

**OCEAN GATE SCHOOL DISTRICT**

Ocean Gate, New Jersey  
County of Ocean

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**



**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**OF THE**

**OCEAN GATE SCHOOL DISTRICT**

**BAYVILLE, NEW JERSEY**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

**Prepared by**

**Ocean Gate School District  
Business Administrator's Office**



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**INTRODUCTORY SECTION**

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Ocean Gate School District  
126 West Arverne Avenue  
P.O. Box 478  
Ocean Gate, New Jersey 08740  
(732) 269-3023

Mr. Frank B. Vanalesti  
Superintendent

Mr. John Failla  
Business Administrator/  
Board Secretary

December 3, 2013

Honorable President and  
Members of the Board of Education  
Ocean Gate School District  
126 W. Arverne Avenue  
Ocean Gate, NJ 08740

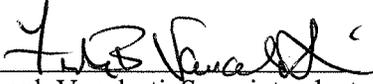
Dear Board Members:

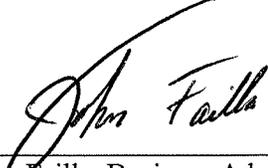
The comprehensive annual financial report of the Ocean Gate School District ("District") for the fiscal year ending June 30, 2013 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Ocean Gate Board of Education ("Board"). 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 operation 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, a roster of principal officials and a list of consultants and advisors. The financial section includes the district-wide and fund financial statements and schedules, as well as the auditor's report and the Management's Discussion and Analysis. The statistical section includes selected financial statements and schedules as well as information generally presented on a multi-year basis.

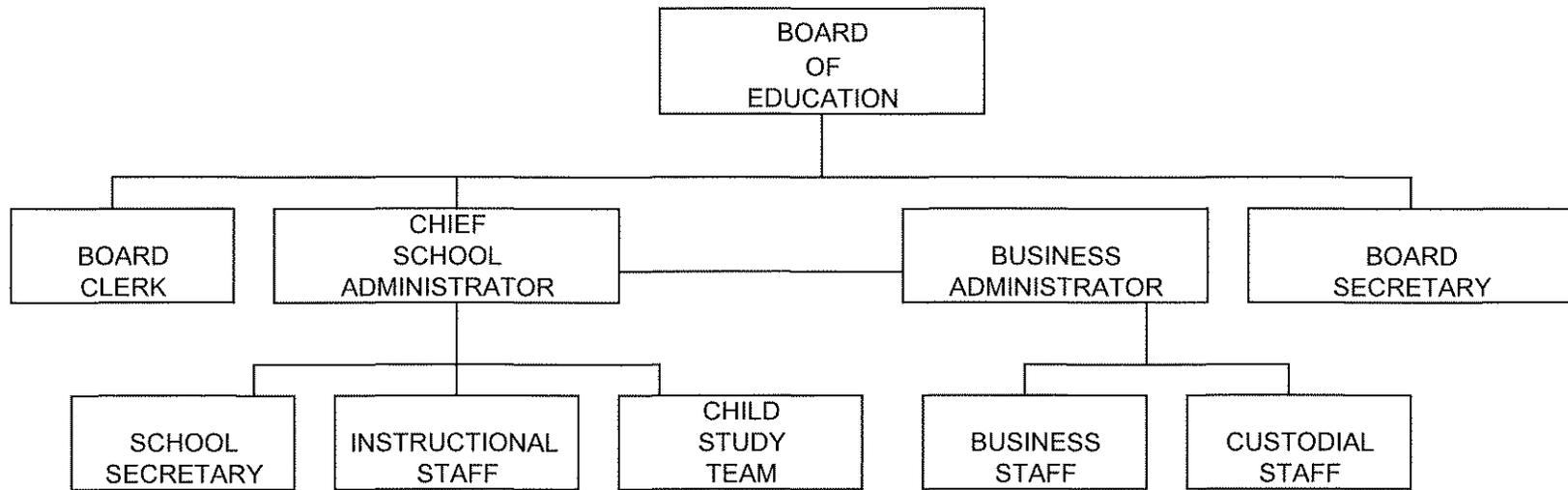
The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984, the U.S. Office of Management and Budget ("OMB") Circular A-133, Audits of States, Local Governments and Non-Profit Organization, and the State Treasury OMB Circular 04-04, Single 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 of this report.

Respectfully Submitted,

  
Frank Vanalesti, Superintendent

  
John Failla, Business Administrator/  
Board Secretary

OCEAN GATE BOARD OF EDUCATION  
ORGANIZATIONAL CHART  
(UNIT CONTROL)



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**OCEAN GATE SCHOOL DISTRICT  
OCEAN GATE, NEW JERSEY**

**ROSTER OF OFFICIALS**

**JUNE 30, 2013**

**MEMBERS OF THE BOARD OF EDUCATION**

**TERM EXPIRES**

Juan Alicia, President	2013
Ashley Wilgus, Vice President	2015
John Serpica	2015
Carlos A. Acevedo, III	2015
Nancy Ricany	2014

**OTHER OFFICIALS**

Frank Vanalesti, Superintendent of Schools

John Failla, CPA, Business Administrator/Board Secretary

Stephen Brennan, Treasurer of School Monies

Authur Stein, Esq., Solicitor

**OCEAN GATE SCHOOL DISTRICT  
OCEAN GATE, NEW JERSEY**

**CONSULTANTS AND ADVISORS**

**Architect**

The Gibson Tarquini Group  
764 Cuthbert Boulevard  
Cherry Hill, NJ 08002

**ATTORNEY**

Arthur Stein  
1041 West Lacey Road  
P.O. Box 1070  
Forked River, New Jersey 08731

**AUDIT FIRM**

Robert W. Allison, CPA, RMA  
Holman Frenia Allison, P.C.  
912 Highway 33, Suite 2  
Freehold, New Jersey 07728

**OFFICIAL DEPOSITORY**

TD Bank  
CN 2050  
Toms River, New Jersey 08754-2050

**Bond Council**

McCarter English, LLP  
Four Gateway Center  
100 Mulberry Street  
P.O. Box 652  
Newark, New Jersey 07102-0652

**FINANCIAL SECTION**

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**INDEPENDENT AUDITOR’S REPORT**

Honorable President and Members  
of the Board of Education  
Ocean Gate School District  
County of Ocean  
Ocean Gate, New Jersey

**Report on the Financial Statements**

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 Ocean Gate School District, County of Ocean, State of New Jersey, as of and for the fiscal year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements as listed in the table of contents.

**Management’s Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor’s Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Office of School 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Ocean Gate School District, County of Ocean, State of New Jersey, as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 13 through 23 and 87 through 95 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Ocean Gate Board of Education's basic financial statements. The accompanying introductory section, comparative totals for June 30, 2012, and other supplementary information such as the combining and individual fund financial statements, long-term debt schedules and statistical information are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal 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 is also not a required part of the financial statements.

The combining and individual fund financial statements, long-term debt schedules and the accompanying schedule of expenditures of federal and state financial assistance is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements, long-term debt schedules and the accompanying

schedule of expenditures of federal and state financial assistance are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The introductory section, comparative totals for June 30, 2012, and statistical information have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 5, 2013 on our consideration of the Board of Education of the Ocean Gate School District's 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Board of Education of the Ocean Gate School District's internal control over financial reporting and compliance.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

A handwritten signature in black ink, appearing to read 'R. Allison', with a long horizontal line extending to the left.

Robert W. Allison  
Public School Accountant  
Certified Public Accountant  
No. 897

Freehold, New Jersey  
November 5, 2013



**REQUIRED SUPPLEMENTARY INFORMATION - PART I**

Management's Discussion and Analysis

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OCEAN GATE SCHOOL DISTRICT  
OCEAN GATE, NEW JERSEY

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

UNAUDITED

The discussion and analysis of Ocean Gate School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2013. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

**Financial Highlights**

Key financial highlights for 2013 are as follows:

- ◆ General revenues accounted for \$2,946,319 in revenue or 90.96 percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$292,940 or 9.04 percent of total revenues of \$3,239,259.
- ◆ Total Net Position of governmental activities increased by \$219,145.
- ◆ The School District had \$3,029,209 in expenses; only \$292,940 of these expenses were offset by program specific charges for services, grants or contributions.
- ◆ The General Fund had \$2,731,117 in revenues and \$2,623,845 in expenditures and transfers. The General Fund's balance increased \$107,272 over the 2012-2013 school year.

## **Using this Comprehensive Annual Financial Report (“CAFR”)**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Ocean Gate School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The *Statement of Net Position* and *Statement of Activities* provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. In the case of the Ocean Gate School District, the General Fund is by far the most significant fund.

## **Reporting the School District as a Whole**

### **Statement of Net Position and the Statement of Activities**

While this document contains the majority of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, “How did we do financially during 2013?” The Statement of Net Position and the Statement of Activities helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting which is similar to the accounting treatment utilized by most private-sector companies. The accrual basis method of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's Net Position and changes in those assets. This change in Net Position is important because it tells the reader that, for the School District as a whole, the financial positions of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, and some not. Non-financial factors include the School District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

In the Statement of Net Position and the Statement of Activities, the School District is divided into two distinct types of activities:

- ◆ **Governmental Activities** – All of the School District's programs and services are reported here including, but not limited to, instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- ◆ **Business-Type Activities** – These activities are entrepreneurial in nature. The Food Service enterprise fund is reported as a business activity. Goods and services are provided at cost in the expectation of retaining revenues for a profit.

## **Reporting the School District's Most Significant Funds**

### **Fund Financial Statements**

An analysis of the District's funds (all) is included in the 2012-13 Comprehensive Annual Financial Report ("CAFR"). Fund financial reports provide detailed information about the School District's funds. The School District uses several funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds: General Fund, Special Revenue Fund and the Capital Projects Fund.

### **Governmental Funds**

The District's activities are reported in governmental funds. It focuses on how money flows in and out of these funds and the available balances left at year-end for spending in the future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or less financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

### **Enterprise Fund**

The Enterprise Fund uses the same basis of accounting as entrepreneurial activities; therefore, these statements are essentially the same.

## The School District as a Whole

Recall that the Statement of Net Position provides the perspective of the School District as a whole.

Table 1 provides a summary comparison of the School District's Net Position for 2013 and 2012.

Table 1

Net Position as of June 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Assets:		
Cash and Cash Equivalents	\$ 1,104,704	\$ 1,453,249
Receivables, Net	31,722	50,669
Inventory	304	500
Restricted Cash & Cash Equivalents	279,162	
Capital Assets, Net	<u>2,821,458</u>	<u>2,657,996</u>
Total Assets	<u>4,237,400</u>	<u>4,162,414</u>
Liabilities:		
Cash Deficit	1,878	
Accounts Payable	120,854	88,731
Accrued Expenses	22,129	24,951
Due to Other Funds	3,912	
Deferred Revenue	21,948	28,289
Noncurrent Liabilities:		
Due Within One Year	168,950	165,353
Due Beyond One Year	<u>1,105,865</u>	<u>1,273,270</u>
Total Liabilities	<u>1,445,536</u>	<u>1,580,594</u>
Net Position:		
Invested in Capital Assets, Net of Related Debt	1,780,458	1,307,690
Restricted for:		
Capital Projects Fund		219,471
Debt Service Fund		(22,815)
General Fund		1,017,275
Special Revenue Fund		(13,848)
Other Purposes	1,111,496	
Unrestricted	<u>(100,090)</u>	<u>74,041</u>
Total Net Position	<u>\$ 2,791,864</u>	<u>\$ 2,581,814</u>

Table 2 provides a comparison analysis of District-wide changes in Net Position from fiscal years 2013 and 2012.

Table 2

Changes in Net Position

	<u>2013</u>	<u>2012</u>
<u>Revenues</u>		
Program Revenues:		
Charges for Services	\$ 11,591	\$ 13,212
Operating Grants and Contributions	281,349	140,093
General Revenues:		
Property Taxes	1,607,338	1,585,561
Grants and Entitlements	1,274,227	1,293,064
Other	<u>64,754</u>	<u>10,221</u>
Total Revenues	<u>3,239,259</u>	<u>3,042,151</u>
<u>Program Expenses</u>		
Instruction	1,086,276	1,539,820
Support Services:		
Pupils and Instructional Staff	445,433	570,240
General Administration, School Administration, Administration, Business	155,831	196,513
Operations and Maintenance of Facilities	234,818	307,145
Central Services	100,848	112,692
Admin. Information Technology	12,322	12,328
Pupil Transportation	2,977	10,573
Unallocated Benefits	733,929	
Special Schools	22,862	25,143
Interest on Long-Term Debt	49,039	53,955
Unallocated Change in Compensated Absence	1,545	
Unallocated Depreciation Expense & Direct Depreciation Expenses to Programs	108,593	
Food Service	<u>74,736</u>	<u>69,357</u>
Total Expenses	<u>3,029,209</u>	<u>2,897,766</u>
Increase/(Decrease) in Net Position	<u>\$ 210,050</u>	<u>\$ 144,385</u>

**Governmental Activities**

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the District operations. Property taxes made up 50.82 % of revenues for governmental activities for the Ocean Gate School District for fiscal year 2013. The District's total governmental revenues were \$3,162,914 for the fiscal year ended June 30, 2013. Federal, state and local grants accounted for another 49.18%.

The total cost of all governmental program and services was \$2,954,473. Instruction comprises 36.77% of District's expenses.

## Business-Type Activities

Revenues for the District's entrepreneurial activities (Food Service Program) were comprised of charges for services, federal and state reimbursements. This deficit was made up by transfers from the General Fund.

- ◆ Food service expenses exceeded revenues by \$9,095.
- ◆ Charges for services represent \$11,591 of revenue. This represents amounts paid by patrons for daily food services.
- ◆ Federal and state reimbursements for meals, including payments for free and reduced breakfasts and lunches, as well as cost reduced commodities was \$44,230.

## Governmental Activities

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

Table 3

	2013		2012	
	Total Cost of <u>Services</u>	Net Cost of <u>Services</u>	Total Cost of <u>Services</u>	Net Cost of <u>Services</u>
Instruction	\$ 1,086,276	950,645	\$ 1,539,820	\$ 1,539,820
Support Services:				
Pupils and Instructional Staff	445,433	353,765	570,240	570,240
General Administration, School Administration, Business	155,831	155,831	196,513	196,513
Operation and Maintenance of Facilities	234,818	234,818	307,145	307,145
Central Services	100,848	100,848	112,692	112,692
Admin. Info. Tech.	12,322	12,322	12,328	12,328
Pupil Transportation	2,977	2,977	10,573	10,573
Unallocated Benefits	733,929	733,929		
Special Schools	22,862	22,862	25,143	25,143
Unallocated Change in Compensated Absence	1,545	1,545		
Unallocated Depreciation & Direct Depreciation Expenses To Programs	108,593	108,593		
Interest on Long-Term Debt	<u>49,039</u>	<u>49,039</u>	<u>53,955</u>	<u>(41,907)</u>
Total Expenses	<u>\$ 2,954,473</u>	<u>\$ 2,727,174</u>	<u>\$ 2,828,409</u>	<u>\$ 2,732,547</u>

Instruction expenses include activities that directly deal with the teaching of students, the interaction between teacher and student, and also includes extracurricular activities.

Pupils and instructional staff include activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development.

General administration, school administration and business include expenses associated with administrative and financial supervision of the School District.

Operation and maintenance of facilities involve activities that keep the school grounds, buildings and equipment in an effective working condition.

Curriculum and staff development include expenses related to planning, research, development and the evaluation of support services, as well as the reporting of this information internally and to the public.

Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by state law.

Extracurricular activities includes expenses related to student activities provided by the School District which are designed to provide opportunities for students to participate in school events, public events, or a combination of these for the purposes of motivation, enjoyment and skill improvement.

Interest and fiscal charges involve the transactions associated with the payment of interest and other related charges to debt of the School District.

Other includes unallocated depreciation and amortization.

## The School District's Funds

Information about the School District's major funds is included in the 2012-13 Comprehensive Annual Financial Report as presented by the School District. These funds are accounted for by using the modified accrual basis of accounting. All governmental funds (i.e., General Fund, Special Revenue Fund, Capital Projects Fund, and Debt Service Fund presented in the fund-based statements) had total revenues of \$3,173,497 and expenditures and transfers of \$2,920,254. The net positive/(negative) change in fund balance for the year was most significant in the Capital Projects Fund, with a decrease of \$219,471.

As demonstrated by the various statements and schedules included in the financial section of this report, the School District continues to meet its responsibility for sound financial management. The following schedule presents a summary of the revenues of the governmental funds (excluding capital projects) for the fiscal year ending June 30, 2013, and the amount and percentage of increases and decreases in relation to prior-year revenues.

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2011/12</u>	<u>Percent of Increase/ (Decrease)</u>
Local Sources	\$ 1,671,971	52.69%	\$ 76,139	4.55%
State Sources	1,374,197	43.30	74,218	5.40
Federal Sources	<u>127,329</u>	<u>4.01</u>	<u>38,381</u>	30.14
Total	<u>\$ 3,173,497</u>	<u>100.00%</u>	<u>\$ 188,738</u>	5.95%

The increase in Local Sources is attributed to an increase in tax and collectable aids.

The increase in State Sources is due to an increase in collectable aid.

The increase in Federal Sources is due to an increase in collectable Federal Grants.

The following schedule presents a summary of General Fund, Special Revenue Fund and Debt Service Fund expenditures for the fiscal year ended June 30, 2013.

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2011/12</u>	<u>Percent of Increase/ (Decrease)</u>
Current:				
Instruction	\$ 1,086,276	33.07%	\$ 3,697	0.34%
Undistributed Expenditures	1,709,020	52.03	135,352	7.92
Debt Service:				
Principal	165,355	5.03	3,422	2.07
Interest	51,861	1.58	(6,067)	(11.70)
Capital Outlay	<u>272,291</u>	<u>8.29</u>	<u>234,618</u>	86.16
Total	<u>\$ 3,284,803</u>	<u>100.00%</u>	<u>\$ 371,022</u>	11.30%

The increase in Current - Instruction is attributed to marginal cost increases.

The increase in Current - Undistributed Expenditures is attributed to budget categories.

The decrease in Debt Service is attributable to debt begin paid down.

The increase in Capital Outlay is attributed the completion of projects.

### **General Fund Budgeting Highlights**

The School District's budget is prepared according to New Jersey State law, and is based on accounting for certain transactions on a basis of modified accrual and encumbrance accounting. The most significant budgeted fund is the General Fund.

During the course of the fiscal year 2013, the District amended its General Fund budget as needed. The District uses program-based budgeting and the budgeting systems are designed to tightly control total program budgets but provide flexibility for program management.

- ◆ Staffing changes based on student needs.
- ◆ Additional costs for student transportation both in regular and special education.
- ◆ Accounting changes in maintenance and operations.
- ◆ Changes in appropriations to prevent budget overruns.

While the District's final budget for the General Fund anticipated that revenues and expenditures would approximately equal, the actual results for the year show an \$107,272 increase in surplus funds for a total unassigned free balance (GAAP) of \$157,878 at June 30, 2013.

## Capital Assets

At the end of the fiscal year 2013, the District had \$2,803,356 invested in land, site improvements, building and building improvements, and machinery and equipment, net of depreciation.

Table 4

Capital Assets (Net of Depreciation) at June 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Land	\$ 251,700	\$ 251,700
Site Improvements	372,357	162,556
Building and Building Improvements	2,142,311	2,191,785
Machinery and Equipment	<u>36,989</u>	<u>33,618</u>
Total	<u>\$ 2,803,356</u>	<u>\$ 2,639,659</u>

## Debt Administration

At June 30, 2013, the District had \$1,274,815 in outstanding debt. Of this amount, \$89,865 is for compensated absences, \$143,950 for loans payable, and \$1,041,000 for bonds payable.

## For the Future

One of the goals of the Ocean Gate School District is to prepare staff and facilities to meet the needs of all children. As such, the Ocean Gate School District has been able to meet its educational and facility past budgets. The District is preparing for Quality Single Accountability Continuum ("QSAC") to be presented to the New Jersey Department of Education. This preparation ensures that the School District is educationally and financially meeting goals as set forth by the Department of Education and the School District's Board of Education and administration.

The current school year's financial situation is dramatically influenced by the inclusion and out-of-District placement of our Special Education population. In addition, the passage of Legislation S-1701, and newly-presented accountability regulations present new challenges for the Ocean Gate School District. The School District's budget for the 2013-14 school year was formulated to include an decrease of \$65,250, or approximately 2.27% of its 2012-2013 budget.

The Ocean Gate School District continues to maintain sound fiscal management that coincides with relevant legislation and enables the District to continue to provide the high level of educational programs currently implemented. In addition, we will continue to seek discretionary funds to enable our school to continue to provide high-quality, sustained professional development for all of our teachers and support staff, Preschool through Grade 6, as well as continued funding to implement our full-day research-based Preschool and Kindergarten curricula, Early Literacy curricula, and all of the core curriculum content standards.

## **Contacting the School District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional information, please contact the School Business Administrator/Board Secretary at Ocean Gate Board of Education, 126 W. Arverne Avenue, PO Box 478, Ocean Gate, NJ 08740.



