of Ventnor School District
(A Component Unit of the City of Ventnor)
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Year Ended June 30, 2010

	Unemployment Compensation Trust	
		2010
ADDITIONS		
Contributions:		
Employee Contributions	$	13,721
Board Contributions		-
Investment earnings:		
Interest		1,366
Total additions		15,087
DEDUCTIONS		
Unemployment claims		44,202
Total deductions		44,202
Change in net assets		(29,115)
Net assets—beginning of the year		100,127
Net assets—end of the year	$	71,012

See accompanying notes to the financial statements

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) and the pronouncements of the Financial Accounting Standards Board (FASB) and its predecessor organizations issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements. Although the District has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds, the District has chosen not to do so. 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, 2010 of 981 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.

B. BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE STATEMENTS:

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.

In the governmental-wide Statement of Net Assets, 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 assets are reported in three parts-invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. 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 assets resulting from the current year's activities.

C. BASIC FINANCIAL STATEMENTS – FUND FINANCIAL STATEMENTS

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

The following fund types are used by the District:

1. Governmental Funds:

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

a. **General fund** is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.
b. **Special revenue** funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for a specific purpose.
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.

2. Proprietary Funds:

The focus of proprietary fund measurement is upon determination of operating income, changes in net assets, 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 assets and changes in net assets and are reported using accounting principles similar to proprietary funds.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Non-major funds by category are summarized into a single column. 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 non-major funds are combined in a column in the fund financial statements.

The District's fiduciary funds are presented in the fiduciary fund financial statements by type (pension, private purpose and agency). Since by definition these assets are being held for the benefit of a third party (other local governments), private parties, pension participants, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

D. BASIS OF ACCOUNTING

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

1. Accrual:

Both governmental and business-type activities in the government-wide financial statements and the proprietary and fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual:

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

E. FINANCIAL STATEMENT AMOUNTS

1. Cash and Cash Equivalents:

Cash and cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

For the purpose of determining cash equivalents the District considers all investments with an original maturity of three months or less as cash equivalents.

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.

2. 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 in the District's General Fund.

3. Inventories:

Inventories in the general fund consist of expendable supplies held for the District's use and are carried at cost using the first-in, first-out method. Inventories in the enterprise fund are valued at cost, which approximates market, using the first-in, first –out method. As of June 30, 2010, the District did not have inventory in the general fund and had the following inventory in the enterprise fund:

Food	$	1,567
Supplies		418
	$	1,985

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Law of 1984) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of nonoperating revenue in the financial statements.

4. Capital Assets:

Capital assets purchased or acquired with an original cost of $2,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

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

GASBS No. 34 requires the District to report and depreciate new infrastructure. Infrastructure assets include roads, parking lots, underground pipe, etc. These infrastructure assets are likely to be the largest asset class of the District. Neither their historical cost nor related depreciation has historically been reported in the financial statements.

5. 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 based on GASB No. 33. In applying GASB No. 33 to grant revenues, the provider recognizes liabilities and expenses and recipient recognizes receivables and revenue when the applicable eligibility requirements, including requirements are met are reported as advances by the provider and deferred revenue by the recipient.

6. 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.

7. Compensated absences:

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the District and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the District and its employees, are accounted for in the period 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.

8. 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.

9. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general and special revenue funds. The budgets are submitted to the county office for approval and are approved by the board of school estimates. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:23-2(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. No material transfers were made to/(from) budgetary line items.

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 year end.

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

10. Encumbrances

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

Open encumbrances in the special revenue fund, for which the District has received advances, are reflected in the balance sheet as deferred revenues at fiscal year end.

The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

11. Tuition Payable

Tuition charges for the fiscal years 2009/10 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

12. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those results.

13. 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.

F. RECENT ACCOUNTING PRONOUNCEMENTS

In February 2009, the Governmental Accounting Standards Board (GASB) adopted Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions". This statement will become effective for fiscal periods beginning after June 15, 2010. The effective date for the District is the fiscal year beginning July 1, 2010. The objective of the statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications and clarifying the existing fund balance type definitions.

NOTE 2. INVESTMENTS

As of June 30, 2010, the District had no investments.

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

Credit Risk. New Jersey Statutes 18A:20-37 limits District investments to those specified in the Statutes. The type of allowable investments are Bonds of the United States of America or of the District or the local units in which the District is located; obligations of federal agencies not exceeding

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

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

NOTE 3. CASH

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The District's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 18A:20-37 that are treated as cash equivalents. As of June 30, 2010 $339 of the District's bank balance of $451,919 was exposed to custodial credit risk.

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NOTE 4. FIXED ASSETS

Capital asset activity for the year ended June 30, 2010 was as follows:

	Balance June 30, 2008	Additions	Disposals	Balance June 30, 2009
Governmental Activities:				
Capital assets that are not being depreciated:				
Land	$ 100,000			100,000
Total capital assets not being depreciated	100,000	-	-	100,000
Bldg and bldg improve	25,228,080	467,745		25,695,825
Machinery & equipment	1,350,622	208,867	(242,628)	1,316,861
Total at historical cost	26,578,702	676,612	(242,628)	27,012,686
Less accum depr for:				
Bldg and improve	(7,311,817)	(660,153)		(7,971,970)
Equipment	(937,434)	(110,332)	242,628	(805,138)
Total accum deprec	(8,249,251)	(770,485)	242,628	(8,777,108)
Total capital assets being depr, net of accum depr	18,329,451	(93,873)	-	18,235,578
Governmental activities capital assets, net	$ 18,429,451	(93,873)	-	18,335,578
Business-type activities:				
Equipment	147,545			147,545
Less accum depr for:				
Equipment	(94,676)	(11,512)		(106,188)
Business-type activities capital assets, net	$ 52,869	(11,512)	-	41,357

Depreciation expense was charged to governmental functions as follows:

Regular instruction	$	246,062
Special education		36,981
Other special instruction		21,067
Other instruction		1,987
Nonpublic programs		2,308
Instruction		280,146
Student & instruction related services		44,025
School administrative expenses		21,764
General and business administration		12,108
Plant operations and maintenance		47,169
Pupil Transportation		46,058
Business and other Support Services		10,810
	$	770,485

NOTE 5. GENERAL LONG-TERM DEBT

Long-term liability activity for the year ended June 30, 2010 was as follows:

	Balance June 30, 2009	Issued	Retired	Balance June 30, 2010	Amounts Due Within One Year
Obligations under Capital Leases	$ 230,485	156,325	279,989	106,821	48,793
Compensated Absences Payable	347,471	193,190	-	540,661	168,839
	$ 577,956	349,515	279,989	647,482	217,632

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.

B. Capital Leases – The district is leasing technology equipment totaling $161,884 under capital leases. The leases are for terms of four and five years and include interest at a rate of 3.20% to 5.90% per annum. The following is a schedule of the future minimum lease payments under the capital lease, and the present value of the net minimum lease payments at June 30, 2010.

Year Ended June 30,	Principal	Interest	Total
2011	48,793	4,661	53,454
2012	28,420	2,426	30,846
2013	29,608	1,237	30,845
	$ 106,821	8,324	115,145

The following schedule lists the equipment, along with the accumulated depreciation, that has been obtained through capital leases:

Description	Cost	Accumulated Depreciation	Remaining Balance
Technology Equipment	$ 95,000	95,000	-
	$ 95,000	95,000	-

In July 2006 and August 2009 the District entered into a capital lease for various technology equipment. The equipment cost was less then the client's capitalization threshold and therefore is not being depreciated.

C. Unfunded Pension Obligations – The Board approved an "Early Retirement Incentive Program" permitted by State legislation during 1991 for certain members of the Teachers' Pension and Annuity fund and Public Employees' Retirement System. These members had to meet certain age and service requirements and had to apply for retirement between certain dates in fiscal year 1992. Six employees participated in the 1991 program. The School District will be assessed annually for the actuarially determined contribution to fund this program.

The balance on the unfunded pension obligation on June 30, 2010 amounted to $0. The Board of Commissioners of the City of Ventnor City permanently financed this obligation by issuing Taxable Refunding School Bonds dated August 1, 2004. Principal and interest payments will be made by the City as the District is a Type I School District.

NOTE 6. PENSION PLANS

Description of Plans

All required employees of the District are covered by either the Public Employees' Retirement System or the Teacher's Pension and Annuity Fund cost-sharing multiple-employer defined benefit pension plans which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625 or the reports can be accessed on the internet at http://www.state.nj.us/treasury/pensions/annrpts_archive.htm.

Teachers' Pension and Annuity Fund

The Teachers' Pension and Annuity Fund was established in January, 1955 under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

Public Employees' Retirement System

The Public Employees' Retirement System was established in January, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full time employees of the State or any county, municipality, school district or public agency provided the employee is not required to be a member of

another State-administered retirement system or other state or local jurisdiction.

Funding Policy

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 5.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The current TPAF rate is 5.5% and the PERS rate is 5.5% of covered payroll. The School District's contributions to TPAF for the years ending June 30, 2010, 2009 and 2008 were $0, $21,699, and $491,261 respectively, and paid by the State of New Jersey on behalf of the board, equal to the required contributions for 2008. However, the contributions for 2010 and 2009 were not made by the State. The School District's contributions to PERS for the years ending June 30, 2010, 2009 and 2008 were $105,597, $98,891 and $100,018 respectively, equal to the required contributions for each year.

During the fiscal years ended June 30, 2010, 2009 and 2008, the State of New Jersey contributed $455,015, $413,962, and $368,802 respectively, to the TPAF for post-retirement medical benefits on behalf of the Board. Also, in accordance with NJSA 18A:66-66 the State of New Jersey reimbursed the Board $516,936, $513,089, and $491,062, during the same fiscal years for the employer's share of social security contributions for TPAF members as calculated on their base salaries. These amounts, which are not required to be budgeted, have been included in the financial statements, and the combining and individual fund and account group statements and schedules as revenues and expenditures in accordance in GASB 27.

NOTE 7. POST-RETIREMENT BENEFITS

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2009, there were 84,590 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994 c. 62. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in fiscal year 1994

The State made post-retirement (PRM) contributions of $1.38 billion for Fiscal Year 2009 and $3.22 million for fiscal year 2008.

The State is also responsible for the cost attributable to P.L. 1992 c. 126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid $116.9 million toward Chapter 126 benefits for 13,320 eligible retired members in Fiscal Year 2009.

NOTE 8. 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 Assets, 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 9. DEFERRED COMPENSATION

The Board offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the entities listed below, permits participants 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
Invesco
Siracusa
Acacia National
Amerprise
Legend Employee Benefit Account
Metlife Associates
Prudential
AXA Equitable

NOTE 10. 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, 2010 the District did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

New Jersey Unemployment Compensation Insurance – The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the District is required to reimburse the New Jersey Unemployment Trust fund for benefits paid to its former employees and charged to its account with the State. This District is billed quarterly for amounts due to the State. The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's expendable trust fund for the current and prior two years:

Fiscal Year	District Contributions	Emploee Contrib/Interest	Amount Reimbursed	Ending Balance
2009-2010	$	15,087	44,202	71,012
2008-2009	-	15,585	14,101	100,127
2007-2008	5,000	15,796	2,739	98,643

NOTE 11. INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at June 30, 2010:

Fund	Interfund Receivable	Interfund Payable
General Fund	$ 114,990	
Special Revenue Fund		153,336
Capital Projects Fund		129,458
Trust Fund	4,398	4,655
Agency Fund		11,845
Enterprise Fund	179,906	
Total	$ 299,294	299,294

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 12. 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 63% of the Districts 2009-2010 governmental operations.

NOTE 13. FUND BALANCE APPROPRIATED

General Fund - Of the $974,061 General Fund fund balance at June 30, 2010, $36,333 is reserved for encumbrances; $559,492 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7 ($429,391 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2011); $150,000 of unreserved fund balance has been appropriated in the budget for the year ending June 30, 2011; $9,700 is reserved for future maintenance expenditures; and $218,536 is unreserved and undesignated.

NOTE 14. CALCULATION OF EXCESS SURPLUS

The designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. New Jersey school districts are required to reserve General Fund 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, 2010 is $559,492 of which $429,391 has been included in the 2010-11 budget. The excess fund balance at June 30, 2009 was $429,391. Pursuant to the provisions of Executive Order No. 14 $429,391 of that amount was approved by the Commissioner of the Department of Education for withdrawal to address any budget shortfall in the general fund account group due to the 2009-10 withholding of state aid.

NOTE 15. LITIGATION

From time to time, the District is a defendant in legal proceedings relating to its operations as a school district. In the best judgment of the District's management, the outcome of any legal proceedings will not have any adverse affect on the accompanying financial statements.

NOTE 16. DEFICIT FUND BALANCES

The District has a deficit fund balance of $(19,905) in the Special Revenue Fund as of June 30, 2010 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 can not 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 17. SUBSEQUENT EVENT

On July 1, 2010 the District privatized the transportation services of the District and auctioned the fleet of buses. A total of $524,850 was received at auction for the buses.

Required Supplementary Information
Part II

BUDGETARY COMPARISON SCHEDULES

The budgetary comparison schedules consist of the comparison of anticipated revenues and budgeted expenditures to actual results for the general and special revenue funds.

Exhibit C-1

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, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance with Under/(Over) Final Budget to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	$ 16,686,417	-	16,686,417	16,686,417	-
Transportation	244,000	-	244,000	257,260	13,260
Miscellaneous	50,000	-	50,000	56,616	6,616
Total - Local Sources	16,980,417	-	16,980,417	17,000,293	19,876
State Sources:					
Categorical Transportation Aid	323,001	-	323,001	284,100	(38,901)
Categorical Special Education Aid	645,787	-	645,787	645,787	-
Categorical Security Aid	327,863	-	327,863	327,863	-
Adjustment Aid	1,259,817	-	1,259,817	818,881	(440,936)
Extraordinary Aid		-		32,534	32,534
Nonpublic Transportation Aid		-		7,579	7,579
On-Behalf TPAF Pension Contributions (non-budgeted)		-		445,015	445,015
Reimbursed TPAF Social Security Contributions (non-budgeted)		-		516,936	516,936
Total - State Sources	2,556,468	-	2,556,468	3,078,695	522,227
Federal Sources:					
Medicaid Reimbursement	16,460	-	16,460	16,787	327
Total - Federal Sources	16,460	-	16,460	16,787	327
Total Revenues	**19,553,345**	**-**	**19,553,345**	**20,095,775**	**542,430**

Exhibit C-1

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, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance with Under/(Over) Final Budget to Actual
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Preschool	26,300	(20,000)	6,300	1,096	5,204
Kindergarten	351,800	20,500	372,300	359,819	12,481
Grades 1-5	2,332,100	49,000	2,381,100	2,380,865	235
Grades 6-8	1,643,400	(135,059)	1,508,341	1,506,142	2,199
Regular Programs - Home Instruction:					
Salaries of Teachers	10,000	(7,000)	3,000	2,964	36
Purchased Professional - Educational Services	1,000	10,700	11,700	11,234	466
Regular Programs - Undistributed Instruction:					
Purchased Professional - Educational Services	37,500	(5,000)	32,500	31,704	796
Other Purchased Services (400-500 series)	77,200	-	77,200	76,338	862
General Supplies	207,568	-	207,568	169,736	37,832
Textbooks	15,500	-	15,500	11,871	3,629
Other Objects	12,000	-	12,000	7,718	4,282
Total Regular Programs	4,714,368	(86,859)	4,627,509	4,559,487	68,022
Special Education - Instruction:					
Resource Room/Resource Center:					
Salaries of Teachers	775,400	(8,900)	766,500	731,241	35,259
Other Salaries for Instruction	143,700	(8,000)	135,700	122,022	13,678
Total Resource Room/Resource Center	919,100	(16,900)	902,200	853,263	48,937

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, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance with Under/(Over) Final Budget to Actual
Preschool Disabilities - Part Time:					
Other Salaries for Instruction	1,600	-	1,600	233	1,367
Total Preschool Disabilties - Part Time	1,600	-	1,600	233	1,367
Home Instruction - Special					
Salaries of Teachers	20,000	16,400	36,400	36,323	77
Purchased Professional - Educational Services	15,000	(8,200)	6,800	3,796	3,004
Total Home Instruction - Special	35,000	8,200	43,200	40,119	3,081
Total Special Education - Instruction	955,700	(8,700)	947,000	893,615	53,385
Basic Skills/Remedial- Instruction					
Salaries of Teachers	157,000	65,526	222,526	149,097	73,429
Total Basic Skills/Remedial - Instruction	157,000	65,526	222,526	149,097	73,429
Bilingual Education - Instruction:					
Salaries of Teachers	391,100	-	391,100	359,976	31,124
Total Bilingual Education - Instruction	391,100	-	391,100	359,976	31,124
School Sponsored Cocurricular Activities - Instruction:					
Salaries	28,500	-	28,500	15,792	12,708
Purchased Services (300-500 Series)	500	-	500	236	264
Supplies and Materials	6,700	-	6,700	5,396	1,304
Other Objects	2,600	-	2,600	1,347	1,253
Total School Sponsored Cocurricular Activities - Instruction	38,300	-	38,300	22,771	15,529
School Sponsored Athletics - Instruction					
Salaries	14,200	-	14,200	14,200	-
Purchased Services	3,000	-	3,000	2,928	72
Supplies and Materials	7,440	-	7,440	6,991	449
Other Objects	1,900	-	1,900	1,129	771
Total School Sponsored Athletics - Instruction	26,540	-	26,540	25,248	1,292

Exhibit C-1

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, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance with Under/(Over) Final Budget to Actual
Total Instruction	6,283,008	(30,033)	6,252,975	6,010,194	242,781
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs within the State - Regular	5,948,071	6,000	5,954,071	5,953,667	404
Tuition to Other LEAs within the State - Special	302,356	(32,114)	270,242	269,417	825
Tuition to Co. Voc. School Dist. - Regular	89,655	-	89,655	89,655	-
Tuition to CSSD & Regional Day Schools	451,745	(115,023)	336,722	237,854	98,868
Tuition to Private Schools for the Disabled- Within State	54,705	(32,000)	22,705	11,472	11,233
Tuition - State Facilities	88,771	-	88,771	88,771	-
Tuition - Other	-	3,640	3,640	3,640	-
Total Undistributed Expenditures - Instruction	6,935,303	(169,497)	6,765,806	6,654,476	111,330
Undistributed Expenditures - Attendance and Social Work:					
Salaries	15,000	-	15,000	14,900	100
Other Purchased Services	15,750	50	15,800	14,678	1,122
Supplies and Materials	300	(50)	250	100	150
Total Undistributed Expenditures - Attendance and Social Work	31,050	-	31,050	29,678	1,372
Undistributed Expenditures - Health Services:					
Salaries	193,700	-	193,700	185,375	8,325
Purchased Professional and Technical Services	10,000	-	10,000	8,880	1,120
Other Purchased Service	1,000	-	1,000	360	640
Supplies and Materials	5,000	500	5,500	5,116	384
Total Undistributed Expenditures - Health Services	209,700	500	210,200	199,731	10,469
Undistributed Expenditures - Other Support Services - Students - Related Services:					
Salaries	133,809	39,897	173,706	158,727	14,979
Purchased Professional Educational Services	40,000	6,100	46,100	44,662	1,438
Supplies and Materials	2,100	(500)	1,600	-	1,600
Total Undistributed Expenditures - Other Support Services - Students - Related Services	175,909	45,497	221,406	203,389	18,017

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, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance with Under/(Over) Final Budget to Actual
Undistributed Expenditures - Other Support Services - Extra. Serv.					
Salaries	58,700	8,000	66,700	66,570	130
Purchased Professional Educational Services	30,000	(17,640)	12,360	-	12,360
Total Undistributed Services - Other Support Services - Extra. Serv.	88,700	(9,640)	79,060	66,570	12,490
Undistributed Expenditures - Other Support Services - Students - Regular: (GUIDANCE)					
Salaries and Other Professional Staff	132,800	-	132,800	119,859	12,941
Purchased Professional Services - Educational Services	3,900	-	3,900	3,026	874
Other Purchased Professional & Technical Services	8,200	-	8,200	324	7,876
Other Purchased Services	350	-	350	139	211
Other Objects	100	-	100	-	100
Supplies and Materials	9,148	-	9,148	8,169	979
Total Undistributed Expenditures - Other Support Services - Students - Regular	154,498	-	154,498	131,517	22,981
Undistributed Expenditures - Other Support Services - Students - Special (CHILD STUDY TEAM)					
Salaries of Other Professional Staff	169,500	(500)	169,000	157,781	11,219
Salaries of Secretarial and Clerical Assistants	35,800	4,000	39,800	39,718	82
Purchased Professional - Educational Services	8,390	9,900	18,290	17,303	987
Miscellaneous Purchased Services	1,500	-	1,500	256	1,244
Supplies and Materials	2,000	-	2,000	1,851	149
Total Undistributed Expenditures - Other Support Services - Students - Special	217,190	13,400	230,590	216,909	13,681

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, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance with Under/(Over) Final Budget to Actual
Undistributed Expenditures - Educational Media Services - School Library					
Salaries	87,100	44,500	131,600	130,549	1,051
Salaries of Technology Coordinators	56,500	-	56,500	55,321	1,179
Purchased Professional and Technical Services	11,900	-	11,900	11,057	843
Other Purchased Services (400-500 Series)	1,000	-	1,000	389	611
Supplies and Materials	21,315	-	21,315	18,720	2,595
Total Undistributed Expenditures - Educational Media Services - School Library	177,815	44,500	222,315	216,036	6,279
Undistributed Expenditures - Support Services - Gen. Admin.:					
Salaries	183,600	-	183,600	183,275	325
Legal Services	50,000	-	50,000	28,543	21,457
Audit Fees	20,000	-	20,000	18,000	2,000
Communications/Telephone	36,400	(3,000)	33,400	18,563	14,837
BOE Other Purchased Services	1,400	-	1,400	667	733
Other Purchased Services	34,100	-	34,100	27,998	6,102
General Supplies	4,000	-	4,000	2,702	1,298
BOE In-House Training/Meeting Supplies	500	-	500	351	149
Miscellaneous Expenditures	3,000	-	3,000	2,128	872
BOE Membership Dues & Fees	11,000	-	11,000	10,342	658
Total Undistributed Expenditures - Support Services - Gen. Admin.	344,000	(3,000)	341,000	292,569	48,431
Undistributed Expenditures - Support Serv. - School Admin.:					
Salaries of Principals/Assistant Principals	199,400	1,838	201,238	200,968	270
Salaries of Other Professional Staff	89,800	5,900	95,700	95,631	69
Salaries of Secretarial and Clerical Assistants	209,300	(7,738)	201,562	200,423	1,139
Purchased Professional and Technical Services	11,000	-	11,000	9,145	1,855
Other Purchased Services	7,140	-	7,140	1,151	5,989
Supplies and Materials	15,800	-	15,800	10,756	5,044
Other Objects	9,700	-	9,700	7,845	1,855
Total Undistributed Expenditures - Support Serv. - School Admin.	542,140	-	542,140	525,919	16,221