**BASIC FINANCIAL STATEMENTS**

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A. District-Wide Financial Statements

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**OCEAN GATE SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2013  
(With Comparative Totals for June 30, 2012)**

ASSETS			TOTALS	
			(MEMORANDUM ONLY)	
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	JUNE 30, 2013	JUNE 30, 2012
Cash & Cash Equivalents	\$ 1,104,704	-	\$ 1,104,704	\$ 1,454,542
Receivables, Net	24,498	\$ 7,274	31,772	50,669
Inventory	-	304	304	499
Restricted Cash & Cash Equivalents	279,162	-	279,162	-
Capital Assets, Net (Note 7)	2,803,356	18,102	2,821,458	2,657,995
Total Assets	4,211,720	25,680	4,237,400	4,163,705
<b>LIABILITIES</b>				
Cash Deficit	-	1,878	1,878	1,293
Accounts Payable	107,024	13,830	120,854	88,731
Accrued Interest Payable	22,129	-	22,129	24,951
Due to Other Funds	3,912	-	3,912	-
Unearned Revenue	21,948	-	21,948	28,289
Noncurrent Liabilities (Note 8):				
Due Within One Year	168,950	-	168,950	165,356
Due Beyond One Year	1,105,865	-	1,105,865	1,273,270
Total Liabilities	1,429,828	15,708	1,445,536	1,581,890
<b>NET POSITION</b>				
Invested in Capital Assets, Net of Related Debt	1,762,356	18,102	1,780,458	1,307,690
Restricted For:				
Debt Service	-	-	-	(22,815)
Capital Projects	-	-	-	219,471
Special Revenue Fund	-	-	-	(13,848)
Other Purposes	1,111,496	-	1,111,496	1,017,275
Unrestricted	(91,960)	(8,130)	(100,090)	74,041
Total Net Position	\$ 2,781,892	\$ 9,972	\$ 2,791,864	\$ 2,581,814

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

**OCEAN GATE SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2013  
(With Comparative Totals for June 30, 2012)**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		TOTALS	
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	CAPITAL GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	(MEMORANDUM ONLY) JUNE 30, 2012
Governmental Activities:							
Instruction:							
Regular Instruction	\$ 650,757	\$ -	\$ -	\$ -	\$ (650,757)	\$ -	\$ (1,162,974)
Special School Instruction	356,942	-	135,631	-	(221,311)	-	(292,490)
Other Special Instruction	78,577	-	-	-	(78,577)	-	(84,356)
Other Instruction	-	-	-	-	-	-	-
Support Services & Undistributed Costs:							
Tuition	-	-	-	-	-	-	(52,451)
Student & Instruction Related Services	445,433	-	-	-	(353,765)	-	(517,790)
General Administrative Services	102,081	-	91,668	-	(102,081)	-	(93,698)
School Administrative Services	53,750	-	-	-	(53,750)	-	(102,815)
Central Services	100,848	-	-	-	(100,848)	-	(112,692)
Administrative Information Technology	12,322	-	-	-	(12,322)	-	(12,328)
Plant Operations & Maintenance	234,818	-	-	-	(234,818)	-	(307,145)
Pupil Transportation	2,977	-	-	-	(2,977)	-	(10,573)
Unallocated Benefits	733,929	-	-	-	(733,929)	-	-
Special Schools	22,862	-	-	-	(22,862)	-	(25,142)
Unallocated Amortization of Bond Costs	-	-	-	-	-	-	-
Unallocated Change in Compensated Absence	1,545	-	-	-	(1,545)	-	-
Unallocated Depreciation Expense & Prior Year Fixed Asset Adjustments, Excluding Direct Depreciation Expenses to Programs	108,593	-	-	-	(108,593)	-	-
Interest Expense	49,039	-	-	-	(49,039)	-	41,908

**OCEAN GATE SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2013  
(With Comparative Totals for June 30, 2012)**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		TOTALS	
	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	CAPITAL GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	JUNE 30, 2013	JUNE 30, 2012 <small>(MEMORANDUM ONLY)</small>
Total Governmental Activities	2,954,473	-	227,299	(2,727,174)	-	(2,727,174)	(2,732,546)
Business-Type Activities:							
Food Service	74,736	11,591	54,050	-	(9,095)	(9,095)	(11,915)
Total Business-Type Activities	74,736	11,591	54,050	-	(9,095)	(9,095)	(11,915)
Total Primary Government	\$ 3,029,209	\$ 11,591	\$ 281,349	\$ (2,727,174)	(9,095)	(2,736,269)	(2,744,461)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, Net				1,486,957	-	1,486,957	1,464,271
Taxes Levied for Debt Service				120,381	-	120,381	121,290
Federal & State Aid Not Restricted				1,274,227	-	1,274,227	1,293,064
Services Provided Other LEA's				-	-	-	-
Miscellaneous Income				64,633	-	64,633	10,271
Investment Earnings				121	-	121	(50)
Transfers							
Total General Revenues				2,946,319	-	2,946,319	2,888,846
Change In Net Position				219,145	(9,095)	210,050	144,385
Beginning Net Position				2,562,747	19,067	2,581,814	2,437,429
Ending Net Position				\$ 2,781,892	\$ 9,972	\$ 2,791,864	\$ 2,581,814

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



## B. Fund Financial Statements



Governmental Funds

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**OCEAN GATE SCHOOL DISTRICT  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2013  
(With Comparative Totals for June 30, 2012)**

ASSETS	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTALS (MEMORANDUM ONLY)	
					JUNE 30, 2013	JUNE 30, 2012
Cash & Cash Equivalents	\$ 1,088,443	\$ 18,797	\$ 171		\$ 1,107,411	\$ 1,457,528
Investments	-	-	-	-	-	-
Tax Levy Receivable	-	-	-	-	-	-
Interfund Receivable	15,042	-	2,537	2,708	20,287	18,848
Intergovernmental Receivables:						
State	8,658	-	-	-	8,658	-
Federal	-	15,297	-	-	15,297	43,846
Other	-	-	-	-	-	-
Restricted Cash & Cash Equivalents	279,162	-	-	-	279,162	-
<b>Total Assets</b>	<b>\$ 1,391,305</b>	<b>\$ 34,094</b>	<b>\$ 2,708</b>	<b>\$ 2,708</b>	<b>\$ 1,430,815</b>	<b>\$ 1,520,222</b>
<b>LIABILITIES &amp; FUND BALANCES</b>						
Liabilities:						
Cash Deficit	-	-	-	\$ 2,707	\$ 2,707	\$ 2,986
Accounts Payable	\$ 98,678	\$ 8,346	-	-	107,024	80,409
Interfund Payable	6,449	14,499	\$ 2,708	-	23,656	21,872
Unearned Revenue	-	21,948	-	-	21,948	28,289
<b>Total Liabilities</b>	<b>105,127</b>	<b>44,793</b>	<b>2,708</b>	<b>2,707</b>	<b>155,335</b>	<b>133,556</b>
Fund Balances:						
Restricted for:						
Capital Reserve Account	125,000	-	-	-	125,000	-
Maintenance Reserve Account	261,556	-	-	-	261,556	251,556
Emergency Reserve Account	156,515	-	-	-	156,515	156,515
Excess Surplus	222,324	-	-	-	222,324	346,101
Excess Surplus Designated for Subsequent Year's Expenditures	346,101	-	-	-	346,101	216,386
Capital Projects	-	-	-	-	-	219,471
Debt Service	-	-	-	-	-	1
Committed for:						
Other Purposes	-	-	-	-	-	-
Assigned for:						
Designated for Subsequent Year's Expenditures	16,804	-	-	-	16,804	-
Debt Service	-	-	-	-	-	2,136
Other Purposes	-	-	-	-	-	46,717
Unassigned						
General Fund	157,878	-	-	-	157,878	161,631
Special Revenue Fund	-	(10,699)	-	1	(10,698)	(13,848)
<b>Total Fund Balances</b>	<b>1,286,178</b>	<b>(10,699)</b>	<b>-</b>	<b>1</b>	<b>1,275,480</b>	<b>1,386,666</b>
<b>Total Liabilities &amp; Fund Balances</b>	<b>\$ 1,391,305</b>	<b>\$ 34,094</b>	<b>\$ 2,708</b>	<b>\$ 2,708</b>		

Amounts reported for *governmental activities* in the statement of net position 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 \$4,471,391 and the accumulated depreciation is \$1,668,035	2,803,356	2,639,658
Accrual of bond and lease interest are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(22,129)	(24,951)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (See Illustrative Note 11)	(1,274,815)	(1,438,626)
<b>Net Position of Governmental Activities</b>	<b>\$ 2,781,892</b>	<b>\$ 2,562,747</b>

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

**OCEAN GATE SCHOOL DISTRICT  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2013  
(With Comparative Totals for June 30, 2012)**

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTALS	
					JUNE 30, 2013	(MEMORANDUM ONLY) JUNE 30, 2012
Revenues:						
Local Tax Levy	\$ 1,486,957	\$ -	\$ -	\$ 120,381	\$ 1,607,338	\$ 1,585,561
Services Provided Other LEA's	-	-	-	-	-	-
Miscellaneous	64,633	-	-	-	64,633	10,271
<b>Total Local Sources</b>	<b>1,551,590</b>	<b>-</b>	<b>-</b>	<b>120,381</b>	<b>1,671,971</b>	<b>1,595,832</b>
State Sources	1,171,073	108,424	-	94,700	1,374,197	1,299,979
Federal Sources	8,454	118,875	-	-	127,329	88,948
<b>Total Revenues</b>	<b>2,731,117</b>	<b>227,299</b>	<b>-</b>	<b>215,081</b>	<b>3,173,497</b>	<b>2,984,759</b>
Expenditures:						
Current:						
Regular Instruction	650,757	-	-	-	650,757	811,250
Special Education Instruction	224,460	132,482	-	-	356,942	186,973
Other Special Instruction	78,577	-	-	-	78,577	84,356
Other Instructional Programs	-	-	-	-	-	-
Support Services & Undistributed						
Costs - Current:						
Tuition	-	-	-	-	-	52,451
Student & Instruction Related						
Services	353,765	91,668	-	-	445,433	416,592
General Administrative	102,081	-	-	-	102,081	93,698
School Administrative Services	53,750	-	-	-	53,750	49,664
Central Services	100,848	-	-	-	100,848	86,117
Administrative Information						
Technology	12,322	-	-	-	12,322	12,328
Plant Operations & Maintenance	234,818	-	-	-	234,818	193,947
Pupil Transportation	2,977	-	-	-	2,977	10,573
Unallocated Benefits	733,929	-	-	-	733,929	633,156
Special Schools	22,862	-	-	-	22,862	25,142
Debt Service:						
Principal	-	-	-	165,355	165,355	161,933
Interest	-	-	-	51,861	51,861	57,928
Capital Outlay	50,233	-	222,058	-	272,291	37,673
<b>Total Expenditures</b>	<b>2,621,379</b>	<b>224,150</b>	<b>222,058</b>	<b>217,216</b>	<b>3,284,803</b>	<b>2,913,781</b>
Excess/(Deficiency) of Revenues						
Over/(Under) Expenditures	109,738	3,149	(222,058)	(2,135)	(111,306)	70,978
Other Financing Sources/(Uses):						
Transfer to/(from) Food Service					-	(6,423)
Transfer to/(from) Capital Projects			2,587		2,587	
Transfer to/(from) General Fund	(2,466)				(2,466)	(50)
<b>Total Other Financing Sources/(Uses):</b>	<b>(2,466)</b>	<b>-</b>	<b>2,587</b>	<b>-</b>	<b>121</b>	<b>(6,473)</b>
Net Change in Fund Balances	107,272	3,149	(219,471)	(2,135)	(111,185)	64,505
Fund Balance - July 1	1,178,906	(13,848)	219,471	2,136	1,386,665	1,322,161
Fund Balance - June 30	\$ 1,286,178	\$ (10,699)	\$ -	\$ 1	\$ 1,275,480	\$ 1,386,666

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

**OCEAN GATE SCHOOL DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES\  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2013**

Total Net Change in Fund Balances - Governmental Funds (From B-2) \$ (111,185)

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	(108,593)	
Capital Outlays & Capital Lease Additions	272,291	163,698

Repayment of bond, loan and capital lease principal is an expenditure in the governmental funds, but there payment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities. 165,356

Accrual of interest of capital leases, loans and bonds is not an expenditure in the governmental funds, but the adjustment is charged to expense and is reported in the statement of activities.

Prior Year	24,951	
Current Year	(22,129)	2,822

Repayment of compensated absences is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.

Prior Year	88,320	
Current Year	(89,865)	(1,545)

Change in Net Position of Governmental Activities \$ 219,146

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



## Proprietary Funds

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**OCEAN GATE SCHOOL DISTRICT  
 PROPRIETARY FUNDS  
 STATEMENT OF NET POSITION  
 JUNE 30, 2013  
 (With Comparative Totals for June 30, 2012)**

ASSETS	BUSINESS TYPE ACTIVITIES	TOTALS	
	ENTERPRISE FUND	(MEMORANDUM ONLY)	
	FOOD SERVICE	JUNE 30, 2013	JUNE 30, 2012
Current Assets:			
Account Receivable:			
State	\$ 55	\$ 55	\$ 38
Federal	3,307	3,307	1,985
Interfund Receivable	3,912	3,912	3,912
Inventories	304	304	499
Total Current Assets	<u>7,578</u>	<u>7,578</u>	<u>6,434</u>
Noncurrent Assets:			
Furniture, Machinery & Equipment	30,218	30,218	30,218
Less: Accumulated Depreciation	(12,116)	(12,116)	(11,880)
Total Noncurrent Assets	<u>18,102</u>	<u>18,102</u>	<u>18,338</u>
Total Assets	<u>25,680</u>	<u>25,680</u>	<u>24,772</u>
<b>LIABILITIES</b>			
Current Liabilities:			
Cash Deficit	1,878	1,878	1,293
Accounts Payable	13,830	13,830	4,411
Total Current Liabilities	<u>15,708</u>	<u>15,708</u>	<u>5,704</u>
<b>NET POSITION</b>			
Invested in Capital Assets Net of Related Debt	18,102	18,102	18,338
Unrestricted	(8,130)	(8,130)	730
Total Net Position	<u>\$ 9,972</u>	<u>\$ 9,972</u>	<u>\$ 19,068</u>

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

**OCEAN GATE SCHOOL DISTRICT  
PROPRIETARY FUNDS  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2013  
(With Comparative Totals for June 30, 2012)**

	BUSINESS TYPE		TOTALS	
	ACTIVITIES		(MEMORANDUM ONLY)	
	ENTERPRISE FUND	FOOD SERVICE	JUNE 30, 2013	JUNE 30, 2012
Operating Revenues:				
Charges for Services:				
Daily Sales - Nonreimbursable Programs	\$ 11,591	\$ 11,591	\$ 13,212	
<b>Total Operating Revenues</b>	<b>11,591</b>	<b>11,591</b>	<b>13,212</b>	
Operating Expenses:				
Salaries	10,045	10,045	6,910	
Sport Services - Employee Benefits	7,097	7,097	1,544	
Purchased Professional/Technical Services	44,074	44,074	12,020	
Insurance	436	436	-	
Management Fees	5,275	5,275	-	
Advertising Expense	-	-	193	
Other Purchased Services	-	-	31,148	
Supplies and Materials	186	186	(123)	
Depreciation	236	236	2,037	
Miscellaneous Expenditures	108	108	111	
Cost of Sales	7,279	7,279	15,517	
<b>Total Operating Expenses</b>	<b>74,736</b>	<b>74,736</b>	<b>69,357</b>	
<b>Operating Loss</b>	<b>(63,145)</b>	<b>(63,145)</b>	<b>(56,145)</b>	
Nonoperating Revenues/(Expenses):				
State Sources:				
State School Lunch Program	897	897	833	
Federal Sources:				
National School Lunch Program	42,093	42,093	36,281	
National School Breakfast Program	10,130	10,130	7,116	
National School Performance Based Program	930	930	-	
Interest & Investment Revenue	-	-	6,423	
<b>Total Nonoperating Revenues/(Expenses)</b>	<b>54,050</b>	<b>54,050</b>	<b>50,653</b>	
Change in Net Position	(9,095)	(9,095)	(5,492)	
Total Net Position - Beginning	19,067	19,067	24,559	
<b>Total Net Position - Ending</b>	<b>\$ 9,972</b>	<b>\$ 9,972</b>	<b>\$ 19,067</b>	

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

**OCEAN GATE SCHOOL DISTRICT  
PROPRIETARY FUNDS  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2013  
(With Comparative Totals for June 30, 2012)**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND		TOTALS	
			(MEMORANDUM ONLY)	
	FOOD SERVICE	BRIDGE PROGRAM	JUNE 30, 2013	JUNE 30, 2012
Cash Flows From Operating Activities:				
Receipts from Customers	\$ 11,591	\$ -	\$ 11,591	\$ 13,212
Payments to Employees & Benefits	(17,142)	-	(17,142)	(8,030)
Payments to Suppliers	(47,744)	-	(47,744)	(55,129)
Net Cash Flows from Operating Activities	(53,295)	-	(53,295)	(49,947)
Cash Flows From Noncapital Financing Activities:				
Transfer from General Fund	-	-	-	2,512
State Sources	880	-	880	796
Federal Sources	51,831	-	51,831	41,412
Net Cash Flows from Noncapital Financing Activities	52,711	-	52,711	44,720
Change in Cash & Cash Equivalents	(585)	-	(585)	(5,227)
Balances - Beginning of Year	(1,293)	-	(1,293)	3,934
Balances - End of Year	\$ (1,878)	\$ -	\$ (1,878)	\$ (1,293)

**Reconciliation of Operating Loss to Net Cash Provided/(Used) by Operating Activities:**

Operating Loss	\$ (63,145)	\$ -	\$ (63,145)	\$ (56,145)
Adjustments to Reconcile Operating Loss to Net Cash Provided/(Used) by Operating Activities:				
Depreciation & Net Amortization	236	-	236	2,037
(Increase) Decrease in Inventories	195	-	195	(250)
Increase (Decrease) in Accounts Payable	9,419	-	9,419	4,411
Total Adjustments	9,850	-	9,850	6,198
Net Cash Provided/(Used) by Operating Activities	\$ (53,295)	\$ -	\$ (53,295)	\$ (49,947)

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



Fiduciary Fund

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**OCEAN GATE SCHOOL DISTRICT  
FIDUCIARY FUNDS  
STATEMENT OF NET POSITION  
JUNE 30, 2013  
(With Comparative Totals for June 30, 2012)**

ASSETS	PRIVATE PURPOSE		TOTALS	
	UNEMPLOYMENT COMPENSATION TRUST	ALL AGENCY FUNDS	JUNE 30, 2013	JUNE 30, 2012 <small>(MEMORANDUM ONLY)</small>
Cash & Cash Equivalents	\$ 7,143	\$ 16,065	\$ 23,208	\$ 20,638
Intrafund Receivable	-	-	-	7,116
<b>Total Assets</b>	<b>7,143</b>	<b>16,065</b>	<b>23,208</b>	<b>27,754</b>
<b>LIABILITIES</b>				
Interfund Due to General Fund	-	543	543	888
Intrafund Payable	-	-	-	7,116
Accounts Payable	49	-	49	-
Payroll Deductions & Withholdings	-	9,843	9,843	7,575
Due to Student Groups	-	5,679	5,679	5,947
<b>Total Liabilities</b>	<b>49</b>	<b>16,065</b>	<b>16,114</b>	<b>21,526</b>
<b>NET POSITION</b>				
Held in Trust for Unemployment Claims & Other Purposes	7,094	-	7,094	6,228
<b>Total Net Position</b>	<b>\$ 7,094</b>	<b>\$ -</b>	<b>\$ 7,094</b>	<b>\$ 6,228</b>

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

**OCEAN GATE SCHOOL DISTRICT  
FIDUCIARY FUNDS  
STATEMENT OF CHANGES IN NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2013  
(With Comparative Totals for June 30, 2012)**

	PRIVATE PURPOSE		TOTALS	
	UNEMPLOYMENT COMPENSATION TRUST	JUNE 30, 2013	JUNE 30, 2012	(MEMORANDUM ONLY) JUNE 30, 2012
<b>ADDITIONS</b>				
Contributions:				
Plan Members	\$ 9,494	\$ 9,494	\$ 4,207	
Total Contributions	<u>9,494</u>	<u>9,494</u>	<u>4,207</u>	
<b>DEDUCTIONS</b>				
Unemployment Claims	<u>8,628</u>	<u>8,628</u>	<u>14,434</u>	
Total Deductions	<u>8,628</u>	<u>8,628</u>	<u>14,434</u>	
Change in Net Position	866	866	(10,227)	
Net Position - Beginning of the Year	<u>6,228</u>	<u>6,228</u>	<u>16,455</u>	
Net Position - End of the Year	<u>\$ 7,094</u>	<u>\$ 7,094</u>	<u>\$ 6,228</u>	

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

**OCEAN GATE SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

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OCEAN GATE SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2013

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Board of Education ("Board") of the Ocean Gate School District ("District") have been prepared in conformity with accounting principles generally accepted in the United States of America ("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. The more significant of the Board's accounting policies are described below.

Other GASB Statements are required to be implemented in conjunction with GASB Statement 34.

Other GASB Statements are required to be implemented in conjunction with GASB Statement 34. The District has implemented the following GASB Statements in the current fiscal year: Statement 63 – *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*.

In March 2012, the GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities*. GASB Statement No.65 reclassifies, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. This Statement also provides other financial reporting guidance related to the impact of the financial statement elements deferred outflows of resources and deferred inflows of resources, such as changes in the determination of the major fund calculations and limiting the use of the term deferred in financial statement presentations. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012. Management is currently evaluating the impact of the adoption of this Statement but it is expected to have a material impact on the financial statements for the year ended June 30, 2014.

The accompanying financial statements present the financial position of the District and the various funds and fund types, the results of operations of the District and the various funds and fund types, and the cash flows of the proprietary funds. The financial statements are presented as of June 30, 2013.

OCEAN GATE SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2013

**A. Reporting Entity:**

The Ocean Gate School District is a Type II district located in the County of Ocean, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of five members elected to three-year staggered terms. The purpose of the District is to educate students in grades PreK-6. The Ocean Gate School District had an approximate enrollment of 162 students at June 30, 2013.

The Board is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of elected 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 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.

OCEAN GATE SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2013

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**B. Basis of Presentation, Basis of Accounting:**

The School District's basic financial statements consist of District-wide statements, including a Statement of Net Position and a Statement of Activities, and Fund Financial Statements which provide a more detailed level of financial information.

**Basis of Presentation**

District-Wide Statements: The Statement of Net Position and the Statement of Activities display information about the District as a whole. These Statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These Statements distinguish between the governmental and business-type activity of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The Statement of Net Position presents the financial condition of the governmental and business-type activity of the District at fiscal year-end. The Statement of Activities presents a comparison between direct expenses and program revenues for the business-type activity of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing or draws from the general revenues of the District.

Fund Financial Statements: During the fiscal year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The Fund Financial Statements provide information about the District's funds, including its fiduciary funds. Separate statements for each Fund category – governmental, proprietary, and fiduciary – are presented. The New Jersey Department of Education ("NJDOE") has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among District financial reporting models.

OCEAN GATE SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2013

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**B. Basis of Presentation, Basis of Accounting (Cont'd):**

**Basis of Presentation (Cont'd):**

The District reports the following governmental funds:

**General Fund** - The General Fund is the general operating fund of the District and is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment, which are classified in the Capital Outlay subfund.

As required by the NJDOE, the District includes budgeted capital outlay in this Fund. Generally accepted accounting principles as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, District taxes and appropriated Fund Balance. Expenditures are those that result in the acquisition of or additions to Fixed Assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by Board resolution.

**Special Revenue Fund** - The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

**Capital Projects Fund** - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

**Debt Service Fund** - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, principal and interest on bonds issued to finance major property acquisition, construction and improvement programs.