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, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance with Under/(Over) Final Budget to Actual
Central Services					
Salaries	175,200	-	175,200	164,483	10,717
Purchased Professional Services	19,300	-	19,300	19,021	279
Miscellaneous Purchased Services	8,191	-	8,191	6,790	1,401
Supplies and Materials	8,348	(520)	7,828	5,576	2,252
Miscellaneous Expenditures	1,500	20	1,520	1,520	-
Total Central Services	212,539	(500)	212,039	197,390	14,649
Administative Information Technology					
Salaries	40,600	-	40,600	40,560	40
Purchased Professional Services	4,000	-	4,000	65	3,935
Other Purchased Services	16,200	6,600	22,800	11,667	11,133
Supplies & Materials	13,800	-	13,800	11,504	2,296
Total Administrative Information Technology	74,600	6,600	81,200	63,796	17,404
Undistributed Expenditures - Required Maintenance for School Facilities					
Salaries	110,000	(8,100)	101,900	96,212	5,688
Cleaning Repairs and Maintenance Services	51,000	25,230	76,230	75,214	1,016
General Supplies	5,000	10,000	15,000	14,935	65
Total Undistributed Expenditures - Required Maintenance for School Facilities	166,000	27,130	193,130	186,361	6,769
Undistributed Expenditures - Operation and Maintenance - Custodial Services					
Salaries	15,400	-	15,400	10,462	4,938
Cleaning, Repair and Maintenance Services	520,200	(26,300)	493,900	493,777	123
Rental of Land & Building, Other Than Lease Purchase Agreement	1,000	2,400	3,400	3,333	67
Insurance	62,500	(200)	62,300	60,186	2,114
General Supplies	50,685	(18,700)	31,985	28,154	3,831
Energy (Electricity)	230,000	-	230,000	226,111	3,889
Other Objects	300	-	300	225	75
Energy (Natrual Gas)	95,300	(2,500)	92,800	72,345	20,455
Total Undistributed Exp - Operation and Maintenance - Custodial Services	975,385 -	(45,300) -	930,085 -	894,593 -	35,492
Undistributed Expenditures - Care and Upkeep of Grounds					
Cleaning, Repair and Maintenance Services	23,700	10,700	34,400	34,136	264
General Supplies	3,000	-	3,000	1,017	1,983

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, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance with Under/(Over) Final Budget to Actual
Total Undistributed Expenditures - Care and Upkeep of Grounds	26,700	10,700	37,400	35,153	2,247
Undistributed Expenditures - Security					
Salaries	14,200	-	14,200	14,118	82
Cleaning, Repair and Maintenance Services	7,000	2,000	9,000	6,975	2,025
General Supplies	3,500	-	3,500	2,593	907
Total Undistributed Expenditures - Security	24,700	2,000	26,700	23,686	3,014
Total Undistributed Expenditures - Operation and Maintenance of Plant Services	1,192,785	(5,470)	1,187,315	1,139,793	47,522

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, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance with Under/(Over) Final Budget to Actual
Undistributed Expenditures - Student Transportation Services:					
Salaries for Non-Instructional Aides	7,700	4,000	11,700	9,180	2,520
Salaries for Pupil Transp. (Between Home and School)-Regular	310,100	(44,100)	266,000	261,109	4,891
Salaries for Pupil Transp. (Between Home and School)-Spec Ed	68,700	2,000	70,700	70,523	177
Salaries for Pupil Transp. (Other Than Between Home and School)	57,500	22,000	79,500	77,036	2,464
Cleaning, Repair and Maintenance Service	24,125	(4,600)	19,525	19,465	60
Rental Payment for School Buses	-	4,800	4,800	4,730	70
Lease Purchase Payments - School Buses	65,318	172,614	237,932	237,431	501
Contracted Services - (Between Home and School) - Vendors	249,230	16,700	265,930	265,818	112
Contracted Services - (Special Education) - Joint Agmnts	70,000	(25,500)	44,500	44,010	490
Contracted Services - Aid in Lieu of Payments-Non Public School	18,300	2,568	20,868	20,774	94
Miscellaneous Purchased Services - Transportation	14,500	-	14,500	13,912	588
Transportation Supplies	90,000	(6,868)	83,132	83,104	28
Other Objects	6,000	-	6,000	5,853	147
Total Undistributed Expenditures - Student Transportation Serv.	981,473	143,614	1,125,087	1,112,945	12,142
Unallocated Benefits:					
Social Security Contributions	160,000	-	160,000	143,138	16,862
Other Retirement Contributions - Regular	120,000	-	120,000	105,597	14,403
Workmen's Compensation	86,600	(2,000)	84,600	78,216	6,384
Health Benefits	2,169,178	(13,500)	2,155,678	2,072,925	82,753
Tuition Reimbursements	17,000	(10,500)	6,500	6,500	-
Other Employee Benefits	136,000	(63,900)	72,100	25,870	46,230
Total Unallocated Benefits	2,688,778	(89,900)	2,598,878	2,432,246	166,632
On-Behalf TPAF Pension Contributions (Non-Budgeted)		-		445,015	(445,015)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)		-		516,936	(516,936)
Total On-Behalf Contributions	-	-	-	961,951	(961,951)
Total Undistributed Expenditures	14,026,480	(23,896)	14,002,584	14,444,915	(442,331)
Total Current Expense	**20,309,488**	**(53,929)**	**20,255,559**	**20,455,109**	**(199,550)**

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, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance with Under/(Over) Final Budget to Actual
Capital Outlay:					
Equipment:					
Undistributed Expenditures:					
Admin Info Tech	6,600	(6,600)	-	-	-
Operations and Maintenance		9,870	9,870	9,870	-
Assets Acquired Under Capital Leases (non-budgeted)				156,325	(156,325)
Total Equipment	6,600	3,270	9,870	166,195	(156,325)
Facility Construction and Acquisition					
Construction Services	2,644	73,600	76,244	69,420	6,824
Total Facility Construction and Acquisition	2,644	73,600	76,244	69,420	6,824
Total Capital Outlay	**9,244**	**76,870**	**86,114**	**235,615**	**(149,501)**
Transfers to Charter Schools	123,130	52,059	175,189	175,189	-
Total Expenditures	**20,441,862**	**75,000**	**20,516,862**	**20,865,913**	**(349,051)**
Excess (Deficiency) of Revenues Over (Under) Expenditures	(888,517)	(75,000)	(963,517)	(770,138)	193,379

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, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance with Under/(Over) Final Budget to Actual
Other Financing Sources (Uses):					
Capital Leases (non-budgeted)			-	156,325	156,325
Decrease in Emergency Reserve			-	126,255	126,255
Transfer from Emergency Reserve			-	(126,255)	(126,255)
Decrease in Maintenance Reserve			-	75,000	75,000
Transfer from Maintenance Reserve			-	(75,000)	(75,000)
Total Other Financine Sources (Uses)	-	-	-	156,325	156,325
Fund Balances, July 1	1,771,870		1,771,870	1,771,870	-
Fund Balances, June 30	$ 883,353	(75,000)	808,353	1,158,057	349,704

Recapitulation:

Reserve for Encumbrances	36,333
Reserve for Excess Surplus	130,101
Reserve for Excess Surplus - Designated for Subsequent Year's Expenditures	429,391
Maintenance Reserve	9,700
Unrestricted - Designated for Subsequent Years's Expenditures	150,000
Unrestricted Fund Balance	402,532
	1,158,057
Reconciliation to Governmental Funds Statements (GAAP):	
Last State Aid Payment not Recognized on GAAP Basis	(183,996)
Fund Balance Per Govermental Funds (GAAP)	$ 974,061

Exhibit C-2

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, 2010

	Original Budget	Budget Transfers/Adjustments	Final Budget	Actual	Variance with Under/(Over) Final Budget to Actual
REVENUES:					
Local Sources:					
Mid Atlantic Dairy Grant		4,607	4,607	4,607	-
Total - Local Sources	-	4,607	4,607	4,607	-
State Sources:					
Preschool Education Aid	199,051	-	199,051	195,836	(3,215)
Nonpublic School Aid		62,991	62,991	56,741	(6,250)
Total - State Sources	199,051	62,991	262,042	252,577	(9,465)
Federal Sources:					
Title I	359,396	249,848	609,244	400,661	(208,583)
Title I - ARRA		242,316	242,316	133,443	(108,873)
Title II		73,627	73,627	46,572	(27,055)
Title III		36,467	36,467	29,568	(6,899)
Title IV		8,279	8,279	6,083	(2,196)
Cafeteria Equipment Grant - ARRA		29,135	29,135	29,135	-
I.D.E.A., Part B	317,289	(7,542)	309,747	290,196	(19,551)
I.D.E.A., Part B - ARRA		353,635	353,635	258,252	(95,383)
I.D.E.A., Part B, Preschool Incentive		8,142	8,142	8,142	-
I.D.E.A., Part B, Preschool Incentive - ARRA		12,738	12,738	12,738	-
21 Century Community Learning Center Program		67,157	67,157	67,157	-
Other	51,000	(51,000)			-
Total - Federal Sources	727,685	1,022,802	1,750,487	1,281,947	(468,540)
Total Revenues	**926,736**	**1,090,400**	**2,017,136**	**1,539,131**	**(478,005)**
EXPENDITURES:					
Instruction					
Salaries of Teachers	420,996	268,974	689,970	529,490	160,480
Other Salaries for Instruction	60,900	(3,149)	57,751	57,751	-
Purchased Professional and Technical Services	7,041	24,114	31,155	28,598	2,557
Other Purchased Services (400-500 series)	303,248	231,642	534,890	479,842	55,048
General Supplies	26,800	224,715	251,515	151,767	99,748
Total instruction	818,985	746,296	1,565,281	1,247,448	317,833

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, 2010

	Original Budget	Budget Transfers/Adjustments	Final Budget	Actual	Variance with Under/(Over) Final Budget to Actual
EXPENDITURES (CONT'D):					
Support Services					
Salaries of Program Directors		25,217	25,217	25,217	-
Salaries of Other Professional Staff	25,000	64,504	89,504	55,296	34,208
Personal Services- Employee Benefits	44,751	135,702	180,453	148,489	31,964
Purchased Professional - Educational Services	28,000	(11,341)	16,659	16,332	327
Other Purchased Services (400-500 Series)	10,000	94,930	104,930	11,499	93,431
Supplies and Materials		2,550	2,550	2,308	242
Total support services	107,751	311,562	419,313	259,141	160,172
Facilities acquisition and construction services:					
Instructional Equipment		-		-	-
Non-instructional Equipment		32,542	32,542	32,542	-
Total facilities acquisition and construction services	-	32,542	32,542	32,542	-
Transfer of Funds to Charter School			-		-
Total expenditures	**926,736**	**1,090,400**	**2,017,136**	**1,539,131**	**478,005**
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ -	-	-	-	-

City of Ventnor School District
(A Component Unit of the City of Ventnor)
Required Supplementary Information
Budgetary Comparison Schedule
Note to Required Supplementary Information
For the Fiscal Year Ended June 30, 2010

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

		General Fund	Special Revenue
Sources/inflows of resources			
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	C-1; C-2	$ 20,095,775	1,539,131
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			31,083
Current year			(7,194)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		172,213	19,905
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.		(183,996)	(19,905)
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	B-2	20,083,992	1,563,020
Uses/outflows of resources			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	C-1; C-2	20,865,913	1,539,131
Differences - budget to GAAP			
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is place for budgetary purposes, but in the year the supplies are received for financial reporting purposes.			
Prior Year			31,083
Current year			(7,194)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	B-2	$ 20,865,913	1,563,020

SPECIAL REVENUE FUND

Special revenue funds are 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.

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City of Ventnor School District
(A Component Unit of the City of Ventnor)
Special Revenue Fund
Combining Schedule of Revenue and Expenditures
Budgetary Basis
For the Fiscal Year Ended June 30, 2010

	Title I	Title I Carryover	Title I ARRA	Title II A	Title II A Carryover	Title II D	Title II D Carryover	Title III	Title III Carryover	Title IV	Cafeteria Equipment Grant - ARRA	IDEA Basic
REVENUES:												
State Sources												
Federal Sources	$ 273,546	127,115	133,443	34,910	5,454	3,333	2,875	24,898	4,670	6,083	29,135	285,364
Local Sources												
Total revenues	273,546	127,115	133,443	34,910	5,454	3,333	2,875	24,898	4,670	6,083	29,135	285,364
EXPENDITURES												
Instruction:												
Salaries of Teachers	180,560	74,413	71,269	20,000				8,610	3,267	5,651		
Other Salaries for Instruction												
Purchased Prof. and Technical Services												
Other Purchased Services (400-500 Series)												272,298
General Supplies	2,082	16,412	31,265		1,360	3,333	2,134	8,584	1,153			13,066
Total instruction	182,642	90,825	102,534	20,000	1,360	3,333	2,134	17,194	4,420	5,651	-	285,364
Support services:												
Salaries of Program Directors												
Salaries of Other Professional Staff	3,968	10,214	24,569									
Personal Services- Employee Benefits	84,897	6,401	6,340	10,438	2,766			7,704	250	432		
Purchased Professional - Educational Services		12,762		2,629			741					
Other Purchased Services (400-500 Series)	2,039	6,209		1,843	1,328							
Supplies and Materials		704										
Total support services	90,904	36,290	30,909	14,910	4,094	-	741	7,704	250	432	-	-
Facilities Acquisition and Construction Services:												
Instructional Equipment												
Non-instructional Equipment											29,135	
Total Facilities Acquisition and Contruction Services:	-	-	-	-	-	-	-	-	-	-	29,135	-
Total expenditures	273,546	127,115	133,443	34,910	5,454	3,333	2,875	24,898	4,670	6,083	29,135	285,364
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ -	-	-	-	-	-	-	-	-	-	-	-

City of Ventnor School District
(A Component Unit of the City of Ventnor)
Special Revenue Fund
Combining Schedule of Revenue and Expenditures
Budgetary Basis
For the Fiscal Year Ended June 30, 2010

	IDEA Basic Carryover	IDEA Basic - ARRA	IDEA Preschool	IDEA Preschool - ARRA	Twenty-first Century Community Learning Centers	Total Federal	Nonpublic Textbook Aid, Ch. 194, L. 1979	NJ Nonpublic Nursing Aid	N.J. Nonpublic Auxilliary Services Ch. 192	
									Compensatory Education	English as a Second Language
REVENUES:										
State Sources							9,440	11,194	15,931	11,744
Federal Sources	4,832	258,252	8,142	12,738	67,157	1,281,947				
Local Sources										
Total revenues	4,832	258,252	8,142	12,738	67,157	1,281,947	9,440	11,194	15,931	11,744
EXPENDITURES										
Instruction:										
Salaries of Teachers					21,694	385,464		9,504		11,744
Other Salaries for Instruction						-				
Purchased Prof. and Technical Services			8,142		805	8,947			15,931	
Other Purchased Services (400-500 Series)		207,544				479,842				
General Supplies	4,832	50,508			179	134,908	9,440	963		
Total instruction	4,832	258,052	8,142	-	22,678	1,009,161	9,440	10,467	15,931	11,744
Support services:										
Salaries of Program Directors					25,217	25,217				
Salaries of Other Professional Staff				11,833		50,584				
Personal Services- Employee Benefits				905	18,778	138,911		727		
Purchased Professional - Educational Services		200				16,332				
Other Purchased Services (400-500 Series)		-			80	11,499				
Supplies and Materials					404	1,108				
Total support services	-	200	-	12,738	44,479	243,651	-	727	-	-
Facilities Acquisition and Construction Services:										
Instructional Equipment						-				
Non-instructional Equipment						29,135				
Total Facilities Acquisition and Contruction Services:	-	-	-	-	-	29,135	-	-	-	-
Total expenditures	4,832	258,252	8,142	12,738	67,157	1,281,947	9,440	11,194	15,931	11,744
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	-	-	-	-	-

City of Ventnor School District
(A Component Unit of the City of Ventnor)
Special Revenue Fund
Combining Schedule of Revenue and Expenditures
Budgetary Basis
For the Fiscal Year Ended June 30, 2010

	N.J. Nonpublic Handicapped Services Ch. 193					
	Examination and Classification	Corrective Speech	Preschool Education Aid	Midatlantic Dairy Grant	Total State	Total
REVENUES:						
State Sources	4,712	3,720	195,836		252,577	252,577
Federal Sources						1,281,947
Local Sources				4,607	4,607	4,607
Total revenues	4,712	3,720	195,836	4,607	257,184	1,539,131
EXPENDITURES						
Instruction:						
Salaries of Teachers			122,778		144,026	529,490
Other Salaries for Instruction			57,751		57,751	57,751
Purchased Prof. and Technical Services		3,720			19,651	28,598
Other Purchased Services (400-500 Series)					-	479,842
General Supplies			6,456		16,859	151,767
Total instruction	-	3,720	186,985	-	238,287	1,247,448
Support services:						
Salaries of Program Directors					-	25,217
Salaries of Other Professional Staff	4,712				4,712	55,296
Personal Services- Employee Benefits			8,851		9,578	148,489
Purchased Professional - Educational Services					-	16,332
Other Purchased Services (400-500 Series)					-	11,499
Supplies and Materials				1,200	1,200	2,308
Total support services	4,712	-	8,851	1,200	15,490	259,141
Facilities Acquisition and Construction Services:						
Instructional Equipment					-	-
Non-instructional Equipment				3,407	3,407	32,542
Total Facilities Acquisition and Contruction Services:	-	-	-	3,407	3,407	32,542
Total expenditures	4,712	3,720	195,836	4,607	257,184	1,539,131
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	-

City of Ventnor School District E-2
(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, 2010

	2010		
	Budgeted	Actual	Variance
EXPENDITURES:			
Instructional:			
Salaries of Teachers	$ 122,778	122,778	-
Other Salaries for Instruction	57,751	57,751	-
General Supplies	9,671	6,456	3,215
Total Instruction	190,200	186,985	3,215
Support Services:			
Personal Services - Employee Benefits	8,851	8,851	-
Total Support Services	8,851	8,851	-
Total Expenditures	$ 199,051	195,836	3,215

CALCULATION OF BUDGET AND CARRYOVER

Total Revised 2009-10 Preschool Education Aid Allocation	$ 199,051
Add: Actual PEA Carryover (June 30, 2009)	$ 909
Add: Budgeted transfer from the General Fund	-
Total Preschool Education Aid Funds Available for 2009-10 Budget	199,960
Less: 2009-10 Budgeted Preschool Education Aid (including prior year budgeted carryover)	(199,051)
Available & Budgeted Preschool Education Aid Funds as of June 30, 2010	909
Add: June 30, 2010 Unexpended Preschool Education Aid	3,215
2009-10 Actual Carryover - Preschool Education Aid	$ 4,124
2009-10 Preschool Education Aid Carryover Budget in 2010-11	-

CAPITAL PROJECTS FUND

The capital projects fund is used to account for the acquisition and construction of major capital facilities and equipment other than those financed by proprietary funds.

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Exhibit F-1

City of Ventnor School District
(A Component Unit of the City of Ventnor)
Captial Projects Fund
Summary Schedule of Project Expenditures
For the Fiscal Year Ended June 30, 2010

Project Title/Issue	Original Date	Appropriations	Expenditures to Date		Unexpended Balance June 30, 2010
			Prior Years	Current Year	
Renovations and Improvements to the Ventnor City Educational Community Complex	6/24/2009	$ 4,705,000	-	388,455	4,316,545
		$ 4,705,000	-	388,455	4,316,545

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 Fiscal Year Ended June 30, 2010

Revenues and Other Financing Sources:	
State Sources - School Contruction Corporation	$ 1,882,000
Bond proceeds and transfers	2,823,000
Transfer from capital outlay	-
Total revenues	4,705,000
Expenditures and Other Financing Uses:	
Purchased professional & technical services	-
Transfer to Capital Projects	-
Construction services	388,455
Equipment purchases	-
Total expenditures	388,455
Excess of revenues over expenditures	4,316,545
Fund balance - beginning	-
Fund balance - ending	$ 4,316,545

Exhibit F-2a

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
Various Capital Improvements to District Facilities
For the Fiscal Year Ended June 30, 2010

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
State Sources- SDA		1,882,000	1,882,000	1,882,000
Bond proceeds and transfers		2,823,000	2,823,000	2,823,000
Transfer from capital outlay				
Total revenues	-	4,705,000	4,705,000	4,705,000
Expenditures and Other Financing Uses:				
Purchased professional & technical services			-	-
Transfer to Capital Reserve			-	-
Construction services		388,455	388,455	4,705,000
Equipment purchases			-	-
Total expenditures	-	388,455	388,455	4,705,000
Excess of revenues over expenditures	$ -	4,316,545	4,316,545	-

Additional project information:

Project numbers	5350-045-09-1001/1002/1003/1004
Grant Date	11/17/09
Bond Authorization Date	10/15/2009
Bonds Authorized	$ 2,823,000
Bonds Issued	$ 2,823,000
Original Authorized Cost	$ 4,705,000
Additional Authorized Cost	$ -
Revised Authorized Cost	$ 4,705,000
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	8%
Original target completion date	6/30/2011

FIDUCIARY FUNDS

Trust funds are used to account for gifts and bequests to the school district for a specific purpose.

Unemployment Compensation Insurance Trust Fund- This is an expendable trust fund used to pay unemployment compensation insurance claims.

Agency funds are used to account for assets held by the school district as an agent for individuals, private organizations, other governments and/or other funds.

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

Payroll Fund - This agency fund is used to account for the payroll transactions of the school district.

City of Ventnor School District
(A Component Unit of the City of Ventnor)
Fiduciary Funds
Combining Statement of Fiduciary Net Assets
June 30, 2010

	Agency Funds		
	Student Activity	Payroll Agency	2010
ASSETS:			
Cash and cash equivalents	$ 12,798	80,276	93,074
Due from Payroll Agency			-
Total Assets	12,798	80,276	93,074
LIABILITIES:			
Liabilities:			
Interfund Accounts Payable:			
Due to Unemployment		4,398	4,398
Due to General Fund		7,447	7,447
Payroll Deductions and Withholdings		68,431	68,431
Due to Student Groups	12,798		12,798
Total Liabilities	$ 12,798	80,276	93,074

City of Ventnor School District
(A Component Unit of the City of Ventnor)
Combining Statement of Changes in
Fiduciary Net Assets
For the Fiscal Year Ended June 30, 2010

	Unemployment Compensation Trust
	2010
ADDITIONS:	
Contributions:	
Employee Contributions	$ 13,721
Board Contributions	-
Investment Earnings:	
Interest	1,366
Total Additions	15,087
DEDUCTIONS:	
Unemployment Claims	44,202
Total Deductions	44,202
Change in Net Assets	(29,115)
Net Assets - July 1	100,127
Net Assets - June 30	$ 71,012

City of Ventnor School District
(A Component Unit of the City of Ventnor)
Student Activity Agency Fund
Schedule of Receipts and Disbursements
For the Fiscal Year ended June 30, 2010

	Balance July 1, 2009	Additions	Deletions	Balance June 30, 2010
ASSETS:				
Cash and Cash Equivalents	$ 15,103	32,580	34,885	12,798
Total Assets	15,103	32,580	34,885	12,798
LIABILITIES:				
Due to Student Groups	15,103	32,580	34,885	12,798
Total Liabilities	$ 15,103	32,580	34,885	12,798

City of Ventnor School District
(A Component Unit of the City of Ventnor)
Payroll Agency Fund
Schedule of Receipts and Disbursements
For the Fiscal Year ended June 30, 2010

	Balance July 1, 2009	Additions	Deletions	Balance June 30, 2010
ASSETS:				
Cash and cash equivalents	$ 144,814	3,576,454	3,640,992	80,276
Total assets	144,814	3,576,454	3,640,992	80,276
LIABILITIES:				
Payroll Deductions and Withholdings	111,395	3,572,056	3,615,020	68,431
Interfund Accounts Payable:				
Due Unemployment	4,849	4,398	4,849	4,398
Due General Fund	28,570	-	21,123	7,447
Total Liabilities	$ 144,814	3,576,454	3,640,992	80,276

LONG-TERM DEBT

The long-term debt section consists of the schedules of obligations under capital leases.