OCEAN GATE SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2013

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**B. Basis of Presentation, Basis of Accounting (Cont'd):**

**Basis of Presentation (Cont'd):**

The District reports the following proprietary fund:

**Enterprise (Food Service) Fund** - The Enterprise Fund accounts for all revenues and expenses pertaining to the Board's cafeteria operations. The Food Service Fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the costs (i.e., expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges.

The District's Enterprise Fund is comprised of the Food Service Fund.

All Proprietary Funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities, whether current or noncurrent, associated with their activity are included on their balance sheets. Their reported fund equity (net total assets) is segregated into contributed capital and unreserved retained earnings, if applicable. Proprietary Fund-type operating statements present increases/(revenues) and decreases/(expenses) in net total assets.

Depreciation of all exhaustive fixed assets used by Proprietary Funds is charged as an expense against their operations. Accumulated depreciation is reported on Proprietary Fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives of the equipment used in the operations of the Enterprise Funds are as follows:

Equipment	12 Years
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OCEAN GATE SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2013

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**B. Basis of Presentation, Basis of Accounting (Cont'd):**

**Basis of Presentation (Cont'd):**

The District reports the following fiduciary funds:

**Trust and Agency Funds** - The Trust and Agency Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds.

**Expendable Trust Fund** - An Expendable Trust Fund is accounted for in essentially the same manner as the governmental fund types, using the same measurement focus and basis of accounting. Expendable Trust Funds account for assets where both the principal and interest may be spent. The Expendable Trust Fund includes the Unemployment Compensation Insurance Fund.

**Nonexpendable Trust Fund** - A Nonexpendable Trust Fund is used to account for assets held under the terms of a formal trust agreement, whereby the District is under obligation to maintain the trust principal. At June 30, 2013, the District had no Non-Expendable Trust Funds.

**Agency Funds** - Agency Funds are used to account for the assets that the District holds on behalf of others as their agent. Agency Funds are custodial in nature and do not involve measurement of results of operations. Agency Funds include Payroll and Student Activities Funds.

**Basis of Accounting**

Basis of Accounting determines when transactions are recorded in the financial records and reported on the financial statements.

**District-Wide, Proprietary, and Fiduciary Fund Financial Statements:** The District-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting; the Enterprise Fund and Fiduciary Funds use the accrual basis of accounting. Differences in the accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures. Ad Valorem (Property) Taxes are susceptible to accrual as, under New Jersey State Statute, 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. The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "Accounts Receivable". Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

OCEAN GATE SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2013

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**B. Basis of Presentation, Basis of Accounting (Cont'd):**

**Basis of Accounting (Cont'd):**

**Governmental Fund Financial Statements:** Governmental Funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

All governmental and business-type activities and Enterprise Funds of the District follow FASB Statements and Interpretations issued on or before November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

**C. Budgets/Budgetary Control:**

Annual appropriated budgets are prepared in the spring of each year for the General, Special Revenue, and Debt Service Funds. The budgets are submitted to the County Office and are voted upon at the annual school election on the third Tuesday in November. Budgets are prepared using the modified accrual basis of accounting, except for the Special Revenue Fund. 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. 6:20-2A.2(m)1. All budget amendments/transfers must be approved by Board resolution. All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally-authorized revisions of the annual budgets during the year).

Appropriations, except remaining project appropriations, encumbrances, and unexpended grant appropriations, lapse at the end of each fiscal year. The Capital Project Fund presents the remaining project appropriations compared to current-year expenditures.

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.

OCEAN GATE SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2013

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**C. Budgets/Budgetary Control (Cont'd):**

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. At June 30, 2013, there was a reconciling difference of \$2,209 between the budgetary basis and GAAP basis in the General Fund and of \$12,864 in the Special Revenue Fund.

The following presents a reconciliation of the General Fund revenues and Special Revenue Fund revenues and expenditures from the budgetary basis of accounting as presented in the Budgetary Comparison Schedules - General and Special Revenue Funds to the GAAP basis of Accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types. Note that the District does not report encumbrances outstanding at year-end as expenditures in the General Fund since the General Fund budget follows modified accrual basis with the exception of the revenue recognition policy for the last state aid payment.

OCEAN GATE SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2013

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**C. Budgets/Budgetary Control: (Cont'd)**

Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

	<u>General Fund</u>	<u>Special Revenue Fund</u>
<b>SOURCES/INFLOWS OF RESOURCES</b>		
Actual amounts (budgetary) "revenues" from the Budgetary Comparison Schedules	\$ 2,733,326	\$ 214,435
Difference – budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		9,715
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	90,468	13,848
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	<u>(92,677)</u>	<u>(10,699)</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 2,731,117</u>	<u>\$ 227,299</u>
<b>USES/OUTFLOWS OF RESOURCES</b>		
Actual amounts (budgetary basis) "total outflows" from the Budgetary Comparison Schedule	\$ 2,621,379	\$ 214,435
Difference – budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		<u>9,715</u>
Total expenditures as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 2,621,379</u>	<u>\$ 224,150</u>

OCEAN GATE SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2013

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**D. Encumbrance Accounting:**

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.

**E. Assets, Liabilities, and Equity:**

**Interfund Transactions:**

Transfers between Governmental and Business-type activities on the District-wide statements are reported in the same manner as general revenues.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as Interfund transfers. Interfund transfers are reported as other financing sources/uses in Governmental Funds and after non-operating revenues/expenses in the Enterprise Fund. Repayment from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

**Inventories:**

Inventory purchases, other than those recorded in the Enterprise Fund, are recorded as expenditures during the first year of purchase. Enterprise Fund inventories are valued at cost, which approximates market, using the first-in/first-out ("FIFO") method.

OCEAN GATE SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2013

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**E. Assets, Liabilities, and Equity (Cont'd):**

**Capital Assets:**

The District has an established formal system of accounting for its Capital Assets. Purchased or constructed Capital Assets are reported at cost. Donated Capital Assets are valued at their estimated fair market value on the date received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. The District does not possess any infrastructure.

All reported Capital Assets except for Land and Construction in Progress are depreciated. Depreciation is computed using the straight-line method over the following estimated useful lives:

<b><u>Asset Class</u></b>	<b><u>Estimated Useful Lives</u></b>
School Buildings	50
Building Improvements	20
Carpeting	7
Office and Computer Equipment	5-10
Instructional Equipment	10
Grounds Equipment	15
Site Improvements	20
Custodial Equipment	12

**Compensated Absences:**

The District accounts for Compensated Absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting 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 the 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 policy. Upon termination, employees are paid for accrued vacation. The District's policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement, employees shall be paid by the District for the unused sick leave in accordance with the District's agreements with the various employee unions.

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

OCEAN GATE SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2013

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**E. Assets, Liabilities, and Equity (Cont'd):**

**Compensated Absences(Cont'd):**

The liability for vested compensated absences of the proprietary fund-types is recorded within those funds as the benefits accrue to employees. As of June 30, 2013, no liability existed for compensated absences in the Food Service Fund.

**Deferred Revenue:**

Deferred Revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Property taxes for which there is an enforceable legal claim as of June 30, 2013, but which were levied to finance fiscal year 2014 operations, have been recorded as Deferred Revenue. Grants and entitlement received before the eligibility requirements are met are also recorded as Deferred Revenue.

**Accrued Liabilities and Long-Term Obligations:**

All Payables, Accrued Liabilities, and Long-Term Obligations are reported on the District-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, contractually-required pension contributions and compensated absences that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Bonds are recognized as a liability on the fund financial statements when due.

**Net Position:**

Net Position represent the difference between assets and liabilities. Net Position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net Position are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted Net Position are available.

**Fund Balance Reserves:**

The District reserves those portions of Fund Balance which are legally segregated for a specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation or expenditure. Unreserved Fund Balance indicates that portion which is available for appropriation in future periods. A Fund Balance Reserve has been established for encumbrances, maintenance, capital and subsequent years' expenditures.

OCEAN GATE SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2013

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**E. Assets, Liabilities, and Equity (Cont'd):**

**Revenues – Exchange and Nonexchange Transactions:**

Revenue resulting from Exchange Transactions, in which each party gives and receives essentially equal value, is recorded on the actual accrual basis when the Exchange takes place. On the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means within sixty days of the fiscal year-end.

Nonexchange Transactions, in which the District receives value without directly giving equal value in return, include property taxes, income taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from income taxes is recognized in the period in which the income is earned. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On the modified accrual basis, revenue from Nonexchange Transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: property taxes available as an advance, interest, and tuition.

**Operating Revenues and Expenses:**

Operating revenues are those revenues that are generated directly from the primary activity of the Enterprise Fund. For the School District, these revenues are sales for food service. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the Enterprise Fund.

**Allocation of Indirect Expenses:**

The District reports all Direct Expenses by function in the Statement of Activities. Direct Expenses are those that are clearly identifiable with a function. Indirect Expenses are allocated to functions but are reported separately in the Statement of Activities. Employee benefits, including the employer's share of Social Security, workers compensation, and medical and dental benefits, were allocated based on salaries of that program. Depreciation expense, where practicable, is specifically identified by function and is included in the Indirect Expense column of the Statement of Activities. Depreciation expense that could not be attributable to a specific function is considered an Indirect Expense and is reported separately in the Statement of Activities. Interest on long-term debt is considered an Indirect Expense and is reported separately on the Statement of Activities.

OCEAN GATE SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2013

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**E. Assets, Liabilities, and Equity (Cont'd):**

**Extraordinary and Special Items:**

Extraordinary Items are transactions or events that are unusual in nature and infrequent in occurrence. Special Items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence. Neither of these types of transactions occurred during the fiscal year.

**Management Estimates:**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

**F. Fund Equity:**

In accordance with Government Accounting Standards Board 54, Fund Balance Reporting and Governmental Fund Type Definitions, the District classifies governmental fund balances as follows:

- Nonspendable Fund Balance – amounts that are not in a spendable form (such as inventory) or are required to be maintained intact (such as the corpus of an endowment fund).
- Restricted Fund Balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- Committed Fund Balance – amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the District takes the same highest-level action to remove or change the constraint.
- Assigned Fund Balance – amounts a District intends to use for a specific purpose; intent can be expressed by the Board or by an official or body to which the Board delegates the authority.
- Unassigned Fund Balance – amounts that are available for any purpose; these amounts are reported only in the General Fund.

Fund balance reporting is the result of State Statutes, New Jersey Department of Education regulations and motions (resolutions/ordinances) that are passed at Board meetings. The Board acts on these motions under the guidance of the District's Superintendent and Business Administrator.

The District's policy is to apply expenditures against non-spendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of each fiscal year, utilizing adjusting journal entries.

OCEAN GATE SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2013

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**F. Fund Equity (cont'd):**

First, non-spendable fund balances are determined; then, restricted fund balances for specific purposes are determined (not including non-spendable amounts). Any remaining fund balance amounts for the non-General Funds are classified as restricted fund balances.

There is a potential for the non-General Funds to have negative unassigned fund balance when non-spendable amounts plus the restricted fund balances for specific purpose amounts exceed the positive fund balances for the non-General Funds.

**2. CAPITAL RESERVE ACCOUNT**

Funds placed in the Capital Reserve Account are restricted to Capital Projects in the District's approved Long Range Facilities Plan ("LRFP"). Upon submission of the LRFP to the Department, a District may increase the balance in the Capital Reserve by appropriating funds in the annual General Fund budget certified for taxes or by transfer by Board Resolution at year-end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A District may also appropriate additional amounts when the excess approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-5.1(d)7, the balance in the Account cannot at any time exceed the local support costs of uncompleted Capital Projects in its approved LRFP.

The Ocean Gate Board of Education established a Capital Reserve Account in the General Fund in 2013.

Beginning Balance, July 1, 2012	\$ 0
Additions:	<u>125,000</u>
Ending Balance, June 30, 2013	<u>\$ 125,000</u>

OCEAN GATE SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2013

**3. MAINTENANCE RESERVE ACCOUNT**

A Maintenance Reserve Account was established by the Ocean Gate Board of Education for the accumulation of funds for use as maintenance of Capital Projects in subsequent fiscal years. The Maintenance Reserve Account is maintained in the General Fund and its activity is included in the General Fund annual budget. Funds placed in the Maintenance Reserve Account are restricted to the maintenance of completed Capital Projects in the District's approved Long Range Facilities Plan ("LRFP").

The activity of the Maintenance Reserve for the July 1, 2012 to June 30, 2013 fiscal year is as follows:

Beginning Balance, July 1, 2012	\$ 251,556
Additions:	<u>80,000</u>
Withdrawals	<u>70,000</u>
Ending Balance, June 30, 2013	<u>\$ 261,556</u>

**4. EMERGENCY RESERVE ACCOUNT**

An Emergency Reserve Account was established by the Ocean Gate Board of Education for the accumulation of funds in accordance with N.J.S.A. 18A:7F-41c(1). The Emergency Reserve Account is maintained in the General Fund and its activity is included in the General Fund annual budget. Funds placed in the Emergency Reserve Account are to finance unanticipated General Fund expenditures required for a thorough and efficient education.

The activity of the Emergency Reserve for the July 1, 2012 to June 30, 2013 fiscal year is as follows:

Beginning Balance, July 1, 2012 and June 30, 2013	<u>\$ 156,515</u>
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**5. TRANSFERS TO CAPITAL OUTLAY**

During the year ending June 30, 2013, the District transferred \$47,500 to the Capital Outlay accounts for Equipment.

OCEAN GATE SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2013

**6. DEPOSITS AND INVESTMENTS**

The Board of Education considers petty cash, change funds, cash in banks, certificates of deposit and deposits with the New Jersey Cash Management Fund as Cash and Cash Equivalents.

Deposits

The Board's deposits are insured through either the Federal Deposit Insurance Corporation ("FDIC") or New Jersey's Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA requires all banks doing business in the State of New Jersey to maintain additional collateral in the amount of 5% of the average public deposits and to deposit these amounts with the Federal Reserve Bank for all deposits not covered by FDIC.

Bank balances at June 30, 2013 and 2012 are insured up to \$250,000.00 in the aggregate by the FDIC for each bank. At June 30, 2013 and 2012, the book value of the Board's deposits were \$1,405,196 and \$1,475,180 respectively.

Custodial Credit Risk Related to Deposits

Custodial Credit Risk is the risk that, in the event of a bank failure, the Board's deposits might not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by the FDIC. Public funds owned by the Board in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds, or funds that may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below.

At June 30, 2013 and 2012, the Board's bank balances of \$1,470,703.91 and \$1,572,598.48, respectively, were exposed to Custodial Credit Risk as follows:

	<u>2013</u>	<u>2012</u>
Insured	<u>\$ 1,470,703.91</u>	<u>\$ 1,572,598.48</u>

OCEAN GATE SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2013

**6. DEPOSITS AND INVESTMENTS (CONT'D)**

Investments

The Board is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 18A:20-37. Examples of the allowable investments are bonds or other obligations of the United States or obligations guaranteed by the United States of America, Government Money Market Mutual Funds, bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located, Local Government investment pools, and agreements or the repurchase of fully-collateralized securities, if transacted in accordance with the above statute.

As of June 30, 2013, the Board had no investments.

Interest Rate Risk

The Board 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.

Credit Risk

State law limits investments as noted above (N.J.S.A. 18A:20-37). The District does not have an investment policy that would further limit its investment choices.

**7. RECEIVABLES**

Receivables at June 30, 2013, consisted of interfunds and intergovernmental. All receivables are considered collectable in full. A summary of the principal items of intergovernmental receivables follows:

	<u>Governmental Fund Financial Statements</u>	<u>District-Wide Financial Statements</u>
Due From Other Funds	\$ 20,787	\$ 4,445
Due From Other Governments Federal and State Aid	<u>23,955</u>	<u>27,317</u>
Less Allowance for Uncollectibles	<u>0</u>	<u>0</u>
Total Receivables, Net	<u>\$ 44,742</u>	<u>\$ 31,762</u>

OCEAN GATE SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2013

**8. INTERFUND BALANCES AND TRANSFERS**

Balances due to/from other funds at June 30, 2013 consist of the following:

\$ 2,708	Due To Debt Service Fund From Capital Projects Fund representing interest earned.
14,499	Due To General Operating Fund From Special Revenue Fund representing a cash advance.
543	Due To General Operating Fund From Payroll Agency Fund representing a cash advance.
3,912	Due To Enterprise Fund From General Operating Fund representing a transfer.
<u>2,537</u>	Due To Capital Projects Fund From General Operating Fund representing a cash advance.
<u>\$ 24,199</u>	

**Transfers**

As of June 30, 2013, the District's operating transfers consisted of \$2,587 from the General Fund to the Capital Projects Fund.

**9. INVENTORY**

Inventory in the Food Service Fund at June 30, 2013 consisted of the following:

Supplies	\$ 255
Food	<u>49</u>
	<u>\$ 304</u>

The value of Federal-donated commodities as reflected on Schedule A (required by the Single Audit Act of 1996, as revised) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of non-operating revenue in the financial statements.

OCEAN GATE SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2013

**10. CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2013 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
<b>GOVERNMENTAL ACTIVITIES</b>				
Capital assets not being depreciated:				
Land	\$ 251,700	\$ -	\$ -	\$ 251,700
Construction in Progress	-	-	-	-
Total capital assets not being depreciated	<u>251,700</u>	<u>-</u>	<u>-</u>	<u>251,700</u>
Capital assets being depreciated:				
Site improvements	229,807	222,058	-	451,865
Buildings	3,476,770	41,733	-	3,518,503
Machinery & equipment	240,824	8,500	-	249,324
Total historical cost	<u>3,947,401</u>	<u>272,291</u>	<u>-</u>	<u>4,219,692</u>
Accumulated depreciation:				
Site improvements	(67,251)	(12,257)	-	(79,508)
Buildings	(1,284,985)	(91,207)	-	(1,376,192)
Machinery & equipment	(207,206)	(5,129)	-	(212,335)
Total accumulated depreciation	<u>(1,559,442)</u>	<u>(108,593)</u>	<u>-</u>	<u>(1,668,035)</u>
Capital assets being depreciated, net	<u>2,387,959</u>	<u>163,697</u>	<u>-</u>	<u>2,551,656</u>
Total Governmental Activities, net	<u>\$ 2,639,659</u>	<u>\$ 163,697</u>	<u>\$ -</u>	<u>\$ 2,803,356</u>
<b>BUSINESS-TYPE ACTIVITIES</b>				
Capital assets being depreciated:				
Machinery & equipment	\$ 30,218	-	-	30,218
Total historical cost	<u>30,218</u>	<u>-</u>	<u>-</u>	<u>30,218</u>
Accumulated depreciation:				
Machinery & equipment	(11,880)	(236)	-	(12,116)
Total accumulated depreciation	<u>(11,880)</u>	<u>(236)</u>	<u>-</u>	<u>(12,116)</u>
Capital assets being depreciated, net	<u>18,338</u>	<u>(236)</u>	<u>-</u>	<u>18,102</u>
Total Business-Type Activities, net	<u>\$ 18,338</u>	<u>\$ (236)</u>	<u>\$ -</u>	<u>\$ 18,102</u>

OCEAN GATE SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2013

**10. CAPITAL ASSETS (CONT'D)**

The NJ State Department of Education has set the capitalization threshold used by school districts in the State of New Jersey at \$2,000.00.

Depreciation expense was charged to functions as follows:

Unallocated	108,953
Total	\$ 108,953

**11. LONG-TERM OBLIGATIONS**

**A. Long-Term Obligation Activity:**

Changes in Long-Term Obligations for the year ended June 30, 2012, are as follows:

<u>Governmental Activities:</u>	Balance June 30, <u>2012</u>	<u>Additions</u>	<u>Retired</u>	Balance June 30, <u>2013</u>	<u>Amounts Due Within One Year</u>
Compensated Absences Payable	\$ 88,320	\$ 1,545		\$ 89,865	
Bonds Payable	1,066,000		\$ 25,000	1,041,000	\$ 25,000
Loans Payable	284,306	_____	140,356	143,950	143,950
	<u>\$ 1,438,626</u>	<u>\$ 1,545</u>	<u>\$ 165,356</u>	<u>\$ 1,274,815</u>	<u>\$ 168,865</u>

Compensated absences and capital leases, if applicable, have been liquidated in the General Fund.

OCEAN GATE SCHOOL DISTRICT  
 NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2013

**11. LONG-TERM OBLIGATIONS (CONT'D)**

**B. Bonds Payable**

Bonds are authorized in accordance with State law by the voters of the District through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligation bonds.

On March 29, 2007, the School District issued \$1,186,000.00 School District Bonds, Series 2007 to finance renovations to the Ocean Gate Elementary School, including the roof, boiler, flooring, and HVAC control system replacements, masonry repairs, and various other projects.

The Bonds bear interest from 4.000% to 4.125% per annum payable semi-annually on the fifteenth day of January and July of each year, until maturity. The principal is due annually on the fifteenth day of January through 2022, installments range from \$25,000.00 to \$150,000.00.

Debt Service requirements on serial bonds payable at June 30, 2013 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 25,000.00	\$ 42,935.00	\$ 67,935.00
2015	150,000.00	41,910.00	191,910.00
2016	130,000.00	35,722.50	165,722.50
2017	130,000.00	30,360.00	160,360.00
2018	125,000.00	24,997.50	149,997.50
2019	120,000.00	19,841.26	139,841.26
2020	120,000.00	14,891.26	134,891.26
2021	120,000.00	9,941.26	129,941.26
2022	<u>121,000.00</u>	<u>4,991.26</u>	<u>125,991.26</u>
	<u>\$ 1,041,000.00</u>	<u>\$ 225,590.04</u>	<u>\$ 1,266,590.04</u>

OCEAN GATE SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2013

**11. LONG-TERM OBLIGATIONS (CONT'D)**

**C. Loans Payable - N.J.E.D.A.**

The loan payable is a school facilities loan which is administered by, and payable to, the New Jersey Economic Development Authority. The loan is for renovation and improvements to the school.

Principal and interest due on loans outstanding is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	<u>\$ 143,950.13</u>	<u>\$ 2,673.61</u>	<u>\$ 146,623.74</u>
	<u>\$ 143,950.13</u>	<u>\$ 2,673.61</u>	<u>\$ 146,623.74</u>

**D. Bonds Authorized But Not Issued**

As of June 30, 2013, the District had no authorized but not issued bonds.

**E. Capital Leases**

As of June 30, 2013, the District had not entered into any Capital Lease arrangements.

**12. OPERATING LEASES**

As of June 30, 2013, the District had not entered into any operating leases.

OCEAN GATE SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2013

**13. PENSION PLANS**

**Description of Plans** - All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by New Jersey Division of Pension of 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 is required supplementary information for the Public Employees Retirement Systems 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.

**Teachers' Pension and Annuity Fund ("TPAF")** - The Teachers' Pension and Annuity Fund was established as of 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 ("PERS")** - 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 of New Jersey 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.

**Vesting and Benefit Provisions** - The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A: 6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/60 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System.

Members always full vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members account.

OCEAN GATE SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2013

**13. PENSION PLANS (CONT'D)**

**Significant Legislation** - During the year ended June 30, 1997, legislation was enacted authorizing the New Jersey Economic Development Authority to issue bonds, notes or other obligations for the purpose of financing, in full or in part, the State of New Jersey's portion of the unfunded accrued liability under the State of New Jersey retirement systems. Additional legislation enacted during the year ended June 30, 1997 (Chapter 115, P.L. 1997) changed the assets valuation method from market related value to full-market value. This legislation also contained a provision to reduce the employee contribution rate by ½ of 1% to 4.5% for calendar years 1998 and 1999, and to allow for reduction in the employee's rate after calendar year 1999 providing excess valuation assets are available. The legislation also provided that the Districts' normal contributions to the Fund may be reduced based on the revaluation of assets. Due to recognition of the bond proceeds and to change in asset valuation method as a result of enactment of Chapters 114 and 115, all unfunded accrued liabilities were eliminated except for the unfunded liability for local early retirement incentive benefits, accordingly, the pension costs for TPAF and PERS were reduced.

**Contribution Requirements** - 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 6.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially-determined rate in both TPAF and PERS. The actuarially-determined contribution includes funding for both cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF.

**Three-Year Trend Information for PERS**

<b><u>Year Funding June 30,</u></b>	<b><u>Annual Pension Cost (APC)</u></b>	<b><u>Percentage of APC Contributed</u></b>	<b><u>Net Pension Obligation</u></b>
2013	\$ 26,667.00	100%	\$ 26,667.00
2012	29,240.00	100%	29,240.00
2011	25,357.00	100	25,357.00

**Three-Year Trend Information (Paid on Behalf of District)**

<b><u>Year Funding June 30,</u></b>	<b><u>Annual Pension Cost (APC)</u></b>	<b><u>Percentage of APC Contributed</u></b>	<b><u>Net Pension Obligation</u></b>
2013	\$ 163,932.00	100%	\$ 0.00
2012	111,763.00	100%	0.00
2011	75,322.00	100	0.00

OCEAN GATE SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2013

**13. PENSION PLANS (CONT'D)**

**Contribution Requirements: (cont'd)**

During the year ended June 30, 2013, the State of New Jersey contributed \$76,937 for normal contributions and \$86,995 for post-retirement medical benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A: 66-66, the State of New Jersey reimbursed the District \$82,564 during the year ended June 30, 2013 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been included in the general-purpose financial statements, and the combining and individual fund and account group statements and schedules as a revenues and expenditures in accordance with GASB 24.

Legislation enacted during 1991 provides early retirement incentives for certain members of TPAF and PERS who met certain age and service requirements and who applied for retirement between certain dates in the 1992 fiscal year. The early retirement incentives included: (a) an additional five years of service credit for employees at least age 50 with a minimum of 25 years of service; (b) free health benefits for employees at least 60 years old with at least 20 years of service; and (c) an additional \$500.00 per month for two years for employees at least age 60 with 10 but less than 20 years of service. The District will assume the increased cost for the early retirement as it affects their district.

**14. POST – RETIREMENT BENEFITS**

P.L. 1987, c.384 and P.L. 1990, c.6 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, 2012, there were 97,661 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 pre-funding basis to a pay-as-you-go basis beginning in fiscal year 1994.

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 \$146.6 million toward Chapter 126 benefits for 16,618 eligible retired members in fiscal year 2012.

OCEAN GATE SCHOOL DISTRICT  
 NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2013

**15. DEFERRED COMPENSATION**

The Board offers its employees 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, permit 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:

Equitable  
 Siracusa  
 Lincoln

**16. 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, student accident and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

**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. The District is billed quarterly for amounts due to the State. The table below is a summary of the 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 the previous two years.

<b><u>Fiscal Year</u></b>	<b><u>District Contributions</u></b>	<b><u>Employee Contributions</u></b>	<b><u>Amount Reimbursed</u></b>	<b><u>Ending Balance</u></b>
2012/13	\$ 0.00	\$ 9,494.00	\$ 8,628.00	\$ 7,094.00
2011/12	0.00	4,206.63	14,434.44	6,227.68
2010/11	0.00	4,189.21	14,659.91	16,455.49

**17. CONTINGENT LIABILITIES**

**Grant Programs**

The District participates in federally-assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The District is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

OCEAN GATE SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2013

**18. FUND BALANCE DISCLOSURE**

The District has implemented GASB 54 during fiscal year 2013.

Fund balance will be displayed in the following classifications depicting the relative strength of the spending constraints placed on the purpose for which resources can be used:

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total
Fund Balances:					
Restricted	\$ 1,111,496				\$ 1,111,496
Assigned	16,804				16,804
Unassigned	<u>157,878</u>	\$ (10,699)	\$ 1	<u>          </u>	<u>147,180</u>
	<u>\$ 1,286,178</u>	<u>\$ (10,699)</u>	<u>\$ 1</u>	<u>\$ 0.00</u>	<u>\$ 1,275,480</u>

**19. CALCULATION OF EXCESS SURPLUS**

The designation for Restricted 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 restrict 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 year’s budget. The excess fund balance at June 30, 2013 is \$222,324.

**20. DEFICIT FUND BALANCE**

The District has a deficit fund balance of \$10,699.00 in the Special Revenue Fund as of June 30, 2013 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 delayed one or more June state aid payments 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 June state aid payment(s) in the subsequent fiscal year, the school district cannot recognize the June state aid payment(s) on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payment, the Special Revenue Fund balance deficit does not alone indicate that the District is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unreserved, unassigned general fund balance that is reported as a direct result from a delay in the payment of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The District deficit in the GAAP funds statements of \$10,699.00 is equal to the last state aid payment.

OCEAN GATE SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2013

**Note 21: Subsequent Events**

The District has been approved for a FEMA Community Disaster Loan in the amount of \$460,955., as a result of the loss of ratables caused by Superstorm Sandy\*. As of the date of this report, the District has received \$21,000., in the subsequent year. The repayment schedule has not been established. If conditions do not improve the loan could be turned into a grant.

\* - On October 29, 2012, Superstorm Sandy (the "Storm"), then a Category 1 post-tropical cyclone according to the National Weather Service, struck the coast of New Jersey. The resulting storm surge and winds caused catastrophic damage to many coastal and riverfront communities, as well as widespread physical damage (including downed trees and branches and loss of electrical power and other utilities) throughout the State. In the days following the Storm, most schools and businesses – and many roads, bridges and public transportation systems – were closed. The full extent of the damage caused by the Storm has yet to be ascertained, but some preliminary estimates forecast total economic cost to the East Coast of between \$30 and \$50 billion.



**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

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### C. Budgetary Comparison Schedules

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**OCEAN GATE SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012**

ACCOUNT NUMBERS	JUNE 30, 2013				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2012				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
<b>Revenues:</b>											
<b>Local Sources:</b>											
Local Tax Levy	10-1210	\$ 1,486,957	\$ -	\$ 1,486,957	\$ 1,486,957	-	\$ 1,464,271	\$ -	\$ 1,464,271	\$ 1,464,271	\$ -
Interest Earned on Emergency Reserv	10-1XXX	500	(500)	-	-	-	750	(750)	-	-	-
Interest Earned on Maintenance Reserv	10-1XXX	1,250	(1,250)	-	-	-	750	(750)	-	-	-
Miscellaneous	10-1990	-	1,750	1,750	64,633	-	-	-	-	6,750	6,750
<b>Total Local Sources</b>		<b>1,488,707</b>	<b>-</b>	<b>1,488,707</b>	<b>1,551,590</b>	<b>62,883</b>	<b>1,465,771</b>	<b>(1,500)</b>	<b>1,464,271</b>	<b>1,471,021</b>	<b>6,750</b>
<b>State Sources:</b>											
Equalization Aid	10-3176	831,938	-	831,938	831,938	-	795,048	-	795,048	823,329	28,281
Categorical Security Aid	10-3177	8,228	-	8,228	8,228	-	-	-	-	-	-
Categorical Transportation Aid	10-3121	890	-	890	890	-	-	-	-	-	-
Categorical Special Education Aid	10-3132	85,730	-	85,730	85,730	-	81,369	-	81,369	81,369	-
Extraordinary Aid	10-3131	-	-	-	-	-	-	-	-	1,215	1,215
Adjustment Aid	10-3190	28,281	-	28,281	-	(28,281)	-	-	-	1,256	1,256
<b>Nonbudgeted:</b>											
On-Behalf TPAF OPEB (Post Retirement Medical) Contributions		-	-	-	-	-	-	-	-	74,636	-
On-Behalf TPAF Pension Contributor		-	-	-	76,937	76,937	-	-	-	3,598	3,598
On-Behalf TPAF Medical Contributor		-	-	-	86,995	86,995	-	-	-	33,529	33,529
Reimbursed TPAF Social Security		-	-	-	82,564	82,564	-	-	-	81,007	81,007
<b>Total State Sources</b>		<b>955,067</b>	<b>-</b>	<b>955,067</b>	<b>1,173,282</b>	<b>218,215</b>	<b>876,417</b>	<b>-</b>	<b>876,417</b>	<b>1,099,939</b>	<b>148,886</b>
<b>Federal Sources:</b>											
Education Jobs Fund Program	10-4522	-	-	-	8,454	8,454	32,789	1,027	33,816	25,362	(8,454)
<b>Total Federal Sources:</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>8,454</b>	<b>8,454</b>	<b>32,789</b>	<b>1,027</b>	<b>33,816</b>	<b>25,362</b>	<b>(8,454)</b>
<b>Total Revenues</b>		<b>2,443,774</b>	<b>-</b>	<b>2,443,774</b>	<b>2,733,326</b>	<b>289,552</b>	<b>2,374,977</b>	<b>(473)</b>	<b>2,374,504</b>	<b>2,596,322</b>	<b>147,182</b>
<b>Expenditures:</b>											
<b>Current Expense:</b>											
<b>Instruction - Regular Programs</b>											
<b>Salaries of Teachers:</b>											
Preschool	11-105-100-101	25,815	-	25,815	18,949	6,866	9,366	(3,000)	6,366	9,366	(3,000)
Kindergarten	11-110-100-101	96,591	(1,816)	94,775	79,958	14,817	76,320	701	77,021	76,962	59
Grades 1 - 5	11-120-100-101	418,134	1,875	420,009	420,009	-	409,736	48,562	458,298	437,472	20,826
Grades 6 - 8	11-130-100-101	68,256	2,497	70,753	70,753	-	65,105	1,041	66,146	66,146	-
<b>Regular Programs - Undistributed Instruction</b>											
Other Salaries for Instruction	11-190-100-106	-	5,002	5,002	3,200	1,802	-	-	-	-	-
Purchased Professional - Educational Services	11-190-100-320	11,500	(7,237)	4,263	4,195	68	10,000	(3,127)	6,873	3,875	2,998
Purchased Professional - Technical Services	11-190-100-340	9,550	(3,669)	5,881	4,934	947	10,000	2,504	12,504	12,173	331
Other Purchased Services	11-190-100-500	5,000	(3,460)	1,540	1,424	116	5,000	(1,493)	3,507	1,479	2,028
General Supplies	11-190-100-610	29,400	9,485	38,885	35,757	3,128	31,000	3,285	34,285	27,713	6,572
Textbooks	11-190-100-640	14,000	(3,863)	10,137	10,137	-	12,000	12,507	24,507	24,482	25
Other Objects	11-190-100-890	3,600	-	3,600	785	2,815	2,500	(2,500)	-	-	-
<b>Total Regular Programs - Instruction</b>		<b>681,846</b>	<b>(1,186)</b>	<b>680,660</b>	<b>650,101</b>	<b>30,559</b>	<b>631,027</b>	<b>58,480</b>	<b>689,507</b>	<b>659,668</b>	<b>29,839</b>
<b>Special Education:</b>											
<b>Instructional:</b>											
General Supplies	11-204-100-610	-	2,117	2,117	2,117	-	-	-	-	-	-
<b>Total Learning and/or Language Disabilities:</b>		<b>-</b>	<b>2,117</b>	<b>2,117</b>	<b>2,117</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Special Education:</b>											
<b>Learning and/or Language Disabilities</b>											
General Supplies	11-209-100-610	10,500	(2,117)	8,383	6,342	2,041	-	-	-	-	-
Textbooks	11-209-100-640	1,000	-	1,000	-	1,000	-	-	-	-	-
Other Objects	11-209-100-800	-	5,008	5,008	5,008	-	-	-	-	-	-
<b>Total Learning and/or Language Disabilities:</b>		<b>11,500</b>	<b>2,891</b>	<b>14,391</b>	<b>11,350</b>	<b>3,041</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Multiple Disabilities:</b>											
Salaries of Teachers	11-212-100-101	52,000	25,000	77,000	75,622	1,378	52,563	(1,794)	50,769	50,583	186
Other Salaries for Instruction	11-212-100-106	-	2,700	2,700	2,699	1	-	-	-	-	-
Purchased Professional - Educational Services	11-212-100-320	2,750	(2,750)	-	-	-	2,000	(2,000)	-	-	-
Purchased Professional - Technical Services	11-212-100-320	3,000	(3,000)	-	-	-	2,000	(2,000)	-	-	-
General Supplies	11-212-100-610	3,500	(450)	3,050	3,050	-	3,000	2,826	5,826	2,980	2,846
Textbooks	11-212-100-640	5,000	(2,000)	3,000	1,558	1,442	-	-	-	-	-
Other Objects	11-212-100-890	-	5,000	5,000	-	5,000	-	-	-	-	-
<b>Total Multiple Disabilities</b>		<b>66,250</b>	<b>24,500</b>	<b>90,750</b>	<b>82,929</b>	<b>7,821</b>	<b>59,563</b>	<b>(2,968)</b>	<b>56,595</b>	<b>53,563</b>	<b>3,032</b>
<b>Resource Room/Resource Center</b>											
Salaries of Teachers	11-213-100-101	129,002	(5,008)	123,994	104,025	19,969	134,408	10,231	144,639	88,237	56,402
Other Salaries for Instruction	11-213-100-106	13,300	500	13,800	13,800	-	-	18,320	18,320	18,315	5
Purchased Professional - Services	11-213-100-320	2,000	(1,850)	150	-	150	2,000	(1,153)	847	-	847
General Supplies	11-213-100-610	1,750	(1,100)	650	557	93	1,500	24,141	25,641	20,670	4,971
Textbooks	11-213-100-640	-	2,950	2,950	2,924	26	-	-	-	-	-
<b>Total Resource Room</b>		<b>146,052</b>	<b>(4,508)</b>	<b>141,544</b>	<b>121,306</b>	<b>20,238</b>	<b>137,908</b>	<b>51,539</b>	<b>189,447</b>	<b>127,222</b>	<b>62,225</b>
<b>Preschool Disabilities - Part Time: or is this home instruction</b>											
Other Salaries for Instruction	11-219-100-106	13,475	7,013	20,488	6,758	13,730	13,200	-	13,200	6,188	7,012
<b>Total Preschool Disabilities - Part-Time</b>		<b>13,475</b>	<b>7,013</b>	<b>20,488</b>	<b>6,758</b>	<b>13,730</b>	<b>13,200</b>	<b>-</b>	<b>13,200</b>	<b>6,188</b>	<b>7,012</b>
<b>Total Special Education</b>		<b>237,277</b>	<b>32,013</b>	<b>269,290</b>	<b>224,460</b>	<b>44,830</b>	<b>210,671</b>	<b>48,571</b>	<b>259,242</b>	<b>186,973</b>	<b>72,269</b>
<b>Basic Skills/Remedial:</b>											
Salaries of Teachers	11-230-100-101	85,337	2,120	87,457	77,990	9,467	93,576	180	93,756	78,979	14,777
Other Salaries for Instruction	11-230-100-106	2,500	-	2,500	-	2,500	-	-	-	-	-
Purchased Professional - Educational Services	11-230-100-320	950	-	950	-	950	1,000	-	1,000	720	280
Purchased Professional - Technical Services	11-230-100-340	950	-	950	244	706	1,000	-	1,000	500	500
Other Purchased Services	11-230-100-500	3,000	-	3,000	-	3,000	-	-	-	-	-

OCEAN GATE SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012

ACCOUNT NUMBERS	JUNE 30, 2013					POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2012				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	ORIGINAL BUDGET		BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
Other Purchased Services:											
General Supplies	11-230-100-500	3,000	-	3,000	-	3,000	-	-	-	-	-
Textbooks	11-230-100-610	1,750	-	1,750	343	1,407	2,000	2,157	4,157	4,157	-
	11-230-100-640	500	-	500	-	500	-	-	-	-	-
<b>Total Basic Skills/Remedial</b>		<b>94,987</b>	<b>2,120</b>	<b>97,107</b>	<b>78,577</b>	<b>18,530</b>	<b>97,576</b>	<b>2,337</b>	<b>99,913</b>	<b>84,356</b>	<b>15,557</b>
School Sponsored Cocurricular Activities											
Salaries	11-401-100-100	3,465	-	3,465	-	3,465	-	-	-	-	-
<b>Total School Sponsored Cocurricular Activities:</b>		<b>3,465</b>	<b>-</b>	<b>3,465</b>	<b>-</b>	<b>3,465</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total - Instruction</b>		<b>1,017,575</b>	<b>32,947</b>	<b>1,050,522</b>	<b>953,138</b>	<b>97,384</b>	<b>939,274</b>	<b>109,388</b>	<b>1,048,662</b>	<b>930,997</b>	<b>117,665</b>
Undistributed Expenditures:											
Instruction:											
the Handicapped - within State	11-000-100-566	152,000	(87,750)	64,250	-	64,250	125,006	(30,075)	94,931	52,451	42,480
<b>Total Undistributed Expenditures - Instructor</b>		<b>152,000</b>	<b>(87,750)</b>	<b>64,250</b>	<b>-</b>	<b>64,250</b>	<b>125,006</b>	<b>(30,075)</b>	<b>94,931</b>	<b>52,451</b>	<b>42,480</b>
Attendance & Social Work Services											
Salaries	11-000-211-100	3,500	-	3,500	3,500	-	3,500	-	3,500	3,500	-
<b>Total Attendance &amp; Social Work Service:</b>		<b>3,500</b>	<b>-</b>	<b>3,500</b>	<b>3,500</b>	<b>-</b>	<b>3,500</b>	<b>-</b>	<b>3,500</b>	<b>3,500</b>	<b>-</b>
Health Services:											
Salaries:											
Purchased Professional & Technical Services	11-000-213-100	51,589	-	51,589	51,439	150	54,063	-	54,063	50,723	3,340
Supplies and Materials	11-000-213-300	1,000	223	1,000	1,000	-	1,000	40	1,040	40	1,000
Supplies and Materials	11-000-213-600	300	-	523	494	29	200	-	200	200	-
<b>Total Health Services</b>		<b>52,889</b>	<b>223</b>	<b>53,112</b>	<b>52,933</b>	<b>179</b>	<b>55,263</b>	<b>40</b>	<b>55,303</b>	<b>50,963</b>	<b>4,340</b>
Other Support Services - Speech, OT, PT & Related											
Salaries	11-000-216-100	40,000	(31,849)	8,151	-	8,151	38,394	(11,223)	27,171	19,020	8,151
Purchased Prof. Ed. Service:	11-000-216-320	-	5,000	5,000	2,556	2,444	-	-	-	-	-
General Supplies	11-000-216-600	500	9,777	10,277	10,242	35	500	(17)	483	-	483
<b>Total Other Support Services - Students - Related Services</b>		<b>40,500</b>	<b>(17,072)</b>	<b>23,428</b>	<b>12,798</b>	<b>10,630</b>	<b>38,894</b>	<b>(11,240)</b>	<b>27,654</b>	<b>19,020</b>	<b>8,634</b>
Other Support Services - Students - Extraordinary											
Salaries	11-000-217-100	106,628	31,735	138,363	134,174	4,189	105,351	-	105,351	103,616	1,735
<b>Total Other Support Services - Students - Extraordinary</b>		<b>106,628</b>	<b>31,735</b>	<b>138,363</b>	<b>134,174</b>	<b>4,189</b>	<b>105,351</b>	<b>-</b>	<b>105,351</b>	<b>103,616</b>	<b>1,735</b>
Other Support Services - Students - Guidance											
Salaries of Secretarial & Clerica Assistants	11-000-218-105	24,129	600	24,729	24,729	-	23,512	200	23,712	23,642	70
<b>Total Other Support Services - Students - Regular</b>		<b>24,129</b>	<b>600</b>	<b>24,729</b>	<b>24,729</b>	<b>-</b>	<b>23,512</b>	<b>200</b>	<b>23,712</b>	<b>23,642</b>	<b>70</b>
Other Support Services - Students - Child Study Team											
Salaries of Other Professional Staff	11-000-219-104	33,080	-	33,080	33,081	(1)	32,753	458	33,211	33,211	-
Salaries of Secretarial & Clerica Assistants	11-000-219-105	21,000	(16,817)	4,183	4,183	-	21,000	1,568	22,568	22,558	10
Purchased Professional Education Service:	11-000-219-320	42,100	158	42,258	42,258	-	38,000	23,777	61,777	61,777	-
Other Purchased Services	11-000-219-390	10,000	(1,324)	8,676	8,625	51	10,000	1,881	11,881	11,881	-
Misc Purchased Services	11-000-219-592	3,200	292	3,492	3,454	38	3,000	100	3,100	3,100	-
Supplies & Materials	11-000-219-600	750	(200)	550	528	22	1,000	1,815	2,815	2,409	406
Other Objects	11-000-219-800	2,000	(632)	1,368	1,300	68	2,000	(458)	1,542	1,310	232
<b>Total Other Support Services - Students - Special Services</b>		<b>112,130</b>	<b>(18,523)</b>	<b>93,607</b>	<b>93,429</b>	<b>178</b>	<b>107,753</b>	<b>29,141</b>	<b>136,894</b>	<b>136,246</b>	<b>648</b>
Improvement of Instruction Services/Other Support Services - Instructional Staff:											
Other Purchased Professional Technical Services	11-000-221-390	6,500	(244)	6,256	5,420	836	5,000	(1,637)	3,363	705	2,658
Other Purchased Services	11-000-221-391	-	-	-	-	-	-	27	27	27	-
Supplies and Materials	11-000-221-600	8,550	-	8,550	8,425	125	10,000	26,541	36,541	36,512	29
Other Objects	11-000-221-800	700	244	944	944	-	750	-	750	353	397
<b>Total Improvement of Instruction Services/Other Support Services - Instructional Staff</b>		<b>15,750</b>	<b>-</b>	<b>15,750</b>	<b>14,789</b>	<b>961</b>	<b>15,750</b>	<b>24,931</b>	<b>40,681</b>	<b>37,597</b>	<b>3,084</b>
Educational Media Services/School Library											
Salaries & Technology Coordinator:	11-000-222-177	9,200	3,334	12,534	5,049	7,485	5,000	11,364	16,364	5,146	11,218
Other Purchased Services	11-000-222-500	9,500	76	9,576	8,977	599	10,000	(2,185)	7,815	7,663	152
Supplies and Materials	11-000-222-600	1,100	(3)	1,097	611	486	1,000	(823)	177	77	100
<b>Total Educational Media Services/School Library</b>		<b>19,800</b>	<b>3,407</b>	<b>23,207</b>	<b>14,637</b>	<b>8,570</b>	<b>16,000</b>	<b>8,356</b>	<b>24,356</b>	<b>12,886</b>	<b>11,470</b>
Instructional Staff Training Services											
Other Purchased Professional & Technical Services:	11-000-223-390	4,750	-	4,750	2,776	1,974	5,000	(1,172)	3,828	3,546	282
<b>Total Instructional Staff Training Services:</b>		<b>4,750</b>	<b>-</b>	<b>4,750</b>	<b>2,776</b>	<b>1,974</b>	<b>5,000</b>	<b>(1,172)</b>	<b>3,828</b>	<b>3,546</b>	<b>282</b>
Support Services General Administration											
Salaries	11-000-230-100	50,851	2,500	53,351	52,843	508	48,384	1,500	49,884	49,884	-
Legal Services	11-000-230-331	5,500	14,185	19,685	14,175	5,510	8,600	8,212	16,812	16,812	-
Audit Fees	11-000-230-332	17,450	-	17,450	17,450	-	17,000	335	17,335	17,335	-
Architectural/Engineering Service	11-000-230-334	-	-	-	-	-	-	2,548	2,548	2,548	-
Communications/Telephone	11-000-230-530	7,600	3,686	11,286	11,231	55	8,400	81	8,481	2,701	5,780
Other Purchased Services (400-500 Series)	11-000-230-585	900	1,467	2,367	2,367	-	1,094	1,094	1,094	1,094	-
Other Purchasing Services	11-000-230-590	100	214	314	314	-	138	138	138	138	-
General Supplies	11-000-230-610	500	289	789	789	-	898	898	898	898	-
BOE In-House Training - Meeting Supplies	11-000-230-630	900	50	950	950	-	1,100	(1,070)	30	-	30
Miscellaneous Expenditures	11-000-230-890	2,075	(2,048)	27	27	-	478	478	478	478	-
BOE Membership Dues & Fees	11-000-230-895	-	1,935	1,935	1,935	-	2,000	-	2,000	1,810	190
<b>Total Support Services General Administration</b>		<b>85,876</b>	<b>22,278</b>	<b>108,154</b>	<b>102,081</b>	<b>6,073</b>	<b>85,484</b>	<b>14,214</b>	<b>99,698</b>	<b>93,698</b>	<b>6,000</b>