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City of Ventnor School District
(A Component Unit of the City of Ventnor)
Long-Term Debt
Statement of Obligations Under Capital Leases
For the Fiscal Year Ended June 30, 2010

Series	Date of Lease	Term of Lease	Amount of Original Issue Principal	Amount of Original Issue Interest	Interest Rate Payable	Amount Outstanding June 30, 2009	Current Year Issued	Current Year Retired	Amount Outstanding June 30, 2010
(2) Passenger Bus/ Technology Equipment	8/1/05	4 Years	233,696	17,105	3.31%	$ 53,435		53,435	-
Passenger Bus	11/3/06	4 Years	54,593	6,766	5.90%	23,573		23,573	-
Technology Equipment	7/14/06	4 Years	90,000	10,433	5.09%	41,984		20,471	21,513
Furniture and Technology Equipment	8/1/08	4 Years	121,493	11,888	4.18%	111,493		26,185	85,308
Passenger Bus	10/15/09	4 Years	65,625	6,691	4.00%	-	65,625	65,625	-
Passenger Bus	2/15/10	4 Years	90,700	9,248	4.00%	-	90,700	90,700	-
						$ 230,485	156,325	279,989	106,821

Statistical Section

Governmental Accounting Standards Board (GASB) requires 10 years of statistical information to be included in the CAFR. However due to the change in the statistical requirements information was unavailable for all 10 years.

CITY OF VENTNOR SCHOOL DISTRICT
Net Assets by Component,
Last Seven Fiscal Years
Unaudited

	Fiscal Year Ending June 30,						
	2004	2005	2006	2007	2008	2009	2010
Governmental activities							
Invested in capital assets, net of related debt	$ 21,183,381	20,591,038	19,848,642	19,244,963	18,726,373	18,198,966	18,228,757
Restricted	979,685	1,336,783	731,449	1,023,495	929,063	973,217	755,525
Unrestricted	(325,593)	(119,790)	(12,795)	(176,272)	176,030	254,667	(346,336)
Total governmental activities net asset	21,837,474	21,808,031	20,567,296	20,092,186	19,831,466	19,426,850	18,637,946
Business-type activities							
Invested in capital assets, net of related debt	107,963	96,418	88,259	75,896	64,382	52,869	41,357
Restricted							
Unrestricted	179,812	236,885	263,571	278,237	284,498	260,572	280,681
Total business-type activities net asset:	287,775	333,303	351,830	354,133	348,880	313,441	322,038
District-wide							
Invested in capital assets, net of related debt	21,291,344	20,687,456	19,936,901	19,320,859	18,790,755	18,251,835	18,270,114
Restricted	979,685	1,336,783	731,449	1,023,495	929,063	973,217	755,525
Unrestricted	(145,781)	117,095	250,776	101,965	460,528	515,239	(65,655)
Total district net assets	$ 22,125,249	22,141,334	20,919,126	20,446,319	20,180,346	19,740,291	18,959,984

The District converted to GASB 34 effective with the fiscal year ended June 30, 2004. Based on this, only seven years of information is presented.

Source: CAFR Scehdule A-1

CITY OF VENTNOR SCHOOL DISTRICT
Changes in Net Assets, Last Seven Fiscal Years
Unaudited

	Fiscal Year Ending June 30,						
	2004	2005	2006	2007	2008	2009	2010
Expenses							
Governmental activities							
Instruction							
Regular	$ 5,216,830	6,163,342	6,293,780	6,843,535	6,802,276	7,033,460	7,316,645
Special education	625,455	898,212	889,017	1,001,666	1,087,182	1,070,650	1,109,908
Other special education	460,043	585,220	640,527	575,558	676,435	765,422	632,289
Other instruction	37,770	70,294	67,195	54,761	65,585	84,073	59,641
Non-public programs			118,992	95,624	108,535	103,941	69,279
Support Services:							
Tuition	4,319,249	5,989,503	8,065,449	8,013,683	7,534,365	7,208,469	8,407,993
Student & instruction related services	855,626	1,061,813	1,029,996	1,087,329	1,199,721	1,307,016	1,321,322
General administrative services	334,867	425,860	349,925	352,068	385,097	392,703	363,384
School administrative services	357,648	513,430	511,800	554,852	572,322	574,987	653,213
Business administrative services	152,867	300,043	260,509	295,347	343,352	430,667	324,404
Plant operations and maintenance	707,547	1,053,556	1,213,049	1,367,848	1,355,316	1,466,451	1,415,671
Pupil transportation	706,139	861,008	892,948	1,320,246	1,014,522	1,047,747	1,150,622
Capital Outlay				108,269	-	-	-
Charter Schools	37,719						
Unallocated benefits	2,610,412						
Total governmental activities expenses	16,422,172	17,922,281	20,333,187	21,670,786	21,144,708	21,485,586	22,824,371
Business-type activities:							
After School Program		5,498	10,421	7,136	10,304	9,661	10,352
Food service	341,645	330,878	392,496	422,036	433,005	490,731	576,278
Total business-type activities expense	341,645	336,376	402,917	429,172	443,309	500,392	586,630
Total district expenses	16,763,817	18,258,657	20,736,104	22,099,958	21,588,017	21,985,978	23,411,001
Program Revenues							
Governmental activities:							
Charges for services					193,637	239,579	257,260
Operating grants and contributions	787,115	2,764,610	3,286,387	3,793,334	2,436,147	1,737,012	1,563,020
Capital grants and contributions							
Total governmental activities program revenues	787,115	2,764,610	3,286,387	3,793,334	2,629,784	1,976,591	1,820,280

CITY OF VENTNOR SCHOOL DISTRICT
Changes in Net Assets, Last Seven Fiscal Years
Unaudited

	Fiscal Year Ending June 30,						
	2004	2005	2006	2007	2008	2009	2010
Business-type activities:							
Charges for services							
Fees for after school program		6,386	14,047	17,059	20,973	14,462	17,710
Food service	153,056	155,169	167,885	159,739	146,626	145,212	195,768
Operating grants and contributions	192,362	220,070	238,993	254,019	269,867	304,621	381,749
Total business type activities program revenues	345,418	381,625	420,925	430,817	437,466	464,295	595,227
Total district program revenues	1,132,533	3,146,235	3,707,312	4,224,151	3,067,250	2,440,886	2,415,507
Net (Expense)/Revenue							
Governmental activities	(15,635,057)	(15,157,671)	(17,046,800)	(17,877,452)	(18,514,924)	(19,508,995)	(21,004,091)
Business-type activities	3,773	45,249	18,008	1,645	(5,843)	(36,097)	8,597
Total district-wide net expense	(15,631,284)	(15,112,422)	(17,028,792)	(17,875,807)	(18,520,767)	(19,545,092)	(20,995,494)
General Revenues and Other Changes in Net Assets							
Governmental activities:							
Property taxes levied for general purposes, net	11,973,299	12,816,519	13,974,618	15,597,115	15,193,897	15,755,683	16,686,417
Unrestricted grants and contributions	1,320,480	1,539,212	1,540,169	1,506,811	2,967,330	3,362,925	3,083,699
Restricted grants and contributions	1,903,005						-
Transportation revenue	192,544	194,736	195,810	202,611			
Miscellaneous income	38,246	69,338	138,719	104,111	87,308	77,664	56,616
Unfunded pension obligation refinanced by City		508,423					
Bond Proceeds							388,455
Special Items							
Cancellation of Construction in Progress			(84,108)				
Cancellation of Construction in Progress			40,857				
Escrow Balance Applied to Leases					5,669		
Loss on the disposal of fixed assets				(8,306)			
Total governmental activities	15,427,574	15,128,228	15,806,065	17,402,342	18,254,204	19,196,272	20,215,187
Business-type activities:							
Miscellaneous income		279	519	658	590	658	
Total business-type activities	-	279	519	658	590	658	-
Total district-wide	15,427,574	15,128,507	15,806,584	17,403,000	18,254,794	19,196,930	20,215,187
Change in Net Assets							
Governmental activities	(207,483)	(29,443)	(1,240,735)	(475,110)	(260,720)	(312,723)	(788,904)
Business-type activities	3,773	45,528	18,527	2,303	(5,253)	(35,439)	8,597
Total district	$ (203,710)	16,085	(1,222,208)	(472,807)	(265,973)	(348,162)	(780,307)

The District converted to GASB 34 effective with the fiscal year ended June 30, 2004. Based on this, only seven years of information is presented.

Source: CAFR Schedule A-2

CITY OF VENTNOR SCHOOL DISTRICT
Fund Balances, Governmental Funds,
Last Seven Fiscal Years
Unaudited

	Fiscal Year Ending June 30,						
	2004	2005	2006	2007	2008	2009	2010
General Fund							
Reserved	$ 815,131	1,150,219	567,573	899,265	1,164,585	1,402,608	755,525
Unreserved	597,867	247,815	299,079	302,262	313,425	197,049	218,536
Total general fund	1,412,998	1,398,034	866,652	1,201,527	1,478,010	1,599,657	974,061
All Other Governmental Funds							
Reserved	128,660	133,361	119,572	139,801	-	-	-
Unreserved, reported in:							
Special revenue fund	(44,959)	(44,959)	(44,959)	(44,959)	(57,384)	(19,905)	(19,905)
Capital projects fund	71,622	53,203	59,875	-	-	-	-
Total all other governmental funds	$ 155,323	141,605	134,488	94,842	(57,384)	(19,905)	(19,905)

The District converted to GASB 34 effective with the fiscal year ended June 30, 2004. Based on this, only seven years of information is presented.

Source: CAFR Schedule B-1

CITY OF VENTNOR SCHOOL DISTRICT
Changes in Fund Balances, Governmental Funds,
Last Seven Fiscal Years
Unaudited