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	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
Support Services School Administration											
Salaries of Principals & Assistant Principals	11-000-240-103	49,352	-	49,352	49,352	-	48,383	1	48,384	48,384	-
Purchased Professional & Technical Services:	11-000-240-300	-	1,645	1,645	1,645	-	-	-	-	-	-
Supplies & Materials	11-000-240-600	-	-	-	-	-	1,030	1,030	1,030	1,030	-
Other Objects	11-000-240-800	300	2,453	2,753	2,753	-	200	50	250	250	-
<b>Total Support Services School Administration</b>		<b>49,652</b>	<b>4,098</b>	<b>53,750</b>	<b>53,750</b>	<b>-</b>	<b>48,583</b>	<b>1,081</b>	<b>49,664</b>	<b>49,664</b>	<b>-</b>
Central Services:											
Salaries	11-000-251-100	75,454	24,085	99,539	99,445	94	74,658	4,298	78,956	78,950	6
Miscellaneous Purchased Services	11-000-251-592	2,500	(2,450)	50	50	-	5,400	(1,419)	3,981	3,082	899
Supplies & Materials	11-000-251-600	-	-	-	-	-	-	1,053	1,053	1,053	-
Miscellaneous Expenditures	11-000-251-890	1,000	353	1,353	1,353	-	1,500	1,613	3,113	3,032	81
<b>Total Central Services</b>		<b>78,954</b>	<b>21,988</b>	<b>100,942</b>	<b>100,848</b>	<b>94</b>	<b>81,558</b>	<b>5,545</b>	<b>87,103</b>	<b>86,117</b>	<b>986</b>
Administrative Information Technology											
Purchased Technical Service:	11-000-252-340	7,500	(853)	6,647	6,646	1	7,000	3,328	10,328	10,328	-
Other Purchased Services	11-000-252-500	2,000	3,765	5,765	5,676	89	2,000	-	2,000	2,000	-
<b>Total Administrative Information Technology</b>		<b>9,500</b>	<b>2,912</b>	<b>12,412</b>	<b>12,322</b>	<b>90</b>	<b>9,000</b>	<b>3,328</b>	<b>12,328</b>	<b>12,328</b>	<b>-</b>
Required Maintenance for School Facilities											
Cleaning, Repair & Maintenance Services	11-000-261-420	23,750	(3,201)	20,549	18,488	2,061	30,000	(21,566)	8,434	8,434	-
General Supplies	11-000-261-610	3,000	(1,931)	1,069	1,065	4	7,000	(5,763)	1,237	1,237	-
Other Objects	11-000-261-800	5,500	(1,895)	3,605	3,055	550	8,287	(6,312)	1,975	1,841	134
<b>Total Allowable Maintenance For School Facilities</b>		<b>32,250</b>	<b>(7,027)</b>	<b>25,223</b>	<b>22,608</b>	<b>2,615</b>	<b>45,287</b>	<b>(33,641)</b>	<b>11,646</b>	<b>11,512</b>	<b>134</b>
Other Operation & Maintenance of Plant Services											
Salaries	11-000-262-100	72,922	3,180	76,102	75,978	124	39,756	26,426	66,182	66,071	111
Purchased Professional & Technical Services:	11-000-240-300	2,000	(1,600)	400	388	12	3,000	1,360	4,360	1,980	2,380
Cleaning, Repair & Maintenance Services	11-000-262-420	7,500	(48)	7,452	7,452	-	10,000	(3,000)	7,000	5,627	1,373
Rental of Land & Building (other than lease)	11-000-262-441	2	-	2	-	2	2	-	2	-	2
Other Purchased Property Services	11-000-262-490	1,750	1,500	3,250	3,248	2	2,500	-	2,500	2,244	256
Insurance	11-000-262-520	15,000	25,245	40,245	40,245	-	50,000	(7,405)	42,595	39,602	2,993
Travel	11-000-262-580	-	1,186	1,186	1,186	-	-	200	200	111	89
General Supplies	11-000-262-610	9,750	(4,051)	5,699	5,533	166	12,000	2,731	14,731	14,619	112
Energy (Natural Gas)	11-000-262-621	26,500	(2,318)	24,182	21,439	2,743	35,000	-	35,000	26,954	8,046
Energy (Electricity)	11-000-262-622	32,500	(6,814)	25,686	24,899	787	28,000	(798)	27,202	14,430	12,772
<b>Total Operation &amp; Maintenance of Plant Services:</b>		<b>167,924</b>	<b>16,280</b>	<b>184,204</b>	<b>180,368</b>	<b>3,836</b>	<b>180,258</b>	<b>19,514</b>	<b>199,772</b>	<b>171,638</b>	<b>28,134</b>
Undistributed Expenditures - Care & Upkeep of Grounds											
Salaries	11-000-263-100	5,000	38	5,038	5,038	-	5,000	-	5,000	5,000	-
Purchased Professional and Technical Services:	11-000-263-300	6,750	(3,038)	3,712	3,111	601	6,000	-	6,000	5,616	384
General Supplies	11-000-263-610	1,500	(319)	1,181	1,042	139	1,200	100	1,300	181	1,119
<b>Total Undistributed Expenditures - Care &amp; Upkeep of Grounds</b>		<b>13,250</b>	<b>(3,319)</b>	<b>9,931</b>	<b>9,191</b>	<b>740</b>	<b>12,200</b>	<b>100</b>	<b>12,300</b>	<b>10,797</b>	<b>1,503</b>
Security:											
General Supplies	11-000-266-610	9,500	8,249	17,749	17,749	-	-	-	-	-	-
Other Objects	11-000-266-800	3,000	1,902	4,902	4,902	-	-	-	-	-	-
<b>Total Security</b>		<b>12,500</b>	<b>10,151</b>	<b>22,651</b>	<b>22,651</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Student Transportation Services:											
Agreements - (other btw home & sch.) - Vendor	11-000-270-512	5,250	-	5,250	2,977	2,273	5,000	-	5,000	2,127	2,873
Contracted Services - Jointure Agreements - (btw home & sch.)	11-000-270-513	-	4,500	4,500	-	4,500	-	-	-	-	-
Contracted Services - ESC's & CTSA's - (Special Educator Students)	11-000-270-518	37,500	(7,500)	30,000	-	30,000	40,000	-	40,000	7,120	32,880
Contracted Services - Aid in Lieu	11-000-270-503	7,072	-	7,072	-	7,072	7,500	-	7,500	1,326	6,174
<b>Total Student Transportation Services</b>		<b>49,822</b>	<b>(3,000)</b>	<b>46,822</b>	<b>2,977</b>	<b>43,845</b>	<b>52,500</b>	<b>-</b>	<b>52,500</b>	<b>10,573</b>	<b>41,927</b>
Unallocated Benefits Employee Benefits											
Group Insurance	11-000-291-210	-	-	-	-	-	-	-	-	-	-
Social Security Contributions	11-000-291-220	48,500	5,723	54,223	36,565	17,658	44,000	11,841	55,841	35,655	20,186
Other Retirement Contributions - PERS	11-000-291-241	31,750	845	32,595	29,676	2,919	3,063	33,848	36,911	33,759	3,152
Other Retirement Contributions - Regular	11-000-291-249	24,300	(6,000)	18,300	-	18,300	-	-	-	-	-
Unemployment Compensator	11-000-291-250	-	6,000	6,000	-	6,000	-	-	-	-	-
Workman's Compensation	11-000-291-260	17,155	(14,797)	2,358	2,357	1	1,000	-	1,000	-	1,000
Health Benefits	11-000-291-270	430,786	11,741	442,527	418,835	23,692	425,000	(6,148)	418,852	365,413	53,439
Tuition Reimbursement	11-000-291-280	1,000	-	1,000	-	1,000	-	-	-	-	-
Other Employee Benefits	11-000-291-290	-	-	-	-	-	-	5,558	5,558	5,558	-
<b>Total Unallocated Benefits - Employee Benefit</b>		<b>553,491</b>	<b>3,512</b>	<b>557,003</b>	<b>487,433</b>	<b>69,570</b>	<b>473,063</b>	<b>45,099</b>	<b>518,162</b>	<b>440,385</b>	<b>77,777</b>
Nonbudgeted:											
On-Behalf TPAF OPEB (Post Retirement Medical) Contributions		-	-	-	-	-	-	-	-	74,636	-
On-Behalf TPAF Pension Contributions		-	-	-	76,937	(76,937)	-	-	-	3,598	(3,598)
On-Behalf TPAF Medical Contributions		-	-	-	86,995	(86,995)	-	-	-	33,529	(33,529)
Reimbursed TPAF Social Security		-	-	-	82,564	(82,564)	-	-	-	81,007	(81,007)
<b>Total On-Behalf Contributions</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>246,496</b>	<b>(246,496)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>192,770</b>	<b>(118,134)</b>
<b>Total Personal Services - Employee Benefit</b>		<b>553,491</b>	<b>3,512</b>	<b>557,003</b>	<b>733,929</b>	<b>(176,926)</b>	<b>473,063</b>	<b>45,099</b>	<b>518,162</b>	<b>633,155</b>	<b>(195,911)</b>
<b>Total Undistributed Expenditures</b>		<b>1,585,295</b>	<b>(19,507)</b>	<b>1,565,788</b>	<b>1,594,490</b>	<b>(28,702)</b>	<b>1,483,962</b>	<b>75,421</b>	<b>1,559,383</b>	<b>1,522,949</b>	<b>144,599</b>
<b>Total Expenditures - Current Expense</b>		<b>2,602,870</b>	<b>13,440</b>	<b>2,616,310</b>	<b>2,547,628</b>	<b>68,682</b>	<b>2,423,236</b>	<b>184,809</b>	<b>2,608,045</b>	<b>2,453,946</b>	<b>262,264</b>
SPECIAL SCHOOLS:											
Summer School - Instruction		-	-	-	-	-	-	-	-	-	-

**OCEAN GATE SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012**

ACCOUNT NUMBERS	JUNE 30, 2013				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2012				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
Salaries of Teachers	13-422-100-101	35,840	5,872	41,712	16,731	24,981	35,760	12,757	48,517	13,688	34,829
Other Salaries for Instruction	13-422-100-106	14,700	3,563	18,263	6,131	12,132	10,000	(760)	9,240	5,677	3,563
Purchased Prof & Tech Services	13-422-100-106	-	-	-	-	-	-	2,040	2,040	2,040	-
<b>Total Summer School - Instructor</b>		<b>50,540</b>	<b>9,435</b>	<b>59,975</b>	<b>22,862</b>	<b>37,113</b>	<b>45,760</b>	<b>14,037</b>	<b>59,797</b>	<b>21,405</b>	<b>38,392</b>
Summer School - Support Services		-	-	-	-	-	-	3,738	3,738	3,737	1
Purchased Professional & Technical Service	13-422-200-300	-	-	-	-	-	-	3,738	3,738	3,737	1
<b>Total Summer School - Instructor</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,738</b>	<b>3,738</b>	<b>3,737</b>	<b>1</b>
<b>Total Summer School</b>		<b>50,540</b>	<b>9,435</b>	<b>59,975</b>	<b>22,862</b>	<b>37,113</b>	<b>45,760</b>	<b>17,775</b>	<b>63,535</b>	<b>25,142</b>	<b>38,393</b>
Capital Outlay:											
Equipment:											
Undistributed Expenditures:											
Instruction	12-000-100-730	-	19,000	19,000	8,500	10,500	-	-	-	-	-
<b>Total Equipment</b>		<b>-</b>	<b>19,000</b>	<b>19,000</b>	<b>8,500</b>	<b>10,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Facilities Acquisition & Construction Services											
Architectural/Engineering Service	12-000-400-334	-	44,500	44,500	41,733	2,767	-	-	-	-	-
<b>Total Facilities Acquisition &amp; Construction Service:</b>		<b>-</b>	<b>44,500</b>	<b>44,500</b>	<b>41,733</b>	<b>2,767</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Capital Outlay</b>		<b>-</b>	<b>63,500</b>	<b>63,500</b>	<b>50,233</b>	<b>13,267</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Educational Jobs Fund											
Teachers Salaries - grades 1-5	18-120-100-101	-	1,842	1,842	656	1,186	-	-	-	-	-
<b>Total Educational Jobs</b>		<b>-</b>	<b>1,842</b>	<b>1,842</b>	<b>656</b>	<b>1,186</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditures</b>		<b>2,653,410</b>	<b>88,217</b>	<b>2,741,627</b>	<b>2,621,379</b>	<b>120,248</b>	<b>2,423,236</b>	<b>184,809</b>	<b>2,608,045</b>	<b>2,479,088</b>	<b>262,264</b>
Excess/(Deficiency) of Revenues Over/(Under Expenditures		(209,636)	(88,217)	(297,853)	111,947	409,800	(48,259)	(185,282)	(233,541)	117,234	409,446
Other Financing Sources/(Uses):											
Transfer to cover deficit in Enterprise Func		(5,000)	-	(5,000)	-	5,000	-	(6,423)	(6,423)	(6,423)	-
Transfer of Interest Earned on Maintenance Reserv		(1,250)	-	(1,250)	-	1,250	-	-	-	-	-
Transfer of Interest Earned on Emergency Reserv		(500)	-	(500)	-	500	-	-	-	-	-
<b>Total Other Financing Sources/(Uses)</b>		<b>(6,750)</b>	<b>-</b>	<b>(6,750)</b>	<b>-</b>	<b>6,750</b>	<b>-</b>	<b>(6,423)</b>	<b>(6,423)</b>	<b>(6,423)</b>	<b>-</b>
Excess/(Deficiency) of Revenues & Other Financing Source Over/(Under) Expenditures & Other Financing Use:		(216,386)	(88,217)	(304,603)	111,947	416,550	(48,259)	(191,705)	(239,964)	110,811	409,446
Fund Balances, July 1		1,266,353		1,266,353	1,266,353	-	1,155,542	-	1,155,542	1,155,542	-
Fund Balances, June 30		\$ 1,049,967	\$ (88,217)	\$ 961,750	\$ 1,378,300	\$ 416,550	\$ 1,107,283	\$ (191,705)	\$ 915,578	\$ 1,266,353	\$ 409,446

**RECAPITULATION OF FUND BALANCE**

Restricted Fund Balance:		
Capital Reserve	\$	125,000
Maintenance Reserve		261,556
Emergency Reserve		156,515
Excess Surplus		222,324
Excess Surplus Designated for Subsequent Year's Expenditure:		346,101
Committed Fund Balance		
Year-end Encumbrances		
Assigned Fund Balance:		
Unreserved Designated for Subsequent Year's Expenditure		-
Year-end Encumbrances		16,804
Unassigned Fund Balance		250,000
<b>Subtotal</b>		<b>1,378,300</b>
Reconciliation to Governmental Fund Statements (GAAP)		
Last State Aid Payments Not Recognized on GAAP Basis:		(92,677)
<b>Fund Balance per Governmental Funds (GAAP)</b>		<b>\$ 1,285,623</b>

**OCEAN GATE SCHOOL DISTRICT  
EDUCATION JOBS FUND PROGRAM -  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012**

ACCOUNT NUMBER	JUNE 30, 2013		JUNE 30, 2012		VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ORIGINAL BUDGET TRANSFERS	VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ORIGINAL BUDGET TRANSFERS
	ORIGINAL BUDGET	FINAL BUDGET	ORIGINAL BUDGET	FINAL BUDGET		
Revenues:						
Federal Sources:						
Education Jobs Fund Program	\$ -	\$ 8,454	\$ 8,454	\$ 32,789	\$ 1,027	\$ 25,362
Total Federal Sources	-	8,454	8,454	32,789	1,027	25,362
Total Revenues	-	8,454	8,454	32,789	1,027	25,362
Expenditures:						
Education Jobs Fund Program:						
Salaries - Grades 1-5	1,842	1,842	1,186	-	33,816	13,186
Total Education Jobs Fund Expenditures	-	1,842	1,186	-	33,816	20,630
Total Expenditures	-	1,842	1,186	-	33,816	20,630
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	\$ -	\$ (1,842)	\$ 7,798	\$ 32,789	\$ (32,789)	\$ 12,176

**OCEAN GATE SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012**

	JUNE 30, 2013		JUNE 30, 2012		VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ORIGINAL BUDGET	FINAL BUDGET	
<b>REVENUES</b>					
Transfer in from general fund	\$ 1,555	\$ 1,555	\$ 1,870	\$ 450	\$ -
State Sources	-	107,028	105,275	120,793	120,793
Federal Sources	49,189	127,189	109,160	65,560	65,560
<b>Total Revenues</b>	<b>50,744</b>	<b>235,772</b>	<b>214,435</b>	<b>186,803</b>	<b>186,803</b>
<b>EXPENDITURES:</b>					
Instruction:					
Salaries of Teachers	6,000	81,000	75,113	49,857	136,357
Salaries for Teachers Aides	-	29,496	29,163	46,500	136,357
Purchased Professional Services (300 Series)	399	10,399	9,799	-	11,530
General Supplies	7,190	12,040	8,692	1,000	13,340
<b>Total Instruction</b>	<b>13,589</b>	<b>132,935</b>	<b>122,767</b>	<b>63,870</b>	<b>297,584</b>
Support Services:					
Salaries	168	21,168	21,168	24,195	24,192
Personal Services - Employee Benefits	9,000	21,707	21,707	14,949	(3)
Purchased Professional - Educational Services	26,253	56,253	48,210	(14,949)	(89,857)
Other Purchased Professional Services	(168)	232	196	-	-
Travel	(143)	1,432	97	2,869	(2,869)
Supplies & Materials, Equipment	2,045	2,045	290	1,384	1,384
<b>Total Support Services</b>	<b>37,155</b>	<b>102,837</b>	<b>91,668</b>	<b>42,013</b>	<b>25,576</b>
<b>Total Expenditures</b>	<b>50,744</b>	<b>235,772</b>	<b>214,435</b>	<b>186,803</b>	<b>(136,357)</b>
<b>Total Outflows</b>	<b>50,744</b>	<b>235,772</b>	<b>214,435</b>	<b>186,803</b>	<b>(136,357)</b>
<b>Excess/(Deficiency) of Revenues Over/(Under) Expenditures &amp; Other Financing Sources/(Uses)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 89,320</b>	<b>\$ (136,357)</b>

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

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**OCEAN GATE SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTE TO RSI  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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

	GENERAL FUND	SPECIAL REVENUE FUND
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue"		
From the Budgetary Comparison Schedule (C-Series)	\$ 2,733,326	\$ 214,435
Difference - Budget to GAAP:		
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	90,468	13,848
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(92,677)	(10,699)
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Prior Year	-	9,715
Current Year	-	-
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	\$ 2,731,117	\$ 227,299
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 2,621,379	\$ 214,435
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.		
Prior Year	-	9,715
Current Year	-	-
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)	\$ 2,621,379	\$ 224,150



**OTHER SUPPLEMENTARY INFORMATION**

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D. School Based Budget Schedules

Not Applicable

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E. Special Revenue Fund

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EXHIBIT E-1

**OCEAN GATE SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(With Comparative Totals for June 30, 2012)**

	NO CHILD LEFT BEHIND		IDEA-B		Preschool Education Aid	2013	2012
	TITLE I	TITLE II-A	BASIC	PRE-SCHOOL			
<b>Revenues:</b>							
Local Sources	-	-	-	-	\$ 450		\$ 450
State Sources	\$ 58,948	\$ 9,799	\$ -	\$ -	\$ 105,275	\$ 105,275	\$ 120,793
Federal Sources			\$ 38,768	\$ 1,645		\$ 109,160	\$ 65,560
<b>Total Revenues</b>	<b>\$ 58,948</b>	<b>\$ 9,799</b>	<b>\$ 38,768</b>	<b>\$ 1,645</b>	<b>\$ 105,275</b>	<b>\$ 214,435</b>	<b>\$ 186,803</b>
<b>Expenditures:</b>							
Instruction:							
Salaries of Teachers	\$ 34,113				\$ 41,000	\$ 75,113	\$ 89,857
Salaries of Teachers Aids					29,163		
Purchased Professional Services (300 Series)	\$ 6,103	\$ 9,799			-	9,799	58,029
General Supplies					944	8,692	13,340
<b>Total Instruction</b>	<b>40,216</b>	<b>9,799</b>	<b>-</b>	<b>1,645</b>	<b>71,107</b>	<b>122,767</b>	<b>161,226</b>
Support Services:							
Other Professional Staff Salaries					21,168	21,168	24,192
Purchased Professional Services	9,442		38,768			48,210	
Other Purchased Professional Services					196	196	
Employee Benefits	9,000				12,707	21,707	
Travel					97	97	
General Supplies	290					290	1,385
<b>Total Support Services</b>	<b>18,732</b>	<b>-</b>	<b>38,768</b>	<b>-</b>	<b>34,168</b>	<b>91,668</b>	<b>25,577</b>
<b>Total Expenditures</b>	<b>\$ 58,948</b>	<b>\$ 9,799</b>	<b>\$ 38,768</b>	<b>\$ 1,645</b>	<b>\$ 105,275</b>	<b>\$ 214,435</b>	<b>\$ 186,803</b>

OCEAN GATE SCHOOL DISTRICT

SPECIAL REVENUE FUND

SCHEDULE OF PRESCHOOL EDUCATION AID  
BUDGETARY BASIS

For the fiscal year ended June 30, 2013

DISTRICT-WIDE TOTALS

		2013	2013	Variance
		<u>Budgeted</u>	<u>Actual</u>	<u></u>
<b>EXPENDITURES:</b>				
Instruction:				
Salaries of Teachers	100-101	\$ 41,000	\$ 41,000	\$ -
Other Salaries for Instruction	100-106	29,496	29,163	333
General Supplies	100-610	850	944	(94)
Total Instruction		<u>71,346</u>	<u>71,107</u>	<u>239</u>
Support Services:				
Salaries of Program Directors	200-101	\$ 21,000	\$ 21,168	\$ (168)
Personal Services - Employee Benefits	200-200	12,707	12,707	-
Travel	200-580	1,575	97	1,478
General Supplies	200-600	400	195	205
Total Support Services		<u>35,682</u>	<u>34,167</u>	<u>1,515</u>
Total Expenditures		<u><u>107,028</u></u>	<u><u>105,274</u></u>	<u><u>1,754</u></u>

SUMMARY OF LOCATION TOTALS

Total revised 2012-13 Preschool Education Aid Allocation	105,274
Add: Actual ECPA/PEA Carryover (June 30, 2012)	<u>18,574</u>
Total Preschool Education Aid Funds Available for 2012/13 Budget	123,848
Less:	
2012/13 Budgeted Preschool Education Aid (Including prior-year budget carryover)	<u>(123,848)</u>
Available and Unbudgeted Preschool Education Aid Funds as of June 30, 2013	
Add:	
June 30, 2013 Unexpended Preschool Education Aid	<u>20,328</u>
2012/13 Carryover - Preschool Education Aid/Preschool	<u>\$ 20,328</u>
2012/13 Preschool Education Aid Carryover Budgeted for Preschool Programs 2013/14	<u><u>\$ 18,574</u></u>

F. Capital Projects Fund

Not Applicable

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OCEAN GATE SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT EXPENDITURES FOR MANAGED CAPITAL PROJECTS  
YEAR ENDED JUNE 30, 2013

PROJECT TITLE	NUMBER	DATE	APPROPRIATION	EXPENDITURES			UNEXPENDED
				PRIOR TO JULY 1, 2012	CURRENT YEAR APPROPRIATION	APPROPRIATION CANCELLED	CURRENT YEAR EXPENDITURES
Renovation of the Elementary School	N/A	12/12/2006	\$1,186,000	966,533		222,058	(2,591)
Total			\$ 1,186,000	\$ 966,533	\$ -	\$ 222,058	\$ (2,591)
				Authorization Not Funded			\$ 2,591
				Fund Balance (B-2)			\$ -

**OCEAN GATE SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY STATEMENT OF PROJECT EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

Revenues and Other Financing Sources:	
Local Income - Misc	\$ -
	<hr/>
Total Revenues	-
	<hr/>
Expenditures and Other Financing Sources:	
Other Purchased Professional Services	-
Construction Services	222,058
	<hr/>
Total Expenditures	222,058
	<hr/>
Excess/Deficiency of Revenues Over/(Under) Expenditures	(222,058)
	<hr/>
Other Financing Sources/(Uses):	
Transfer - Miscellaneous - Interfund From General Operating	2,587
	<hr/>
Total Other Financing Sources/(Uses):	2,587
	<hr/>
Net Change in Fund Balance	(219,471)
	<hr/>
Fund Balance - Beginning	219,471
	<hr/>
Fund Balance - Ending	\$ -
	<hr/> <hr/>

**OCEAN GATE SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND  
PROJECT STATUS--BUDGETARY BASIS  
RENOVATIONS TO ELEMENTARY SCHOOL  
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2013**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
Bond Proceeds	\$ 1,186,004		\$ 1,186,004	\$ 1,186,916
Transfer from General Fund		\$ 2,587	2,587	
	<hr/>			
Total Revenues	1,186,004	2,587	\$ 1,188,591	\$ 1,186,916
	<hr/>			
Expenditures & Other Financing Uses:				
Other Purchased Professional Services	91,233		91,233	82,462
Legal Services	2,650		2,650	2,650
Other Purchased Professional and Technical Services	48,868		48,868	48,868
Construction Services	822,942	222,058	1,045,000	1,029,216
General Supplies	-		-	22,880
Other Objects	840		840	840
	<hr/>			
Total Expenditures	966,533	222,058	1,188,591	1,186,916
	<hr/>			
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ 219,471	\$ (219,471)	\$ -	\$ -
	<hr/>			
Additional Project Information:				
Project Number				N/A
Grant Date				N/A
Bond Authorization Date				12/12/06
Bonds Authorization				1,186,000
Bonds Issued				1,186,000
Original Authorized Cost				1,186,916
Additional Authorized Cost				N/A
Revised Authorized Cost				N/A
Percentage Increase Over Original Authorized Cost				N/A
Percentage Completion				100%
Original Target Completion Date				8/15/07
Revised Target Completion Date				8/10/12



G. Proprietary Funds

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Enterprise Funds

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**OCEAN GATE SCHOOL DISTRICT  
ENTERPRISE FUND  
COMBINING SCHEDULE OF NET POSITION  
AS OF JUNE 30, 2013  
(With Comparative Totals for June 30, 2012)**

ASSETS	BUSINESS TYPE ACTIVITIES ENTERPRISE FUND		
	FOOD SERVICE	2013	2012
<b>Current Assets:</b>			
State	\$ 55	55	38
Federal	3,307	3,307	1,985
Interfund Receivable (due from general fund)	3,912	3,912	3,912
Inventories	304	304	499
<b>Total Current Assets</b>	<b>7,578</b>	<b>7,578</b>	<b>6,434</b>
<b>Noncurrent Assets:</b>			
Furniture, Machinery & Equipment	30,218	30,218	30,218
Less: Accumulated Depreciation	(12,116)	(12,116)	(11,880)
<b>Total Noncurrent Assets</b>	<b>18,102</b>	<b>18,102</b>	<b>18,338</b>
<b>Total Assets</b>	<b>25,680</b>	<b>25,680</b>	<b>24,772</b>
<b>LIABILITIES</b>			
<b>Current Liabilities:</b>			
Cash Deficit	1,878	1,878	1,293
Accounts Payable	13,830	13,830	4,411
<b>Total Current Liabilities</b>	<b>15,708</b>	<b>15,708</b>	<b>5,704</b>
<b>NET POSITION</b>			
Invested in Capital Assets, Net of Related Debt	18,102	18,102	18,338
Unrestricted	(8,130)	(8,130)	730
<b>Total Net Position</b>	<b>\$ 9,972</b>	<b>\$ 9,972</b>	<b>\$ 19,068</b>

**OCEAN GATE SCHOOL DISTRICT  
ENTERPRISE FUND  
COMBINING SCHEDULE OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2013  
(With Comparative Totals for June 30, 2012)**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND		
	FOOD SERVICE	2013	2012
Operating Revenues:			
Charges for Services:			
Daily Sales - Nonreimbursable Programs	\$ 11,591	11,591	13,212
<b>Total Operating Revenues</b>	<b>11,591</b>	<b>11,591</b>	<b>13,212</b>
Operating Expenses:			
Salaries	10,045	10,045	6,910
Sport Services - Employee Benefits	7,097	7,097	1,544
Purchased Professional/Technical Services	44,074	44,074	12,020
Insurance	436	436	-
Management Fees	5,275	5,275	
Advertising Expense		-	193
Other Purchased Services		-	31,148
Supplies and Materials	186	186	(123)
Depreciation	236	236	2,037
Miscellaneous Expenditures	108	108	111
Cost of Sales	7,279	7,279	15,517
<b>Total Operating Expenses</b>	<b>74,736</b>	<b>74,736</b>	<b>69,357</b>
<b>Operating Income/(Loss)</b>	<b>(63,145)</b>	<b>(63,145)</b>	<b>(56,145)</b>
Nonoperating Revenues/(Expenses):			
State Sources:			
State School Lunch Program	897	897	833
Federal Sources:			
National School Lunch Program	42,093	42,093	36,281
National School Breakfast Program	10,130	10,130	7,116
National School Performance Based Program	930	930	-
Interfund Transfer From General Fund	-	-	6,423
<b>Total Nonoperating Revenues/(Expenses)</b>	<b>54,050</b>	<b>54,050</b>	<b>50,653</b>
<b>Change in Net Position</b>	<b>(9,095)</b>	<b>(9,095)</b>	<b>(5,492)</b>
<b>Total Net Position - Beginning</b>	<b>19,067</b>	<b>19,067</b>	<b>24,559</b>
<b>Total Net Position - Ending</b>	<b>\$ 9,972</b>	<b>\$ 9,972</b>	<b>\$ 19,067</b>

**OCEAN GATE SCHOOL DISTRICT  
ENTERPRISE FUND  
COMBINING SCHEDULE OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2013  
(With Comparative Totals for June 30, 2012)**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND		
	FOOD SERVICE	2013	2012
Cash Flows From Operating Activities:			
Receipts from Customers	\$ 11,591	\$ 11,591	\$ 13,212
Payments to Employees & Benefits	(17,142)	(17,142)	(8,030)
Payments to Suppliers	(47,744)	(47,744)	(55,129)
	<hr/>	<hr/>	<hr/>
Net Cash Flows from Operating Activities	(53,295)	(53,295)	(49,947)
Cash Flows From Noncapital Financing Activities:			
Transfer from General Fund	-	-	2,512
State Sources	880	880	796
Federal Sources	51,831	51,831	41,412
	<hr/>	<hr/>	<hr/>
Net Cash Flows from Noncapital Financing Activities	52,711	52,711	44,720
Change in Cash & Cash Equivalents	(585)	(585)	(5,227)
Balances - Beginning of Year	(1,293)	(1,293)	3,934
	<hr/>	<hr/>	<hr/>
Balances - End of Year	\$ (1,878)	\$ (1,878)	\$ (1,293)

**Reconciliation of Operating Loss to Net Cash Flows from Operating Activities:**

Operating Loss	\$ (63,145)	\$ (63,145)	\$ (56,145)
Adjustments to Reconcile Operating Loss to Net Cash Flows from Operating Activities:			
Depreciation Expense	236	236	2,037
(Increase)/Decrease in Inventories	195	195	(250)
Increase/(Decrease) in Accounts Payable	9,419	9,419	4,411
	<hr/>	<hr/>	<hr/>
Total Adjustments	9,850	9,850	6,198
	<hr/>	<hr/>	<hr/>
Net Cash Flows from Operating Activities	\$ (53,295)	\$ (53,295)	\$ (49,947)



Internal Service Fund

Not Applicable

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## H. Fiduciary Fund

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**OCEAN GATE SCHOOL DISTRICT  
FIDUCIARY FUNDS  
COMBINING STATEMENT OF FIDUCIARY NET POSITION  
JUNE 30, 2013  
(With Comparative Totals for June 30, 2012)**

ASSETS	PRIVATE PURPOSE		AGENCY		2013	2012
	UNEMPLOYMENT COMPENSATION TRUST	PAYROLL FUND	STUDENT ACTIVITY FUND			
Cash & Cash Equivalents	\$ 7,143	\$ 9,843	\$ 6,222	\$ 23,208	\$ 20,638	
Intrafund Receivable	-	-	-	-	7,116	
<b>Total Assets</b>	<b>7,143</b>	<b>9,843</b>	<b>6,222</b>	<b>23,208</b>	<b>27,754</b>	
<b>LIABILITIES</b>						
Unemployment Payable	49	-	-	49		
Intrafund Payable		-	-	-	7,116	
Interfund Due to General Fund		-	543	543	888	
Payroll Deductions & Withholdings	-	9,843	-	9,843	7,575	
Due to Student Groups	-	-	5,679	5,679	5,947	
<b>Total Liabilities</b>	<b>49</b>	<b>9,843</b>	<b>6,222</b>	<b>16,114</b>	<b>21,526</b>	
<b>NET POSITION</b>						
Held in Trust for Unemployment Claims & Other Purposes	7,094	-	-	7,094	6,228	
<b>Total Net Position</b>	<b>\$ 7,094</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 7,094</b>	<b>\$ 6,228</b>	

**OCEAN GATE SCHOOL DISTRICT  
FIDUCIARY FUNDS  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2013  
(With Comparative Totals for June 30, 2012)**

ADDITIONS	PRIVATE PURPOSE UNEMPLOYMENT COMPENSATION TRUST	2013	2012
Contributions:			
Intefund Receivable - PR Agency Employees	\$ 9,494	\$ 9,494	\$ 4,207
Total Contributions	9,494	9,494	4,207
Total Additions	9,494	9,494	4,207
DEDUCTIONS			
Unemployment Claims	8,628	8,628	14,434
Total Deductions	8,628	8,628	14,434
Change in Net Position	866	866	(10,227)
Net Position - Beginning of the Year	6,228	6,228	16,455
Net Position - End of the Year	\$ 7,094	\$ 7,094	\$ 6,228

**OCEAN GATE SCHOOL DISTRICT  
STUDENT ACTIVITY AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

ASSETS	BALANCE JULY 1, 2012	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2013
Cash & Cash Equivalents	\$ 5,947	\$ 2,061	\$ 1,786	\$ 6,222
Total Assets	<u>\$ 5,947</u>	<u>\$ 2,061</u>	<u>\$ 1,786</u>	<u>\$ 6,222</u>
<b>LIABILITIES</b>				
Due to Student Groups	\$ 5,947	\$ 1,518	\$ 1,786	\$ 5,679
Due to general fund	-	543	-	543
Total Liabilities	<u>\$ 5,947</u>	<u>\$ 2,061</u>	<u>\$ 1,786</u>	<u>\$ 6,222</u>

**PAYROLL AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

ASSETS	BALANCE JULY 1, 2012	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2013
Cash & Cash Equivalents	\$ 14,691	\$ 1,746,988	\$ 1,751,836	\$ 9,843
Total Assets	<u>\$ 14,691</u>	<u>\$ 1,746,988</u>	<u>\$ 1,751,836</u>	<u>\$ 9,843</u>
<b>LIABILITIES</b>				
Payroll Deductions & Withholdings	\$ 7,575	\$ 1,746,988	\$ 1,744,720	\$ 9,843
Intrafund Payable	7,116	-	7,116	-
Total Liabilities	<u>\$ 14,691</u>	<u>\$ 1,746,988</u>	<u>\$ 1,751,836</u>	<u>\$ 9,843</u>



## I. Long-Term Debt

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**OCEAN GATE SCHOOL DISTRICT  
DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012**

	JUNE 30, 2013			JUNE 30, 2012			VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
	BUDGET TRANSFERS	BUDGET	ACTUAL	BUDGET	TRANSFERS	BUDGET	
<b>Revenues:</b>							
Local Sources:							
Local Tax Levy	\$ -	\$ 120,381	\$ 120,381	\$ -	\$ -	\$ 121,290	\$ -
State Sources:							
Debt Service Aid	94,700	94,700	94,700	-	-	95,863	95,863
<b>Total Revenues</b>	<b>215,081</b>	<b>215,081</b>	<b>215,081</b>	<b>217,153</b>	<b>-</b>	<b>217,153</b>	<b>217,153</b>
<b>Expenditures:</b>							
Regular Debt Service:							
Interest	51,861	51,861	51,861	57,928	-	57,928	57,928
Redemption of Principal	165,355	165,355	165,355	161,933	-	161,933	161,933
<b>Total Regular Debt Service</b>	<b>217,216</b>	<b>217,216</b>	<b>217,216</b>	<b>219,861</b>	<b>-</b>	<b>219,861</b>	<b>219,861</b>
<b>Total Expenditures</b>	<b>217,216</b>	<b>217,216</b>	<b>217,216</b>	<b>219,861</b>	<b>-</b>	<b>219,861</b>	<b>219,861</b>
<b>Excess/(Deficiency) of Revenues Over/(Under) Expenditures</b>	<b>(2,135)</b>	<b>(2,135)</b>	<b>(2,135)</b>	<b>(2,708)</b>	<b>-</b>	<b>(2,708)</b>	<b>(2,708)</b>
<b>Fund Balance, July 1</b>	<b>2,136</b>	<b>2,136</b>	<b>2,136</b>	<b>4,844</b>	<b>-</b>	<b>4,844</b>	<b>4,844</b>
<b>Fund Balance, June 30</b>	<b>\$ 1</b>	<b>\$ 1</b>	<b>\$ 1</b>	<b>\$ 2,136</b>	<b>\$ -</b>	<b>\$ 2,136</b>	<b>\$ 2,136</b>

**OCEAN GATE SCHOOL DISTRICT  
LONG TERM DEBT  
STATEMENT OF LOANS PAYABLE - N.J.E.D.A.**

**June 30, 2013**

<u>Issue</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Date</u>	<u>Annual Maturity Amount</u>	<u>Interest Rate</u>	<u>Balance July 1, 2012</u>	<u>Retired</u>	<u>Balance June 30, 2013</u>
Small Project Loan	08/18/93	\$ 1,136,000	07/15/13	84,161	5.288%	\$ 164,727	\$ 80,566	\$ 84,161
School Facilities Program Loan	08/18/93	1,136,000	07/15/13	59,789	1.500%	119,579	59,790	59,789
						<u>\$ 284,306</u>	<u>\$ 140,356</u>	<u>\$ 143,950</u>



**STATISTICAL SECTION (Unaudited)**

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**OCEAN GATE SCHOOL DISTRICT**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
*(Accrual Basis of Accounting)*

FISCAL YEAR ENDING JUNE 30,

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>Governmental Activities:</b>										
Invested in Capital Assets, Net of										
Related Debt	\$ 1,762,356	\$ 1,289,352	\$ 1,197,841	\$ 1,110,815	\$ 953,824	\$ 867,289	\$ (16,957)	\$ 1,013,923	\$ 945,467	\$ 899,954
Restricted	1,111,496	1,200,083	1,121,730	1,056,981	1,302,567	962,710	1,402,448	97,527	89,519	115,805
Unrestricted	(91,960)	73,311	93,299	107,229	56,646	122,832	133,153	(4,416)	(25,138)	6,298
<b>Total Governmental Activities</b>	<b>\$ 2,781,892</b>	<b>\$ 2,562,746</b>	<b>\$ 2,412,870</b>	<b>\$ 2,275,025</b>	<b>\$ 2,313,037</b>	<b>\$ 1,952,831</b>	<b>\$ 1,518,644</b>	<b>\$ 1,107,034</b>	<b>\$ 1,009,848</b>	<b>\$ 1,022,057</b>
<b>Business-Type Activities:</b>										
Invested in Capital Assets, Net of										
Related Debt	\$ 18,102	\$ 18,337	\$ 20,375	\$ 22,605	\$ 194	\$ 6,885	\$ 962	\$ 1,346	\$ 1,281	\$ 1,601
Unrestricted	(8,130)	730	4,184	6,522	34,630	6,368	5,923	3,283	3,856	12,024
<b>Total Business-Type Activities</b>	<b>\$ 9,972</b>	<b>\$ 19,067</b>	<b>\$ 24,559</b>	<b>\$ 29,127</b>	<b>\$ 34,824</b>	<b>\$ 13,253</b>	<b>\$ 6,885</b>	<b>\$ 4,629</b>	<b>\$ 5,137</b>	<b>\$ 13,625</b>
<b>District-Wide:</b>										
Invested in Capital Assets, Net of										
Related Debt	\$ 1,780,458	\$ 1,307,689	\$ 1,218,216	\$ 1,133,420	\$ 954,018	\$ 874,174	\$ (15,995)	\$ 1,015,269	\$ 946,748	\$ 901,555
Restricted	1,111,496	1,200,083	1,121,730	1,056,981	1,302,567	962,710	1,402,448	97,527	89,519	115,805
Unrestricted	(100,090)	74,041	97,483	113,751	91,276	129,200	139,076	(1,133)	(21,282)	18,322
<b>Total District Net Position</b>	<b>\$ 2,791,864</b>	<b>\$ 2,581,813</b>	<b>\$ 2,437,429</b>	<b>\$ 2,304,152</b>	<b>\$ 2,347,861</b>	<b>\$ 1,966,084</b>	<b>\$ 1,525,529</b>	<b>\$ 1,111,663</b>	<b>\$ 1,014,985</b>	<b>\$ 1,035,682</b>