	2004	2005	2006	2007	2008	2009	2010
Revenues							
Tax levy	$ 11,973,299	12,816,519	13,974,618	15,597,115	15,193,897	15,755,683	16,686,417
Other Tuition						2,636	
Transportation	192,544	194,736	195,810	202,611	193,637	236,943	257,260
Miscellaneous	38,246	69,338	138,719	104,111	87,308	77,664	61,223
State sources	3,198,611	3,359,456	3,450,602	3,842,131	4,075,140	3,758,745	3,316,074
Federal sources	811,989	944,366	1,375,955	1,458,014	1,328,337	1,341,192	1,326,038
Total revenue	16,214,689	17,384,415	19,135,704	21,203,982	20,878,319	21,172,863	21,647,012
Expenditures							
Instruction							
Regular Instruction	5,104,101	5,025,388	5,142,550	5,517,755	5,470,212	5,703,983	5,945,871
Special education instruction	611,940	732,373	736,356	807,615	875,900	862,357	893,615
Other special instruction	450,102	477,169	530,536	464,057	544,977	616,511	509,073
Other instruction	36,954	57,316	55,657	44,153	52,840	67,716	48,019
Nonpublic school programs			98,559	77,099	87,442	83,719	55,778
Support Services:							
Instruction	4,226,018	4,883,645	6,680,454	6,461,214	6,070,143	5,806,072	6,769,492
Student & instruction related services	837,137	865,768	853,126	876,683	966,569	1,052,738	1,063,830
General administrative services	327,631	347,232	289,836	283,862	310,257	316,303	292,569
School Administrative services	349,919	418,634	423,914	447,362	461,097	463,124	525,919
Business administrative services	149,564	244,645	209,135	236,392	276,624	346,882	261,186
Plant operations and maintenance	863,725	870,181	1,016,455	1,114,646	1,104,109	1,161,554	1,139,793
Pupil transportation	690,880	777,842	833,197	1,177,437	886,683	901,782	1,112,945
Unallocated employee benefits	2,601,577	2,671,270	2,809,704	3,318,038	3,532,157	3,442,848	3,542,686
Charter Schools	36,904						
Capital outlay	315,819	140,635	269,277	227,033	115,052	299,641	656,612
Total expenditures	16,602,271	17,512,098	19,948,756	21,053,346	20,754,062	21,125,230	22,817,388
Excess (Deficiency) of revenues over (under) expenditures	(387,582)	(127,683)	(813,052)	150,636	124,257	47,633	(1,170,376)
Other Financing sources (uses)							
Capital leases (non-budgeted)	96,875	99,000	233,696	144,593		111,493	156,325
Cancellation of Prior Year Payables			40,857				
Transfer from Capital Projects Fund					119,845		
Transfer to General Fund					(119,845)		
(Increase)/Decrease in Emergency Reserve						(126,255)	126,255
Transfer to/(from) Emergency Reserve						126,255	(126,255)
Increase in Capital Reserve					(119,951)	(120,409)	
Transfer to Capital Reserve					119,951	120,409	
(Increase)/Decrease in Maintenance Reserve					(100,000)	(84,700)	75,000
Transfer to/(from) Maintenance Reserve					100,000	84,700	(75,000)
Bond Proceeds							388,455
Transfers in							
Transfers out							
Total other financing sources (uses)	96,875	99,000	274,553	144,593	-	111,493	544,780
Net change in fund balances	$ (290,707)	(28,683)	(538,499)	295,229	124,257	159,126	(625,596)
Debt service as a percentage of noncapital expenditures	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

The District converted to GASB 34 effective with the fiscal year ended June 30, 2004. Based on this, only seven years of information is presented.

Source: CAFR Schedule B-2

CITY OF VENTNOR SCHOOL DISTRICT
General Fund Other Local Revenue by Source
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Interest on Investments	Tuition Revenue	Transportation Jointure	Misc.	Total
2001	97,317	555	175,735	6,326	279,933
2002	60,798	10,779	157,943	11,346	240,866
2003	34,433		168,149	20,917	223,499
2004	28,486		192,544	9,760	230,790
2005	45,269		194,736	24,069	264,074
2006	88,157		195,810	50,562	334,529
2007	75,713		202,611	28,398	306,722
2008	67,530		193,637	19,778	280,945
2009	34,336	2,636	236,943	43,328	317,243
2010	34,761		257,260	26,462	318,483

Source: District Records

CITY OF VENTNOR SCHOOL DISTRICT
Assessed Value and Actual Value of Taxable Property,
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax-Exempt Property	Public Utilities [a]	Net Valuation Taxable	Total Direct School Tax Rate [b]	Estimated Actual (County Equalized Value)
2001	12,321,300	788,222,490	-	-	48,758,300	1,289,700	13,466,140	864,057,930	-	2,374,767	866,432,697	1.251	949,302,119
2002	11,322,400	793,206,390	-	-	47,876,500	1,289,700	8,932,540	862,627,530	-	2,340,916	864,968,446	1.294	999,306,513
2003	32,535,495	1,185,949,505	-	-	64,412,043	1,559,030	11,068,620	1,295,524,693	-	2,986,172	1,298,510,865	0.926	1,121,434,010
2004	30,914,500	1,177,528,200	-	-	62,938,500	1,559,100	10,544,500	1,283,484,800	-	2,609,362	1,286,094,162	1.032	1,418,389,828
2005	31,118,500	1,180,867,300	-	-	62,948,500	1,559,100	10,544,500	1,287,037,900	-	2,070,375	1,289,108,275	1.143	1,764,141,613
2006	68,747,400	2,574,209,800	-	-	98,112,600	2,494,400	17,140,500	2,760,704,700	-	2,633,578	2,763,338,278	0.588	2,157,812,514
2007	61,512,700	2,494,861,000	-	-	95,650,000	2,494,400	16,826,900	2,671,345,000	-	2,667,188	2,674,012,188	0.641	2,608,283,445
2008	54,747,300	2,507,263,200	-	-	94,454,500	1,604,100	16,163,700	2,674,232,800	-	2,538,701	2,676,771,501	0.642	2,897,566,033
2009	45,335,200	2,514,635,100	-	-	90,802,200	1,604,100	15,028,700	2,667,405,300	-	2,410,019	2,669,815,319	0.671	2,979,863,218
2010	42,014,300	2,495,328,850	-	-	90,037,600	1,604,100	15,028,700	2,644,013,550	-	2,511,795	2,646,525,345	0.700	2,775,590,293

Source: District records, Tax list summary & Municipal Tax Assessor

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

Reassessment occurs when ordered by the County Board of Taxation

In 2003 and 2006 the City of Ventnor had a revaluation.

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

b Tax rates are per $100

CITY OF VENTNOR SCHOOL DISTRICT
Direct and Overlapping Property Tax Rates
Rate per $100 of Assessed Value
Last Ten Fiscal Years
Unaudited

	CITY OF VENTNOR Board of Education			Overlapping Rates		
Fiscal Year Ended June 30,	Basic Rate [a]	General Obligation Debt Service [b]	Total Direct	City of Ventnor	Atlantic County	Total Direct and Overlapping Tax Rate
2001	1.090	0.161	1.251	1.227	0.581	3.059
2002	1.184	0.110	1.294	1.300	0.588	3.182
2003	0.859	0.067	0.926	1.006	0.425	2.357
2004	0.968	0.064	1.032	1.001	0.501	2.534
2005	1.035	0.108	1.143	1.061	0.562	2.766
2006	0.535	0.053	0.588	0.549	0.284	1.421
2007	0.576	0.065	0.641	0.669	0.280	1.590
2008	0.578	0.064	0.642	0.664	0.310	1.616
2009	0.607	0.064	0.671	0.665	0.333	1.669
2010	0.639	0.061	0.700	0.693	0.334	1.727

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 prebudget 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.

In 2003 and 2006 the City of Ventnor had a revaluation.

CITY OF VENTNOR SCHOOL DISTRICT
Principal Property Tax Payers,
Current Year and Ten Years Ago
Unaudited

	2010			2000		
Taxpayer	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Ventnor Plaza Company	$ 15,383,100	1	0.58%	10,300,000		1.19%
Taxpayer #1	6,423,000	2	0.24%	3,646,500		0.42%
Archdiocese of Philadelphia	6,250,000	3	0.23%			
RIH Holdings LLC	4,914,500	4	0.18%			0.00%
Taxpayer #2	4,700,000	5	0.18%	1,630,000		0.19%
Create Associates	4,300,000	6	0.16%			0.00%
Taxpayer #3	4,000,000	7	0.15%	2,915,000		
Tropicana AC Sub Corp.	3,613,400	8	0.14%			0.00%
La-Mar-Gate	3,469,400	9	0.13%	1,800,000		0.21%
Taxpayer #4	3,377,500	10	0.13%			0.00%
Shalom Towers				4,300,000		
Bell Atlantic				3,591,699		0.41%
Sisters of Charity				2,625,000		0.30%
AC Hilton				2,000,000		0.23%
Ramada, NJ				1,978,900		0.23%
Total	$ 56,430,900		2.11%	$ 34,787,099		3.18%

During this ten year period the City conducted two revaluations. Therefore, it is difficult to pinpoint the exact cause of this significant change.

Source: District CAFR & Municipal Tax Assessor

CITY OF VENTNOR SCHOOL DISTRICT
Property Tax Levies and Collections,
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2001	8,749,114	8,749,114	100.00%	-
2002	10,143,360	10,143,360	100.00%	-
2003	10,333,760	10,333,760	100.00%	-
2004	11,973,299	11,973,299	100.00%	-
2005	12,816,519	12,816,519	100.00%	-
2006	13,974,618	13,974,618	100.00%	-
2007	15,597,115	15,597,115	100.00%	-
2008	15,193,897	15,193,897	100.00%	-
2009	15,755,683	15,755,683	100.00%	-
2010	16,686,417	16,686,417	100.00%	-

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

Note: School taxes are collected by the Municipal Tax Collector. Under New Jersey State Statute, a municipality is required to remit to the school district the entire property tax balance, it is 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

	Governmental Activities				Business-Type Activities			
Fiscal Year Ended June 30,	General Obligation Bonds [b]	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Total District	Percentage of Personal Income [a]	Per Capita [a]
2001	18,577,000		140,916			18,717,916	4.883%	1,456
2002	18,027,000		404,894			18,431,894	4.550%	1,435
2003	17,242,000		407,135			17,649,135	4.461%	1,376
2004	16,357,000		280,203			16,637,203	4.166%	1,298
2005	16,481,000		292,565			16,773,565	4.171%	1,317
2006	15,391,000		389,137			15,780,137	3.808%	1,256
2007	14,341,000		379,009			14,720,009	3.415%	1,195
2008	13,211,000		234,931			13,445,931	3.077%	1,103
2009	12,076,000		230,485			12,306,485	2.780%	1,010
2010	11,025,000		106,821			11,131,821	2.296%	915

Source: District CAFR Schedules I-1, 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

	General Bonded Debt Outstanding				
Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value [a] of Property	Per Capita [b]
2001	18,577,000		18,577,000	2.14%	1,445
2002	18,027,000		18,027,000	2.08%	1,403
2003	17,242,000		17,242,000	1.33%	1,344
2004	16,357,000		16,357,000	1.27%	1,277
2005	16,481,000		16,481,000	1.28%	1,294
2006	15,391,000		15,391,000	0.56%	1,225
2007	14,341,000		14,341,000	0.54%	1,164
2008	13,211,000		13,211,000	0.49%	1,084
2009	12,076,000		12,076,000	0.45%	1,141
2010	11,025,000		11,025,000	0.42%	906

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.

CITY OF VENTNOR SCHOOL DISTRICT
Ratios of Overlapping Governmental Activities Debt
As of June 30, 2010
Unaudited

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable [a]	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
City of Ventnor	$ 15,035,736	100.00%	$ 15,035,736
Other debt			
Atlantic County (5.015%) as of December 31, 2009	138,754,531	5.015%	6,959,141
Subtotal, overlapping debt			21,994,877
CITY OF VENTNOR School District Direct Debt			11,025,000
Total direct and overlapping debt			$ 33,019,877

Sources: Ventnor City Finance Officer, Atlantic County Finance Office and Authorities

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 Ventnor City. 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.

CITY OF VENTNOR SCHOOL DISTRICT
Legal Debt Margin Information,
Last Ten Fiscal Years
Unaudited

Legal Debt Margin Calculation for Fiscal Year 2009

		Equalized valuation basis	
		2009	$ 2,799,403,461
		2008	2,977,324,427
		2007	2,891,691,925
	[A]		8,668,419,813
Average equalized valuation of taxable property	**[A/3]**		2,889,473,271
Debt limit (3 % of average equalization value)	**[B]**		86,684,198 **a**
Net bonded school debt	**[C]**		12,076,000
Legal debt margin	**[B-C]**		$ 74,608,198

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Debt limit		29,267,333	31,564,943	36,098,957	43,337,684	53,239,056	65,901,185	77,274,972	85,619,614	86,684,198
Total net debt applicable to limit		18,027,000	17,242,000	16,357,000	16,481,000	15,391,000	14,341,000	13,211,000	12,076,000	11,025,000
Legal debt margin	$ -	11,240,333	14,322,943	19,741,957	26,856,684	37,848,056	51,560,185	64,063,972	73,543,614	75,659,198
Total net debt applicable to the limit as a percentage of debt limit		61.59%	54.62%	45.31%	38.03%	28.91%	21.76%	17.10%	14.10%	12.72%

Debt limit on years 2000 to 2001 not supplied by the City of Ventnor.