Source: District CAFR, Schedule A-1

**OCEAN GATE SCHOOL DISTRICT  
CHANGES IN NET POSITION - (ACCURAL BASIS OF ACCOUNTING)  
LAST TEN FISCAL YEARS**

	FISCAL YEAR ENDING JUNE 30,									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Expenses:										
Governmental Activities										
Instruction:										
Regular	\$ 650,757	\$ 1,162,974	\$ 1,137,014	\$ 1,172,770	\$ 1,218,460	\$ 937,744	\$ 804,320	\$ 1,179,916	\$ 1,129,343	\$ 928,448
Special Education	356,942	292,490	249,153	292,250	123,324	426,071	410,586	232,695	267,366	289,636
Other Special Education	78,577						460	401	13,126	793
Other Instruction	-	84,356	99,791	77,393	29,041	28,276	48,531	1,796	-	-
Support Services:										
Tuition	-	52,450	40,078	71,704	62,412	72,125	143,762	162,117	238,082	233,148
Student & Instruction Related Services	445,433	517,790	504,689	414,535	426,567	349,443	332,407	435,746	406,632	294,725
School Administrative Services	53,750	102,815	98,075	87,909	113,697	132,317	127,267	65,599	90,295	38,766
General & Business Administrative Services	215,251	93,698	111,928	105,912	104,595	101,603	106,381	300,065	271,076	309,323
Plant Operations & Maintenance	234,818	307,145	341,030	328,390	358,187	342,780	227,568	233,249	224,410	224,149
Central Services	100,848	112,692	102,685	85,666	88,108	94,892	100,939			
Admin Info Tech	12,322	12,328	9,471	9,219	5,302	5,030	4,557			
Pupil Transportation	2,977	10,573	26,430	57,111	47,884	58,968	89,519	123,005	128,726	112,079
Special Schools	2,977	25,143	26,225	26,273	31,259	23,338	16,595	17,344	17,898	-
Unallocated Benefits	733,929									
Interest on Long-Term Debt	49,039	53,955	62,391	66,959	73,059	76,490	44,886	38,176	38,314	29,214
Unallocated Depreciation	108,593		-	87,866	-	11,900	11,622	11,622	9,807	9,530
Total Governmental Activities Expenses	3,047,758	2,828,409	2,808,960	2,883,957	2,681,895	2,660,977	2,469,400	2,801,731	2,835,075	2,469,811
Business-Type Activities:										
Food Service	74,736	69,357	61,853	66,447	52,251	60,378	52,777	62,567	61,267	51,913
Total Business-Type Activities Expense	74,736	69,357	61,853	66,447	52,251	60,378	52,777	62,567	61,267	51,913
Total District Expenses	\$ 3,122,494	\$ 2,897,766	\$ 2,870,813	\$ 2,950,404	\$ 2,734,146	\$ 2,721,355	\$ 2,522,177	\$ 2,864,298	\$ 2,896,342	\$ 2,521,724

**OCEAN GATE SCHOOL DISTRICT  
CHANGES IN NET POSITION - (ACCURAL BASIS OF ACCOUNTING)  
LAST TEN FISCAL YEARS**

	FISCAL YEAR ENDING JUNE 30,									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Program Revenues:										
Governmental Activities:										
Charges for Service	\$ 11,591			2,716	2,650					
Grants & Contributions	227,299	\$ 95,863	\$ 98,287	\$ 123,916	\$ 156,134	\$ 98,462	\$ 99,282	\$ 85,067	\$ 100,933	\$ 101,765
Total Governmental Activities	238,890	95,863	98,287	126,632	158,784	98,462	99,282	85,067	100,933	101,765
Business-Type Activities:										
Charges for Services:										
Grants & Contributions	54,050	13,212	16,593	18,288	17,688	20,169	19,325	21,847	27,822	14,587
Food Service	11,591	44,230	38,301	42,732	45,134	31,760	21,522	29,511	17,386	24,256
Total Business Type Activities	65,641	57,442	54,894	61,020	62,822	51,929	40,847	51,358	45,208	38,843
Program Revenues	\$ 304,531	\$ 153,305	\$ 153,181	\$ 187,652	\$ 221,606	\$ 150,391	\$ 140,129	\$ 136,425	\$ 146,141	\$ 140,608
Total District Program Revenues	\$ (2,808,868)	\$ (2,732,546)	\$ (2,710,673)	\$ (2,757,325)	\$ (2,523,111)	\$ (2,562,515)	\$ (2,370,118)	\$ (2,716,664)	\$ (2,734,142)	\$ (2,368,046)
Net (Expense)/Revenue:	(9,095)	(11,915)	(6,959)	(5,427)	10,571	(8,449)	(11,930)	(11,209)	(16,059)	(13,070)
Governmental Activities	\$ (2,817,963)	\$ (2,744,461)	\$ (2,717,632)	\$ (2,762,752)	\$ (2,512,540)	\$ (2,570,964)	\$ (2,382,048)	\$ (2,727,873)	\$ (2,750,201)	\$ (2,381,116)
Business-Type Activities										
Total District-Wide Net Expense										

**OCEAN GATE SCHOOL DISTRICT  
CHANGES IN NET POSITION - (ACCURAL BASIS OF ACCOUNTING)  
LAST TEN FISCAL YEARS**

	FISCAL YEAR ENDING JUNE 30,									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>General Revenues &amp; Other Changes in Net Position:</b>										
<b>Governmental Activities:</b>										
Property Taxes Levied for General Purposes, Net	\$ 1,486,957	\$ 1,464,271	\$ 1,466,894	\$ 1,498,990	\$ 1,530,292	\$ 1,471,435	\$ 1,387,828	\$ 1,228,295	\$ 1,199,081	\$ 1,161,196
Taxes Levied for Debt Service	120,381	121,290	121,695	89,689	68,412	135,991	80,869	104,722	35,580	83,458
Unrestricted Grants & Contributions	1,274,227	1,293,064	1,249,459	1,115,755	1,274,090	1,366,931	1,296,615	1,469,589	1,471,917	1,266,293
Investment Earning	-	-	8,682	10,198	6,390	36,475	26,066	4,388	119	175
Loss on Disposal of Assets	64,754	-	-	-	-	(6,682)	-	-	-	-
Miscellaneous Income	-	10,271	4,013	4,681	14,693	7,177	4,351	9,385	22,735	34,771
Transfers	-	(6,474)	(2,316)	-	(10,559)	(14,626)	(14,000)	(10,065)	(7,500)	(13,614)
<b>Total Governmental Activities</b>	<b>2,946,319</b>	<b>2,882,422</b>	<b>2,848,427</b>	<b>2,719,313</b>	<b>2,883,318</b>	<b>2,996,701</b>	<b>2,781,729</b>	<b>2,806,314</b>	<b>2,721,932</b>	<b>2,532,279</b>
<b>Business-Type Activities:</b>										
Investment Earnings	-	-	75	-	171	191	185	187	71	24
Transfer	-	6,424	2,316	-	10,559	14,626	14,000	10,065	7,500	13,614
<b>Total Business-Type Activities</b>	<b>-</b>	<b>6,424</b>	<b>2,391</b>	<b>-</b>	<b>10,730</b>	<b>14,817</b>	<b>14,185</b>	<b>10,252</b>	<b>7,571</b>	<b>13,638</b>
<b>Total District-Wide</b>	<b>\$ 2,946,319</b>	<b>\$ 2,888,846</b>	<b>\$ 2,850,818</b>	<b>\$ 2,719,313</b>	<b>\$ 2,894,048</b>	<b>\$ 3,011,518</b>	<b>\$ 2,795,914</b>	<b>\$ 2,816,566</b>	<b>\$ 2,729,503</b>	<b>\$ 2,545,917</b>
<b>Change in Net Position:</b>										
Governmental Activities	\$ 137,451	\$ 149,876	\$ 137,754	\$ (38,012)	\$ 360,207	\$ 434,186	\$ 411,611	\$ 89,650	\$ (12,210)	\$ 164,233
Business-Type Activities	(9,095)	(5,491)	(4,568)	(5,427)	21,301	6,368	2,255	(957)	(8,488)	568
<b>Total District</b>	<b>\$ 128,356</b>	<b>\$ 144,385</b>	<b>\$ 133,186</b>	<b>\$ (43,439)</b>	<b>\$ 381,508</b>	<b>\$ 440,554</b>	<b>\$ 413,866</b>	<b>\$ 88,693</b>	<b>\$ (20,698)</b>	<b>\$ 164,801</b>

Source: District CAFR, Schedule A-2

**OCEAN GATE SCHOOL DISTRICT**  
**FUND BALANCES AND GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
*(Modified Accrual Basis of Accounting)*

FISCAL YEAR ENDING JUNE 30, 2011

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>General Fund:</b>										
Reserved	\$ 1,111,496	\$ -	\$ -	\$ 796,675	\$ 911,487	\$ 579,807	\$ 303,655	\$ 106,007	\$ 96,261	\$ 98,822
Unreserved	-	970,558	733,906	207,080	160,169	215,172	212,070	59,483	59,649	76,940
Restricted	16,804	46,717	165,312							
Assigned	157,878	161,631	171,507							
Unreserved										
<b>Total General Fund</b>	<b>\$ 1,286,178</b>	<b>\$ 1,178,906</b>	<b>\$ 1,070,725</b>	<b>\$ 1,003,755</b>	<b>\$ 1,071,656</b>	<b>\$ 794,979</b>	<b>\$ 515,725</b>	<b>\$ 165,490</b>	<b>\$ 155,910</b>	<b>\$ 175,762</b>
<b>All Other Governmental Funds:</b>										
Reserved	\$ -						\$ 28,340	\$ -	\$ -	\$ 6,410
Unreserved, Reported in:										
Special Revenue Fund	(10,699)			(12,425)	(10,934)	(9,645)	(8,482)	(8,482)	(6,743)	750
Capital Projects Fund	-			266,201	361,603	361,603	1,059,113			
Debt Service Fund	1			6,531	23,833	30,945	11,241	1	1	2
Restricted for:										
Capital Projects Fund		219,471	257,145							
Debt Service Fund		1	2,136							
Assigned to:										
Debt Service Fund		2,136	2,708							
Unassigned to:										
Special Revenue Fund		(13,848)	(10,553)							
<b>Total All Other Governmental Funds</b>	<b>\$ (10,698)</b>	<b>\$ 207,760</b>	<b>\$ 251,436</b>	<b>\$ 260,307</b>	<b>\$ 374,502</b>	<b>\$ 382,903</b>	<b>\$ 1,090,212</b>	<b>\$ (8,481)</b>	<b>\$ (6,742)</b>	<b>\$ 7,162</b>

Source: District CAFR, Schedule B-1

**OCEAN GATE SCHOOL DISTRICT  
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,  
LAST TEN FISCAL YEARS  
(Modified Accrual Basis of Accounting)**

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>Revenues:</b>										
Tax Levy	\$ 1,607,338	\$ 1,585,561	\$ 1,588,679	\$ 1,588,679	\$ 1,598,704	\$ 1,607,426	\$ 1,468,697	\$ 1,333,017	\$ 1,234,661	\$ 1,243,654
Tuition Charges	-	-	-	-	2,650	-	-	4,388	119	175
Interest	-	-	10,818	7,490	2,568	43,648	19,177	17,385	22,735	8,695
Miscellaneous	64,633	10,271	1,877	10,105	18,516	1,375,975	1,287,453	1,221,861	1,187,633	1,160,972
State Sources	1,374,197	1,299,979	1,233,308	906,972	1,321,967	89,419	108,444	324,795	385,217	207,086
Federal Sources	127,329	88,948	114,438	332,699	108,256	-	-	-	-	-
<b>Total Revenue</b>	<b>3,173,497</b>	<b>2,984,759</b>	<b>2,949,120</b>	<b>2,845,945</b>	<b>3,052,661</b>	<b>3,116,468</b>	<b>2,883,771</b>	<b>2,901,446</b>	<b>2,830,365</b>	<b>2,620,582</b>
<b>Expenditures:</b>										
<b>Instruction:</b>										
Regular Instruction	650,757	811,250	805,548	828,164	880,033	574,602	493,162	881,612	879,444	462,725
Instruction	356,942	186,973	158,753	229,810	113,512	359,401	343,801	156,614	203,159	208,054
Other Special Instruction	78,577	84,356	99,791	54,728	765	460	460	401	29	793
Other Instruction	-	52,451	40,078	71,704	62,412	72,125	143,762	162,117	407,427	233,148
<b>Support Services:</b>										
Tuition	445,433	416,592	433,711	379,908	417,975	309,281	323,094	408,725	222,712	176,444
Student & Instruction	102,081	93,698	87,175	88,962	74,156	64,154	59,988	110,350	116,268	127,008
Related Services	53,750	49,664	48,569	49,692	64,427	72,431	64,156	28,932	50,170	23,112
General & Business	100,848	86,117	77,932	85,666	88,108	94,893	100,939	96,782	73,478	73,478
Services	12,322	12,328	9,471	9,219	5,302	5,030	4,557	5,443	-	-
School Administrative	234,818	193,947	230,596	288,184	300,478	301,908	199,532	211,167	210,388	208,162
Administration Services	2,977	10,573	26,429	57,111	47,884	58,968	89,519	123,005	128,726	112,079
Central Services	733,929	633,156	586,427	527,941	459,472	567,385	521,526	512,509	406,832	458,378
Admin Info Tech	22,862	25,142	26,225	26,273	31,259	23,338	16,595	17,344	17,899	17,899
Plant Operations &	272,291	37,673	35,425	105,402	813,330	-	-	8,456	19,173	2,328
Maintenance	-	-	-	-	-	-	-	-	-	381,780
Pupil Transportation	-	-	-	-	-	-	-	-	-	-
Unallocated Benefits	-	-	-	-	-	-	-	-	-	-
Special Schools	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-	-
Special Revenues	-	-	-	-	-	-	-	-	-	-
Debt Service:										
Principal	165,355	161,933	158,753	155,729	152,922	145,157	122,547	120,035	91,673	115,543
Interest & Other Charges	51,861	57,928	63,820	69,548	75,122	67,894	35,898	40,047	23,134	47,972
<b>Total Expenditures</b>	<b>3,284,803</b>	<b>2,913,781</b>	<b>2,888,703</b>	<b>3,028,041</b>	<b>2,773,827</b>	<b>3,529,897</b>	<b>2,519,536</b>	<b>2,883,539</b>	<b>2,850,512</b>	<b>2,557,526</b>

**OCEAN GATE SCHOOL DISTRICT**  
**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,**  
**LAST TEN FISCAL YEARS**  
*(Modified Accrual Basis of Accounting)*

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(111,306)	70,978	60,417	(182,096)	278,834	(413,429)	364,235	17,907	(20,147)	63,056
<b>Other Financing Sources/(Uses):</b>										
Proceeds from Borrowing	-	-	-	-	-	-	11,240			
Transfers in	2,587	-	-	-	-	-	(14,000)	(10,065)	(7,500)	(13,613)
Transfers Out	(2,466)	(6,474)	(2,316)	-	(10,559)	(14,626)				
Total Other Financing Sources/ (Uses)	121	(6,474)	(2,316)	-	(10,559)	(14,626)	(2,760)	(10,065)	(7,500)	(13,613)
Net Change in Fund Balances	\$ (111,185)	\$ 64,504	\$ 58,101	\$ (182,096)	\$ 268,275	\$ (428,055)	\$ 361,475	\$ 7,842	\$ (27,647)	\$ 49,443
Debt Service as a Percentage of Noncapital Expenditures	7.2%	7.6%	7.8%	7.7%	8.2%	7.8%	6.3%	5.6%	4.1%	6.4%

Source: District CAFR, Schedule B-2

**OCEAN GATE SCHOOL DISTRICT  
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE  
LAST TEN FISCAL YEARS  
(Modified Accrual Basis of Accounting)**

FISCAL YEAR ENDING JUNE 30,	INTEREST ON INVESTMENTS	MISCELLANEOUS	UNIVERSAL SERVICE FUND (E-RATE)	TUITION AND TUITION REFUNDS	DISSOLUTION OF OCEAN COUNTY NORTH SHORE JOINTURE COMMISSION	PRIOR YEAR REFUNDS	TOTAL
2013	\$ -	\$ 64,633	\$ -	\$ -	\$ -	-	\$ 64,633
2012	-	8,871	-	900	-	-	9,771
2011	8,682	1,877	-	-	-	-	10,559
2010	7,490	2,827	750	2,716	-	-	13,783
2009	2,568	4,656	-	2,650	-	-	10,481
2008	16,466	3,064	-	4,109	-	607	23,639
2007	14,826	4,351	-	-	-	-	19,177
2006	4,388	9,385	-	-	-	-	13,773
2005	119	427	-	-	22,308	-	22,854
2004	175	6,898	1,798	-	-	-	8,871

Source: District records

**OCEAN GATE SCHOOL DISTRICT  
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY  
 LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	VACANT LAND	RESIDENTIAL	FARM REG.	QFARM	COMMERCIAL	INDUSTRIAL	APARTMENT	NET VALUATION TAXABLE	LESS: TAX EXEMPT PROPERTY	PUBLIC UTILITY	TOTAL ASSESSED VALUE	TOTAL DIRECT SCHOOL TAX RATE
2013	N/A	N/A	-	-	N/A	-	N/A	266,769,200	\$ 12,082,500	146,261	\$ 254,540,439	0.631
2012	3,804,100	253,620,900	-	-	4,683,100	-	1,299,000	275,489,600	12,082,500	159,480	\$ 263,247,620	0.609
2011	3,488,300	252,790,400	-	-	4,683,100	-	1,299,000	274,293,300	12,032,500	153,416	\$ 262,107,384	0.604
2010	3,326,200	253,446,800	-	-	4,683,100	-	1,299,000	274,361,400	11,606,300	-	\$ 262,755,100	0.604
2009	3,541,200	252,215,100	-	-	4,683,100	-	1,299,000	273,344,700	11,606,300	-	\$ 261,738,400	0.607
2008	3,351,000	251,009,000	-	-	4,683,100	-	1,299,000	272,534,100	12,192,000	180,432	\$ 260,161,668	0.613
2007	3,455,300	248,615,500	-	-	4,683,100	-	1,299,000	270,244,900	12,192,000	163,580	\$ 257,889,320	0.620
2006	3,778,500	246,889,400	-	-	4,683,100	-	1,299,000	268,857,700	12,207,700	169,632	\$ 256,480,368	0.572
2005	3,628,900	246,829,600	-	-	4,683,100	-	1,299,000	268,208,900	11,768,300	188,556	\$ 256,252,044	0.478
2004	1,325,400	95,106,890	-	-	3,123,500	-	1,274,000	105,791,790	4,962,000	125,480	100,704,310	1.220

Source: OCNJTAX.COM/2010ratables.pdf  
 OCNJTAX.COM/taxrate.pdf and 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 (R) occurs when the County Board of Taxation requests Treasury to order a reassessment.

- a Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies
- b Tax rates are per \$100
- N/A At the time of CAFR Completion, this data was not available

**OCEAN GATE SCHOOL DISTRICT  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
LAST TEN FISCAL YEARS  
(RATE PER \$100 OF ASSESSED VALUE)  
(UNAUDITED)**

Fiscal Year Ending June 30,	Ocean Gate School District Direct Rate						Overlapping Rates			Total Direct and Overlapping Tax Rate
	(From J-6)									
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	School Tax Rate	Ocean Gate Borough	Ocean County	Total Direct				
2013	N/A	N/A	0.631	0.654	0.312	0.631	0.654	0.312	1.597	
2012	N/A	N/A	0.609	0.634	0.301	0.609	0.634	0.301	1.544	
2011	N/A	N/A	0.604	0.635	0.366	0.604	0.635	0.366	1.605	
2010	N/A	N/A	0.604	0.624	0.359	0.604	0.624	0.359	1.587	
2009	N/A	N/A	0.607	0.614	0.339	0.607	0.614	0.339	N/A	
2008	N/A	N/A	0.614	0.604	0.334	0.614	0.604	0.334	N/A	
2007	1.884	0.526	0.622	0.580	0.276	0.622	0.580	0.276	0.856	
2006	1.747	0.323	0.571	0.538	0.263	0.571	0.538	0.263	0.801	
2005	1.645	0.460	0.517	0.492	0.246	0.517	0.492	0.246	0.738	
2004	3.695	1.280	1.220	1.029	0.575	1.220	1.029	0.575	1.604	

Source: Municipal Tax Assessor

Note: N.J.S.A. 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 calculated as follows: the prebudget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

- 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.

**OCEAN GATE SCHOOL DISTRICT  
PRINCIPAL PROPERTY TAXPAYERS  
CURRENT YEAR AND NINE YEARS AGO  
(UNAUDITED)**

	2013			2004		
	<u>Taxable Assessed Value</u>	<u>Rank (Optional)</u>	<u>% of Total District Net Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank (Optional)</u>	<u>% of Total District Net Assessed Value</u>
Taxpayer 1		1			1	
Taxpayer 2		2			2	
Taxpayer 3		3			3	
Taxpayer 4		4			4	
Taxpayer 5		5			5	
Taxpayer 6		6			6	
Taxpayer 7		7			7	
Taxpayer 8		8			8	
Taxpayer 9		9			9	
Taxpayer 10		10			10	
			<b>DATA NOT AVAILABLE</b>			
<b>Total</b>						

Source: Municipal Tax Assessor

**OCEAN GATE 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 <sup>a</sup>		Collections in Subsequent Years
		Amount	Percentage of Levy	
2013	1,607,338	1,607,338	100.00%	
2012	1,585,561	1,585,561	100.00%	
2011	1,588,679	1,588,679	100.00%	
2010	1,588,679	1,588,679	100.00%	
2009	1,598,704	1,598,704	100.00%	
2008	1,607,426	1,607,426	100.00%	
2007	1,468,697	1,468,697	100.00%	
2006	1,333,017	1,333,017	100.00%	
2005	1,234,661	1,234,661	100.00%	
2004	1,243,654	1,243,654	100.00%	

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

- a 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, in the amount voted upon or certified prior to the end of the school year.