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

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

CITY OF VENTNOR SCHOOL DISTRICT
Demographic and Economic Statistics
Last Ten Fiscal Years
Unaudited

Year	Population [a]	Personal Income (thousands of dollars) [b]	Per Capita Personal Income [c]	Unemployment Rate [d]
2001	12,855	405,061	31,510	3.50%
2002	12,845	395,639	30,801	4.00%
2003	12,827	399,330	31,132	4.20%
2004	12,813	402,123	31,384	5.10%
2005	12,737	414,437	32,538	5.10%
2006	12,564	431,033	34,307	5.70%
2007	12,316	436,972	35,480	5.70%
2008	12,187	442,693	36,325	7.10%
2009	12,171	484,832	39,835	12.60%
2010	12,171	484,832	39,835	12.60%

Source:
a Population information provided by the NJ Dept of Labor and Workforce Development
b Personal income is calculated by multiplying per capita income by the population
c Per Capita Income US Department of Commerce, Bureau of Economic Analysis, April 2010
d Unemployment data provided by the NJ Dept of Labor and Workforce Development

CITY OF VENTNOR SCHOOL DISTRICT
Principal Employers,
Current Year and Ten Years Ago
Unaudited

	2010			2000		
Employer	**Employees**	**Rank (Optional)**	**Percentage of Total Employment**	**Employees**	**Rank (Optional)**	**Percentage of Total Employment**
		1	-			0.00%
		2	-			0.00%
		3	-			0.00%
		4	-			0.00%
		5	-			0.00%
		6	-			0.00%
		7	-			0.00%
		8	-			0.00%
		9	-			0.00%
		10	-			0.00%
						0.00%
						0.00%
						0.00%
	-		-	-		-

GASB requires this table to present the principal employers for the current year and ten years ago, however the information was not available.

CITY OF VENTNOR SCHOOL DISTRICT
Full-time Equivalent District Employees by Function/Program,
Last Five Fiscal Years
Unaudited

Function/Program	2006	2007	2008	2009	2010
Instruction					
Regular	70.0	65.0	72.5	66.0	61.0
Special education	11.0	10.0	10.0	15.5	10.5
Other special education	11.5	9.5	10.0	11.5	12.0
Other instruction	2.0	2.0	2.0	2.0	2.0
Support Services:					
Student & instruction related services	22.5	15.5	11.5	15.5	23.5
General administrative services	4.0	3.0	4.0	2.5	2.0
School administrative services	6.0	7.0	4.5	7.0	7.0
Business administrative services	3.0	4.5	5.0	5.5	5.5
Plant operations and maintenance	2.5	2.5	2.5	2.5	3.5
Pupil transportation	11.0	11.0	11.0	9.0	11.0
Food Service	6.0	5.5	5.5	6.5	8.0
Child Care	1.0	-	-	0.5	0.5
Total	150.5	135.5	138.5	144.0	146.5

GASB requires this table to present the full-time equivalent district employees by function/program for the current year and the previous nine years, however only the past five years of information was available.

Source: District Personnel Records

CITY OF VENTNOR SCHOOL DISTRICT
Operating Statistics
Last Ten Fiscal Years
Unaudited

Fiscal Year	Enrollment	Operating Expenditures [a]	Cost Per Pupil	Percentage Change	Teaching Staff [b]	Pupil/Teacher Ratio Elementary/ Middle School	Average Daily Enrollment (ADE) [c]	Average Daily Attendance (ADA) [c]	% Change in Average Daily Enrollment	Student Attendance Percentage
2001	1,058	12,017,369	11,359	10.75%	92	12:1	1,070	1,014	-0.56%	94.77%
2002	1,132	13,684,622	12,089	6.43%	99	11:1	1,103	1,048	3.08%	95.01%
2003	1,129	14,106,595	12,495	3.36%	103	11:1	1,151	1,086	4.35%	94.35%
2004	1,129	16,296,003	14,434	15.52%	103	11:1	1,125	1,067	-2.26%	94.84%
2005	1,049	17,386,163	16,574	14.83%	107	10:1	1,068	1,012	-5.07%	94.76%
2006	1,005	19,948,756	19,850	19.76%	107	9:1	979	927	-8.33%	94.69%
2007	948	20,826,313	21,969	10.68%	102	9:1	947	898	-3.27%	94.83%
2008	948	20,639,010	21,771	-0.90%	102	9:1	936	887	-1.16%	94.76%
2009	943	20,825,589	22,084	1.44%	95	10:1	985	923	5.24%	93.71%
2010	990	22,160,776	22,385	1.36%	86	11:1	969	909	-1.62%	93.81%

Sources: District records, ASSA and Schedules J-12, J-14

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
District Building										
Ventnor Educational Community Complex (1969)										
Square Feet	107,357	107,357	107,357	152,357	152,357	152,357	152,357	152,357	152,357	152,357
Capacity (students)	743	743	743	1,063	1,063	1,063	1,063	1,063	1,063	1,063
Enrollment	1,058	1,132	1,129	1,129	1,049	1,005	948	948	943	990

Number of Schools at June 30, 2010
One building- Elementary/Middle School

Source: District records, ASSA

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of and additions. Enrollment is based on the actual October district count.

CITY OF VENTNOR SCHOOL DISTRICT
General Fund
Schedule of Required Maintenance for School Facilities
Last Eight Years
Unaudited

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

School Facilities	Project # (s)	2010	2009	2008	2007	2006	2005	2004	2003
City of Ventnor School	N/A	$ 186,361	240,991	259,805	237,369	210,710	212,511	183,664	144,288
Total School Facilities		186,361	240,991	259,805	237,369	210,710	212,511	183,664	144,288
Other Facilities									
Grand Total		$ 186,361	240,991	$ 259,805	237,369	210,710	212,511	183,664	144,288

CITY OF VENTNOR SCHOOL DISTRICT

Insurance Schedule
June 30, 2010
Unaudited

	Coverage	Deductible
School Package Policy		
Property - Blanket Building & Contents	$ 150,000,000	$ 5,000
Extra Expense - Blanket	5,000,000	
Miscellaneous School Property	100,000	
Flood	1,000,000	500,000
Valuable papers	5,000,000	
Electronic Data Processing Equipment	2,500,000	
Contractor's Equipment	Included in Blanket Coverage Limit	
General Liability	5,000,000.00 per Occ., 5,000,000.00 Aggreg.	
Personal /Adver. Liability	5,000,000	
Fire Damage Liability	5,000,000	
Medical Expenses	10,000	
Employee Benefits Liability	5,000,000.00 per Occ., 2,000,000.00 Aggreg.	
Employee Dishonesty	250,000	5,000
Forgery/Alterations	50,000	1,000
Automobile Policy:		
Comprehensive Automobile Liability	5,000,000	5,000
Uninsured Motorist	15,000	
Medical Payments	5,000	
School Board Legal Liability	5,000,000.00 per Occ. 10,000,000.00 Aggreg.	10,000
Umbrella Liability	5,000,000	
Boiler and Machinery	100,000,000	1,000
Flood Insurance		
Property - Building	5,000,000	5,000
Property - Contents	500,000	5,000
Student Accident	1,000,000	
Bonds		
Board Secretary	2,000	
Treasurer of School Funds	209,000	

Source: District Records

Single Audit Section

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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*

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

We have audited 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, 2010, which collectively comprises the District's basic financial statements, and have issued our report thereon dated October 28, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and audit requirements prescribed by the Division of Finance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Board of Education of the City of Ventnor School District's internal control over financial reporting as a basis for determining our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Board of Education of the City of Ventnor School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Board of Education of the City of Ventnor School District's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Board of Education of the City of Ventnor School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* or the requirements of the Department of Education.

This report is intended solely for the information and use of the finance committee, management, and the State of New Jersey, Department of Education (the cognizant audit agency) and other state and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

Kenneth Moore, CPA

Kenneth Moore, CPA
Licensed Public School Accountant
No. CS00499

Swartz & Co., LLC

Swartz & Co., LLC
Certified Public Accountants

October 28, 2010

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Report on Compliance With Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A133 And New Jersey Circular OMB 04-04

Independent Auditor's Report

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

Compliance

We have audited the City of Ventnor Board of Education's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* and the *New Jersey State Grants Compliance Supplement* that could have a direct and material effect on each of the City of Ventnor Board of Education's major federal and state programs for the year ended June 30, 2010. 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. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal and state programs is the responsibility of the City of Ventnor Board of Education's management. Our responsibility is to express an opinion on the City of Ventnor Board of Education's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey OMB 04-04, *New Jersey State Grants Compliance Supplement.* Those standards, OMB Circular A-133 and New Jersey OMB 04-04 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 or 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. Our audit does not provide a legal determination of the City of Ventnor Board of Education's compliance with those requirements.

In our opinion, the City of Ventnor Board of Education complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2010.

Internal Control Over Compliance

Management of the City of Ventnor Board of Education is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal and state programs. In planning and performing our audit, we considered the City of Ventnor Board of Education's internal control over compliance with the requirements that could have a direct and material effect on a major federal or state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on compliance in accordance with OMB Circular A-133, 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 Board's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, 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.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses We did not identify any deficiencies in internal control over compliance that we consider to be *material weaknesses*, as defined above.

This report is intended solely for the information of the audit committee, management, Board of Education, the New Jersey State Department of Education (cognizant audit agency) and other state and federal awarding agencies and is not intended to be, and should not be, used by anyone other than these specified parties.

Kenneth Moore, CPA

Kenneth Moore, CPA
Licensed Public School Accountant
No. CS00499

Swartz & Co., LLC

Swartz & Co., LLC
Certified Public Accountants

October 28, 2010

City of Ventnor School District
(A Component Unit of the City of Ventnor)
Schedule of Expenditures of Federal Awards
for the Fiscal Year ended June 30, 2010

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant or State Project Number	Grant Period	Program or Award Amount	Balance at June 30, 2009	Carryover Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Year's Balances	Adjustments	Balance at June 30, 2010 (Accounts Receivable)	Balance at June 30, 2010 Deferred Revenue	Balance at June 30, 2010 Due to Grantor
U. S. Department of Agriculture													
Passed-through State Department of Education:													
Enterprise Fund:													
Food Distribution Program	10.550	N/A	7/1/09- 6/30/10	41,588			41,588	(41,588)					
National School Lunch Program	10.555	N/A	7/1/09 - 6/30/10	210,879			194,749	(210,879)			(16,130)		
National School Lunch Program	10.555	N/A	7/1/08 - 6/30/09	199,911	(35,410)		35,410						
School Breakfast Program	10.553	N/A	7/1/09 - 6/30/10	54,958			49,138	(54,958)			(5,820)		
School Breakfast Program	10.553	N/A	7/1/08 - 6/30/09	41,303	(8,544)		8,544						
School Snack Program	10.555	N/A	7/1/09 - 6/30/10	5,194			4,848	(5,194)			(346)		
School Snack Program	10.555	N/A	7/1/08 - 6/30/09	15,303	(1,158)		1,158						
Special Milk Program	10.556	N/A	7/1/09 - 6/30/10	636			580	(636)			(56)		
Special Milk Program	10.556	N/A	7/1/08 - 6/30/09	930	(152)		152						
Fresh Fruits and Vegetable Program	10.582	N/A	7/1/09 - 6/30/10	56,453			53,724	(56,453)			(2,729)		
Total U.S. Department of Agriculture					(45,264)	-	389,891	(369,708)	-	-	(25,081)	-	-
U.S. Department of Health and Human Services													
Passed-through State Department of Health and Human Services													
Medical Assistance	93.778	N/A	7/1/09 - 6/30/10	16,787			11,957	(16,787)			(4,830)		
Total General Fund					-	-	11,957	(16,787)	-	-	(4,830)	-	-
U.S. Department of Education													
Passed-through State Department of Education:													
Special Revenue Fund:													
No Child Left Behind													
Title 1, Part A	84.010	NCLB302010	9/1/09 - 8/31/10	481,970		(7,801)	351,824	(400,661)			(56,638)	-	
Title 1, Part A Carryover	84.010	NCLB302009	9/1/08 - 8/31/09	461,294	(7,801)	7,801							
ARRA - Title 1, Part A	84.389		9/1/09 - 8/31/10	242,316			101,011	(133,443)			(32,432)		
Title II, Part A, Teachers & Principals Training	84.367A	NCLB302010	9/1/09 - 8/31/10	60,502		4,677	34,992	(40,364)			(695)	-	
Title II, Part A, Teachers & Principals Training Carryover	84.367A	NCLB302009	9/1/08 - 8/31/09	55,058	4,677	(4,677)							
Title II, Part D, Enhancing Education Through Technology	84.318X	NCLB302010	9/1/09 - 8/31/10	4,797			1,736	(3,333)			(1,597)	-	
Title II, Part D, Enhancing Education Through Technology Carryover	84.318X	NCLB302009	9/1/08 - 8/31/09	3,831	(39)		2,914	(2,875)				-	
Title II, Part D, Enhancing Education Through Technology Carryover	84.318X	NCLB302008	9/1/07 - 8/31/08	2,516	256					(256)			
Title III, English Language Enhancement	84.365A	NCLB302010	9/1/09 - 8/31/10	31,797		4,670	18,453	(29,568)			(6,445)	-	
Title III, English Language Enhancement Carryover	84.365A	NCLB302009	9/1/08 - 8/31/09	33,574	4,670	(4,670)							
Title IV Safe & Drug Free Schools and Community	84.186	NCLB302010	9/1/08 - 8/31/09	7,071		151	5,617	(6,083)			(315)	-	
Title IV Safe & Drug Free Schools and Community Carryover	84.186	NCLB302009	9/1/07 - 8/31/08	7,397	151	(151)							
Title IV Safe & Drug Free Schools and Community Carryover	84.186	NCLB302006	9/1/05 - 8/31/06	10,684	79								79
I.D.E.A. Part B - Basic	84.027	IDEA535010	9/1/09 - 8/31/10	304,915			282,045	(285,364)			(3,319)	-	
I.D.E.A. Part B - Basic Carryover	84.027	IDEA535009	9/1/08 - 8/31/09	316,331	(7,642)		12,474	(4,832)				-	
I.D.E.A. Part B - Basic Carryover	84.027	IDEA535008	9/1/07 - 8/31/08	297,269	3,360					(3,360)			
ARRA - I.D.E.A. Part B	84.391		9/1/09 - 8/31/10	353,635			198,258	(258,252)			(59,994)		
I.D.E.A. Part B - Preschool	84.173	IDEA535006	9/1/08 - 8/31/09	8,142			8,142	(8,142)					
ARRA - I.D.E.A. Part B - Preschool	84.391		9/1/09 - 8/31/10	12,738			12,738	(12,738)					
ARRA - National School Lunch Program Equipment	10.579		9/1/09 - 8/31/10	29,135			29,135	(29,135)					
Twenty-First Century Community Learning Centers	84.287	06-EK05-H5	7/1/08 - 6/30/09	535,000	262		41,000	(67,157)			(25,895)		
Teacher Quality Enhancement Grant-Mentoring	84.336A		7/1/04-6/30/05	1,173	133								133
Total Special Revenue Fund					(1,894)	-	1,100,339	(1,281,947)	-	(3,616)	(187,330)	-	212
Total Federal Financial Awards					(47,158)	-	1,502,187	(1,668,442)	-	(3,616)	(217,241)	-	212

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

City of Ventnor School District
(A Component Unit of the City of Ventnor)
Schedule of Expenditures of State Financial Assistance
for the Fiscal Year ended June 30, 2010

Federal Grantor/Pass-Through Grantor/ Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2009 Deferred Revenue/ (Accounts Receivable)	Balance at June 30, 2009 Due to Grantor	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments/ Repayment of Prior Year's Balances	Balance at June 30, 2010 (Accounts Receivable)	Balance at June 30, 2010 Deferred Revenue/ Interfund	Balance at June 30, 2010 Due to Grantor	MEMO Budgetary Receivable	MEMO Cumulative Total Expenditures
State Department of Education														
General Fund:														
Categorical Transportation Aid	495-034-5120-014	7/1/09-6/30/10	284,100				284,100	(284,100)					25,172	284,100
Categorical Special Education Aid	495-034-5120-089	7/1/09-6/30/10	645,787				645,787	(645,787)					57,219	645,787
Categorical Security Aid	495-034-5120-084	7/1/09-6/30/10	327,863				327,863	(327,863)					29,050	327,863
Adjustment Aid	495-034-5120-085	7/1/09-6/30/10	818,881				818,881	(818,881)					72,555	818,881
Extraordinary Aid	100-034-5120-473	7/1/09-6/30/10	32,534					(32,534)		(32,534)				32,534
Extraordinary Aid	100-034-5120-473	7/1/08-6/30/09	6,495	(6,495)			6,495							6,495
Nonpublic Transportation Aid	N/A	7/1/09-6/30/10	7,579					(7,579)		(7,579)				7,579
Nonpublic Transportation Aid	N/A	7/1/08-6/30/09	4,866	(2,436)			2,436							4,866
Reimbursed TPAF Social Security Contributions	495-034-5095-002	7/1/09-6/30/10	516,936				491,212	(516,936)		(25,724)				516,936
Reimbursed TPAF Social Security Contributions	495-034-5095-002	7/1/08-6/30/09	537,252	(25,189)			25,189							537,252
Total General Fund				(34,120)	-	-	2,601,963	(2,633,680)	-	(65,837)	-	-	183,996	3,182,293
Special Revenue Fund:														
Preschool Education Aid	495-034-5120-086	7/1/09-6/30/10	199,051				199,051	(195,836)			3,215		19,905	195,836
Preschool Education Aid	495-034-5120-086	7/1/08-6/30/09	199,051	909							909			198,142
NJ Nonpublic Aid:														
Textbook Aid	100-034-5120-064	7/1/09-6/30/10	9,440				9,440	(9,440)				-		9,440
Auxilliary Services:														
Compensatory Education	100-034-5120-067	7/1/09-6/30/10	15,931				15,931	(15,931)				-		15,931
English as a Second Language	100-034-5120-067	7/1/09-6/30/10	11,744				11,744	(11,744)						11,744
Handicapped Services:														
Examination and Classification	100-034-5120-066	7/1/09-6/30/10	8,405				8,405	(4,712)				3,693		2,745
Corrective Speech	100-034-5120-066	7/1/09-6/30/10	6,277				6,277	(3,720)				2,557		6,277
Nursing Services	100-034-5120-070	7/1/09-6/30/10	11,194				11,194	(11,194)						11,194
Evening School for Foreign Born Residents	100-034-5062-026	7/1/07-6/30/08	2,000	713								713		1,287
Evening School for Foreign Born Residents	100-034-5062-026	7/1/06-6/30/07	1,719	6								6		1,713
Total Special Revenue Fund				1,628	-	-	262,042	(252,577)	-	-	4,124	6,969	19,905	454,309
State Department of Agriculture														
Enterprise Fund:														
National School Lunch Program (State Share)	100-010-3350-023	7/1/09-6/30/10	8,435				7,763	(8,435)		(672)				8,435
National School Lunch Program (State Share)	100-010-3350-023	7/1/08-6/30/09	8,452	(1,577)			1,577							8,452
State Breakfast Program	100-010-3350-021	7/1/09-6/30/10	3,606				3,233	(3,606)		(373)				3,606
State Breakfast Program	100-010-3350-021	7/1/08-6/30/09	2,936	(601)			601							2,936
Total Enterprise Fund				(2,178)	-	-	13,174	(12,041)	-	(1,045)	-	-	-	23,429
Total State Financial Assistance				(34,670)	-	-	2,877,179	(2,898,298)	-	(66,882)	4,124	6,969	203,901	3,660,031

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

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, City of Ventnor School District. The Board of Education is defined in Note 1(A) to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements.

NOTE 3. RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to P.L. 2003, c.97 (A3521). For GAAP purposes that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment 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 net adjustment to reconcile from budgetary basis to GAAP basis is $433,232 for the general fund and $23,889 for the special revenue fund. See the following schedules and Note 1(D) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. There are no differences in the reporting of the food service funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

City of Ventnor School District
Notes to the Schedules of Financial Assistance
June 30, 2010

	General fund	Special Revenue Fund	Food service fund	Total
State Assistance:				
Actual amounts (budgetary) "revenues" from the Schedule of Expenditures of State Financial Assistance	$ 2,633,680	252,577	12,041	2,898,298
Difference – budget to "GAAP"				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		(3,415)		(3,415)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes	172,213	19,905		192,118
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(183,996)	(19,905)		(203,901)
On behalf payments recognized for GAAP purposes but not included in the Schedule of Expenditures of State Financial Assistance	445,015			445,015
Total State revenue as reported on the statement of revenues, expenditures and changes in fund balances	$ 3,066,912	249,162	12,041	3,328,115

	General Fund	Special Revenue Fund	Food Service Fund	Total
Federal Assistance:				
Actual amounts (budgetary) "revenues" from the Schedule of Expenditures of Federal Awards	$ 16,787	1,281,947	369,708	1,668,442
Difference - budget to "GAAP" Grant accounting budgetary basis differs from "GAAP" in that encumbrances are recognized as expenditures, and the related revenue is recognized.		27,304		27,304
Total Federal revenue as reported on the statement of revenue, expenditures, and changes in fund balance	$ 16,787	1,309,251	369,708	1,695,746

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. OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions, respectively. The amounts reported as TPAF Pension Contributions represents the amount paid by the State on behalf of the district for the year ended June 30, 2010. 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, 2010.

CITY OF VENTNOR SCHOOL DISTRICT
(A COMPONENT UNIT OF THE CITY OF VENTNOR)
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2010

Section I -- Summary of Auditor's Results

Financial Statement

Type of auditor's report issued	Unqualified			
Internal control over financial reporting:				
• Material weakness(es) identified?		yes	X	no
• Significant deficiency(ies) identified?		yes	X	none reported
Noncompliance material to financial statements noted?		yes	X	no

Federal Awards

Internal Control over major programs:				
• Material weakness(es) identified?		yes	X	no
• Significant deficieny(ies) identified?		yes	X	none reported
Type of auditor's report issued on compliance for major programs	Unqualified			
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?		yes	X	no

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
84.027/84.173/84.391/84.392	IDEA Basic, IDEA Preschool, IDEA Basic - ARRA & IDEA PS-ARRA
84.010/84.389	Title I & Title I - ARRA

Dollar Threshold used to distinguisth between type A and type B programs:				$ 300,000
Auditee qualified as low-risk auditee?	X	yes		no

State Awards

Internal Control over major programs:

- Material weakness(es) identified? _____ yes X no
- Significant deficieny(ies) identified? _____ yes X none reported

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

Any audit findings disclosed that are required to be reported in accordance with OMB Circular 04-04 _____ yes X no

Identification of major programs:

GMIS Number(s)	Name of State Program
495-034-5120-014	Transportation Aid
495-034-5095-002	Reimbursed TPAF Social Security Contributions
495-034-5120-086	Preschool Education Aid

Dollar Threshold used to distinguisth between type A and type B programs: $ 300,000

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

CITY OF VENTNOR SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDING JUNE 30, 2010

Part 2 – Schedule of Financial Statement Findings

None

Part 3 – Schedule of Federal and State Award Findings and Questioned Costs

None

Status of Prior Year Findings

None