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

Fiscal Year Ending June 30,	Governmental Activities				Business-Type Activities	Total District	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds <sup>b</sup>	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases			
2003	1,414,674.51					1,414,674.51	2.10%	681.77
2004	1,273,055.95					1,273,055.95	N/A	606.51
2005	1,181,382.90					1,181,382.90	N/A	558.84
2006	1,061,347.78					1,061,347.78	N/A	501.35
2007	2,124,801.00					2,124,801.00	N/A	1,007.50
2008	1,979,643.96					1,979,643.96	N/A	929.41
2009	1,826,721.85					1,826,721.85	N/A	N/A
2010	1,670,992.17					1,670,992.17	N/A	N/A
2011	1,512,238.98					1,512,238.98	N/A	N/A
2012	1,350,306.01					1,350,306.01	N/A	N/A
2013	1,184,950.13					1,184,950.13	N/A	N/A

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 and State Loans

**OCEAN GATE SCHOOL DISTRICT  
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS  
(Dollars in Thousands, Except per Capita)**

FISCAL YEAR ENDED JUNE 30,	GENERAL BONDED DEBT OUTSTANDING			PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA
	GENERAL OBLIGATION BONDS	DEDUCTIONS	NET GENERAL BONDED DEBT OUTSTANDING		
2013	\$1,184,950		1,184,950	N/A	N/A
2012	1,350,306		1,350,306	N/A	N/A
2011	1,512,239		1,512,239	N/A	N/A
2010	1,670,922		1,670,992	N/A	N/A
2009	1,826,722		1,826,722	0.70%	N/A
2008	1,979,644		1,979,644	0.76%	929
2007	2,124,801		2,124,801	0.86%	1,008
2006	1,061,348		1,061,348	0.41%	501
2005	1,181,383		1,181,383	0.46%	559
2004	1,273,056		1,273,056	1.28%	607

Sources: District records, Per Capita Personal income - NJ Dept of Labor

**OCEAN GATE SCHOOL DISTRICT  
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF JUNE 30, 2013**

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable <sup>a</sup>	Estimated Share of Overlapping Debt
Debt Repaid with Property Taxes: Ocean County General Obligation Debt	441,898,711	0.264%	<u>1,166,612.60</u>
Other Debt Municipal Water Authority - Ocean Gate District's Share			<u>N/A</u>
Subtotal, Overlapping Debt	441,898,711		N/A
Ocean Gate District Direct Debt	1,184,950.13	100.00%	<u>1,184,950.13</u>
Total Direct and Overlapping Debt	443,083,661.13		<u><u>1,184,950.13</u></u>

Sources: Assessed value data used to estimate applicable percentages provided by the Ocean County Board of Taxation. Debt Outstanding data provided by each governmental unit.

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 Ocean Gate. 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.

**OCEAN GATE SCHOOL DISTRICT  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS**

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Debt Limit	\$6,491,565	13,594,015	21,277,417	21,229,328	14,013,161	20,849,250	19,813,310	11,046,682	9,541,493	7,802,614
Total Net Debt Applicable to Limit	1,184,950	1,350,306	1,512,239	1,670,992	1,826,722	1,979,644	2,124,801	938,801	1,061,348	1,299,131
Legal Debt Margin	<u>\$5,306,615</u>	<u>12,243,709</u>	<u>19,765,178</u>	<u>19,558,336</u>	<u>12,186,439</u>	<u>18,869,606</u>	<u>17,688,509</u>	<u>10,107,881</u>	<u>8,480,145</u>	<u>6,503,483</u>

Total Net Debt Applicable to the Limit as a % of Debt Limit      18.25%      9.93%      7.11%      7.87%      13.04%      9.50%      10.72%      8.50%      11.12%      16.65%

**Legal Debt Margin Calculation for Fiscal Year 2012**

	Equalized Valuation Basis
	2013      \$235,227,210
	2012      261,862,114
	2011      281,898,499
	<u>\$778,987,823</u>
Average Equalized Valuation of Taxable Property	<u>\$259,662,608</u> A-3

Debt Limit (2.5 % of A-3)	\$6,491,565
Net Bonded School Debt	<u>1,184,950</u>
Legal Debt Margin	<u>\$5,306,615</u>

**Source:** Equalized valuation bases were obtained from the Annual Debt Statement, Township of Ocean Gate

**a** Limit set by NJSA 18A:24-19 for a K through 12 district; other % limits would be applicable for other districts

**OCEAN GATE SCHOOL DISTRICT  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS**

YEAR	POPULATION (a)	PERSONAL INCOME	PER CAPITA PERSONAL INCOME (b)	UNEMPLOYMENT RATE (c)
2013	N/A	N/A	N/A	N/A
2012	N/A	N/A	N/A	N/A
2011	N/A	N/A	N/A	N/A
2010	N/A	N/A	N/A	N/A
2009	N/A	N/A	N/A	N/A
2008	2,130	37,764	N/A	5.9%
2007	2,130	N/A	N/A	5.0%
2006	2,109	N/A	N/A	5.0%
2005	2,117	34,509	N/A	4.4%
2004	2,114	N/A	N/A	5.0%

Source:

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

<sup>b</sup> Personal income has been estimated based upon the municipal population and per capita personal income presented.

<sup>c</sup> Per capita personal income by municipality estimated based upon the 2000 Census published by the US Bureau of Economic Analysis.

<sup>d</sup> Unemployment data provided by the NJ Department of Labor and Workforce Development.

**PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO**

**2013 DATA NOT AVAILABLE**

EMPLOYERS:	EMPLOYEES	RANK	PERCENTAGE OF TOTAL EMPLOYMENT
		1	
		2	
		3	
		4	
		5	
		6	
		7	
		8	
		9	
		10	
	_____		_____
Total	=====		=====
Total Labor Force	=====		

**2004 DATA NOT AVAILABLE**

**OCEAN GATE SCHOOL DISTRICT  
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS**

Function/Program	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Instruction:										
Regular	13	13	13	13	12	12	12	12	13	11
Special Education	4	3	3	3	7	5	5	5	5	5
Support Services:										
Student & Instruction Related Services	3	3	3	3	4	4	4	3	1	2
General Administration	1	1	1	1	1	1	1	1	1	1
School Administrative Services	1	1	1	1	1	1	1	1	1	1
Other Administrative Services										
Central Service	1	1	1	1	1	1	1	1	1	1
Technical Administrative Services										
Plant Operations & Maintenance	3	3	3	3	3	3	3	3	3	3
Food Service		-	-	-	1	1	1	1	1	1
<b>Total</b>	<b>26</b>	<b>25</b>	<b>25</b>	<b>25</b>	<b>30</b>	<b>28</b>	<b>28</b>	<b>26</b>	<b>25</b>	<b>25</b>

**Source:** District Personnel Records

OCEAN GATE SCHOOL DISTRICT  
OPERATING STATISTICS  
LAST NINE FISCAL YEARS

SCHOOL YEAR	ENROLLMENT	OPERATING EXPENDITURES (a)	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF (b)	PUPIL TEACHER RATIO	AVERAGE DAILY ENROLLMENT (ADE) (c)	AVERAGE DAILY ATTENDANCE (ADA) (c)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
2013	162	\$2,775,127	17,130	2.56%	17	9.5	166	153.0	3.50%	92.7%
2012	162	2,705,874	16,703	2.56%	16	10.1	160	156.0	-0.93%	94.5%
2011	157	2,556,945	16,286	8.51%	16	9.8	162	150.0	13.73%	93.0%
2010	175	2,626,541	15,009	-0.76%	16	10.9	142	132.0	-6.58%	92.0%
2009	162	2,450,007	15,124	-3.65%	17	9.5	152	137.0	7.04%	97.0%
2008	148	2,323,071	15,696	13.25%	19	7.8	142	137.0	-3.40%	96.5%
2007	157	2,176,025	13,860	-0.45%	19	8.4	147	137.0	-6.37%	93.0%
2006	157	2,185,859	13,923	1.09%	19	8.5	157	149.0	-1.26%	95.0%
2005	157	2,162,326	13,773	20.60%	19	8.3	159	147.0	-12.15%	92.0%
2004	176	2,009,902	11,420	8.80%	17	10.6	181	169.0	-9.05%	93.00%

Sources: District records

Note: Enrollment based on annual October District count.

a. Operating expenditures equal total expenditures less debt service and capital outlay. (Sch B-2)

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).

Note: This schedule does not contain 10 years of information, shown for only years since adoption in fiscal year 2005

EXHIBIT J-18

OCEAN GATE SCHOOL DISTRICT  
SCHOOL BUILDING INFORMATION  
LAST EIGHT FISCAL YEARS

DISTRICT BUILDINGS	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Elementary:										
Main Building Elementary (1968)	31,566	31,566	31,566	31,566	31,566	31,566	31,566	31,566	31,566	31,566
Square Feet	195	195	195	195	195	195	195	195	195	195
Capacity (Students)										
1st & 2nd Grade Elementary (1941)	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Square Feet	50	50	50	50	50	50	50	50	50	50
Capacity (Students)										
Kindergarten Schoolhouse (1914)	1,225	1,225	1,225	1,225	1,225	1,225	1,225	1,225	1,225	1,225
Square Feet	35	35	35	35	35	35	35	35	35	35
Capacity (Students)										
Total Enrollment	162	162	157	175	162	148	147	157	159	180

Number of Schools at June 30, 2013:  
Elementary = 1  
Other = 0

Source: District Facilities Office

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 annual October district count.

**OCEAN GATE SCHOOL DISTRICT  
SCHEDULE OF REQUIRED MAINTENANCE  
LAST TEN FISCAL YEARS**

UNDISTRIBUTED EXPENDITURES - REQUIRED  
MAINTENANCE FOR SCHOOL FACILITIES

	<u>PROJECT #</u>	<u>ELEMENTARY SCHOOL</u>	<u>TOTAL</u>
2013	N/A	25,223	25,223
2012	N/A	11,512	11,512
2011	N/A	31,697	31,697
2010	N/A	80,164	80,164
2009	N/A	90,122	90,122
2008	N/A	75,803	75,803
2007	N/A	23,440	23,440
2006	N/A	46,769	46,769
2005	N/A	55,653	55,653
2004	N/A	50,803	50,803
		<u>491,185</u>	<u>491,185</u>

Source: District records, M-1

**INSURANCE SCHEDULE  
JUNE 30, 2013**

	LIMITS	DEDUCTIBLE
<b>School Package Policy (1):</b>		
Property Coverage Overview	7,522,290	1,000
Limited Liability Coverages:		
Combined Comprehensive Liability	16,000,000	N/A
Combined Employee Benefits Program Liability	16,000,000	N/A
Combined Crime	135,000	500
Auto Coverage		
Errors and Omissions School Leaders	100,000	500
Workers' Compensation	1,373,000	N/A
<b>Student Accident Insurance (2)</b>	1,000,000	N/A
<b>Surety Bonds (3):</b>		
Treasurer	150,000	1,000
Board Secretary	150,000	1,000

- (1) - Monmouth Ocean County Shared Services Insurance Fund   
(2) - Monmouth Ocean County Shared Services Insurance Fund   
(3) - Monmouth Ocean County Shared Services Insurance Fund



**SINGLE AUDIT SECTION**

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HOLMAN | FRENIA  
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## EXHIBIT K-1

### **INDEPENDENT AUDITOR'S 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**

Honorable President and Members  
of the Board of Education  
Ocean Gate School District  
County of Ocean  
Ocean Gate, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Ocean Gate School District, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Ocean Gate Board of Education (new approach)'s basic financial statements, and have issued our report thereon dated November 5, 2013 .

#### **Internal Control Over Financial Reporting**

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

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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether Ocean Gate Board of Education (new approach)'s financial statements are free from 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 two instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey as Finding No. 2013-01 and Finding No. 2013-02.

We noted certain matters that we reported to management of the Ocean Gate Board of Education, in a separate letter dated November 5, 2013.

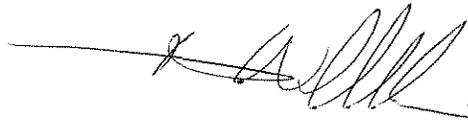
## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended for the information of the management of the Board of Education of the Ocean Gate School District, the New Jersey State Department of Education, other state and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.



Robert W. Allison  
Public School Accountant  
Certified Public Accountant  
No. 897

Freehold, New Jersey  
November 5, 2013



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## EXHIBIT K-2

### INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A- 133 AND NEW JERSEY OMB CIRCULAR 04-04.

Honorable President and Members  
of the Board of Education  
Ocean Gate School District  
County of Ocean  
Ocean Gate, New Jersey

#### Report on Compliance for Each Major Federal and State Program

We have audited Ocean Gate School District's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *New Jersey Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major federal and state programs for the year ended June 30, 2013. Ocean Gate School District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

#### Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

#### Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Ocean Gate School District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organization*; *the New Jersey State Aid/Grant Compliance Supplement*; the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey; and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, OMB Circular A-133 and New Jersey OMB's Circular 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 Ocean Gate School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal or state program. However, our audit does not provide a legal determination of Ocean Gate School District's compliance with those requirements.

### **Opinion on Each Major Federal or State Program**

In our opinion, Ocean Gate School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal or state programs for the year ended June 30, 2013.

### **Other Matters**

The results of our auditing procedures disclosed no instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 or New Jersey OMB's Circular 04-04.

### **Report on Internal Control Over Compliance**

Management of Ocean Gate School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Ocean Gate School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal or state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal or state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 or New Jersey OMB's Circular 04-04, 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 Ocean Gate School District's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Purpose of this Report**

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and New Jersey OMB's Circular 04-04. Accordingly, this report is not suitable for any other purpose.

This report is intended for the information of the management of the Board of Education of the Ocean Gate School District, the New Jersey State Department of Education, other state and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.



Robert W. Allison  
Public School Accountant  
Certified Public Accountant  
No. 897

Freehold, New Jersey  
November 5, 2013

OCEAN GATE SCHOOL DISTRICT  
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

FEDERAL GRANTOR PASS-THROUGH GRANTOR PROGRAM/TITLE	FEDERAL CFDA NUMBER	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2012	CARRYOVER/ WALKOVER AMOUNT	CASH RECEIVED	BUDGETARY EXPENDITURES	REPAYMENT OF PRIOR YEARS' BALANCES	DEFERRED REVENUE AT JUNE 30, 2013	(ACCOUNTS RECEIVABLE) JUNE 30, 2013	DUE TO GRANTOR JUNE 30, 2013
<b>U.S. DEPARTMENT OF AGRICULTURE PASSED-THROUGH STATE DEPARTMENT OF EDUCATION:</b>												
National School Lunch Program	10.555	5120-201-372573-63	42,093	7/1/12-6/30/13	\$ -	\$ -	\$ 39,463	\$ (42,093)	\$ -	\$ -	\$ (2,630)	\$ -
National School Lunch Program	10.555	5120-201-372573-63	36,281	7/1/11-6/30/12	(1,590)	-	1,590	-	-	-	-	-
National Performance Based Lunch	10.555	5120-201-372573-63	930	7/1/12-6/30/13	-	-	868	(930)	-	-	(62)	-
National School Breakfast Program	10.553	5120-201-372573-63	10,130	7/1/12-6/30/13	-	-	9,515	(10,130)	-	-	(615)	-
National School Breakfast Program	10.553	5120-201-372573-63	7,116	7/1/11-6/30/12	(395)	-	395	-	-	-	-	-
Total U.S. Department of Agriculture					(1,985)	-	51,831	(53,153)	-	-	(3,307)	-

Education Jobs Fund	84.410	N/A		9/1/10-9/30/12			8,454					
Total U.S. Department of Labor							8,454					

<b>U.S. DEPARTMENT OF LABOR PASSED-THROUGH STATE DEPARTMENT OF EDUCATION:</b>												
Education Jobs Fund	84.410	N/A		9/1/10-9/30/12			8,454					
Total U.S. Department of Labor							8,454					

<b>U.S. DEPARTMENT OF EDUCATION PASSED-THROUGH STATE DEPARTMENT OF EDUCATION:</b>												
Title I	84.010A	NCLB-380013	66,440	9/1/12-8/31/13	-	-	53,449	(58,947)	-	-	(5,498)	-
Title I	84.010A	NCLB-380012	59,899	9/1/11-8/31/12	(28,063)	-	28,063	-	-	-	-	-
Title II A	84.367A	NCLB-380013	10,399	9/1/12-8/31/13	-	-	-	(9,799)	-	-	(9,799)	-
Title II A	84.367A	NCLB-380012	12,008	9/1/11-8/31/12	(5,844)	-	7,465	-	-	1,621	-	-
I.D.E.A. Part B, Basic Regular	84.027A	IDEA380013	46,653	9/1/12-8/31/13	-	-	38,768	(38,768)	-	-	-	-
I.D.E.A. Preschool	84.173A	IDEA380013	3,697	9/1/12-8/31/13	-	-	1,645	(1,645)	-	-	-	-
Total U.S. Department of Education					(33,907)	-	129,390	(109,159)	-	1,621	(15,297)	-
Total Federal Financial Assistance					\$ (35,892)	\$ -	\$ 189,675	\$ (162,312)	\$ -	\$ 1,621	\$ (18,604)	\$ -

**OCEAN GATE SCHOOL DISTRICT  
SCHEDULE OF STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

STATE GRANTOR/ PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2012	CASH RECEIVED	BUDGETARY EXPENDITURES	DEFERRED REVENUE AT JUNE 30, 2013	(ACCOUNTS RECEIVABLE) JUNE 30, 2013	MEMO ONLY	
									BUDGETARY RECEIVABLE EXPENDITURES	CUMULATIVE TOTAL
<b>State Department of Education:</b>										
<b>General Fund:</b>										
Equalization Aid	13-495-034-5120-014	\$ 831,938	7/1/12-6/30/13	\$ -	\$ 831,938	\$ (831,938)	-	\$ -	831,938	\$ (83,187)
Security Categorical Aid	13-495-034-5120-089	85,730	7/1/12-6/30/13	-	85,730	(85,730)	-	-	85,730	(8,570)
Security Aid	13-495-034-5120-084	8,228	7/1/12-6/30/13	-	8,228	(8,228)	-	-	8,228	(827)
Transportation Aid	13-495-034-5120-014	890	7/1/12-6/30/13	-	890	(890)	-	-	890	(93)
Extraordinary Aid	13-495-034-5120-473	-	7/1/12-6/30/13	-	-	-	-	-	-	-
Extraordinary Aid - Transportation Aid - Non-Public School Costs	12-495-034-5120-473	1,215	7/1/11-6/30/12	(1,215)	1,215	-	-	-	-	-
Transportation Aid - Non-Public School Costs	13-495-034-5120-014	-	7/1/12-6/30/13	-	-	-	-	-	-	-
Non-Public School Costs	12-495-034-5120-014	884	7/1/11-6/30/12	(884)	884	-	-	-	-	-
On-Behalf TPAF Post-Retirement Medical (Nonbudgeted)	13-100-034-5095-116	86,995	7/1/12-6/30/13	-	86,995	(86,995)	-	-	86,995	-
On-Behalf TPAF Pension Contributions (Nonbudgeted)	13-100-034-5095-116	76,937	7/1/12-6/30/13	-	76,937	(76,937)	-	-	76,937	-
Reimbursed TPAF Social Security Contributions (Nonbudgeted)	13-100-034-5095-002	82,564	7/1/12-6/30/13	-	73,906	(82,564)	-	(8,658)	82,564	(8,658)
Reimbursed TPAF Social Security Contributions (Nonbudgeted)	12-100-034-5095-002	81,007	7/1/11-6/30/12	(7,840)	7,840	-	-	-	-	-
Total General Fund				(9,939)	1,174,563	(1,173,282)	-	(8,658)	1,173,282	(101,335)
<b>Special Revenue Fund:</b>										
Preschool Education Aid	13-495-034-5120-086	107,028	7/1/12-6/30/13	-	107,028	(105,275)	1,753	-	1,753	(10,699)
Preschool Education Aid	12-495-034-5120-086	138,498	7/1/11-6/30/12	18,574	-	-	18,574	-	-	-
Total Capital Projects Fund				18,574	107,028	(105,275)	20,327	-	20,327	(10,699)
<b>Enterprise Fund:</b>										
National School Lunch Program: (State Share)	13-100-010-3350-021	897	7/1/12-6/30/13	-	842	(897)	-	(55)	897	(55)
National School Lunch Program (State Share)	12-100-010-3350-021	833	7/1/11-6/30/12	(38)	38	-	-	-	-	-
Total Enterprise Fund				(38)	880	(897)	-	(55)	897	(55)
Total State Financial Assistance				\$ 8,598	\$ 1,282,471	(1,279,454)	\$ 20,327	\$ (8,713)	\$ (112,089)	\$ 1,174,179
Less: Grants Not Subject to New Jersey OMB Circular 04-04:										
On-Behalf TPAF Post-Retirement Medical (Nonbudgeted)	13-100-034-5095-116	86,995	7/1/12-6/30/13	-	-	86,995	-	-	86,995	-
On-Behalf TPAF Pension Contributions (Nonbudgeted)	13-100-034-5095-116	76,937	7/1/12-6/30/13	-	-	76,937	-	-	76,937	-
Total State Financial Assistance subject to New Jersey OMB Circular 04-04						\$ (1,115,522)				

OCEAN GATE SCHOOL DISTRICT

NOTES TO SCHEDULES OF FEDERAL AWARDS AND  
STATE FINANCIAL ASSISTANCE

June 30, 2013

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 ("Board") of Ocean Gate, School District ("District"). The Board is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies, are included on the Schedules of Expenditures of Federal Awards and State Financial Assistance.

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. The information in these schedules is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in these schedules may differ from amounts presented in, or used in the preparation of, the basic financial statements.

3. Relationship to Basic Financial Statements

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

The General Fund is presented in the accompanying Schedules on the modified accrual basis, with the exception of the revenue recognition of the 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 Special Revenue Fund also recognizes the last state aid payment in the current budget year, consistent with N.J.S.A. 18A:22-4.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$2,209) for the General Fund and (\$12,864) for the Special Revenue Fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the General and Special Revenue Funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following page:

OCEAN GATE SCHOOL DISTRICT

NOTES TO SCHEDULES OF FEDERAL AWARDS AND  
STATE FINANCIAL ASSISTANCE

June 30, 2013

3. Relationship to Basic Financial Statements (Cont'd)

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 8,454	\$ 1,171,073	\$ 1,179,527
Special Revenue Fund	118,875	108,424	227,299
Food Service Fund	53,153	897	54,050
Debt Service Fund	<u>                    </u>	<u>94,700</u>	<u>94,700</u>
Total Awards and Financial Assistance	<u>\$ 180,482</u>	<u>\$ 1,375,094</u>	<u>\$ 1,555,576</u>

During the year ended June 30, 2013, the State of New Jersey contributed \$3,846 to the Teachers' Pension and Annuity Fund for NCGI premiums, \$73,091 for Normal Contribution and \$86,995 for post-retirement medical benefits on behalf of the District.

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.

5. Federal and State Loans Outstanding

The Ocean Gate School District had the following loan balances outstanding at June 30, 2013:

<u>Loan Program Title</u>	<u>Amount Outstanding</u>
E.D.A. Small Projects	\$ 84,161
E.D.A. School Facilities Program Loan	59,789

6. Other

Revenue and expenditures reported under the Food Distribution Program represent current-year value received and current-year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the State on behalf of the District for the year ended June 30, 2013. 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, 2013.



OCEAN GATE SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(continued)

Section II - Financial Statement Findings

This section identifies the material weaknesses, significant deficiencies, and instances of noncompliance related to the financial statements that are required to be reported in accordance with paragraphs 5.18 through 5.20 of Government Auditing Standards.

None noted.

OCEAN GATE SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(continued)

Section III - State Financial Assistance Findings and Questioned Costs

This section identifies audit findings required to be reported by NJOMB Circular 04-04.

None Noted.

OCEAN GATE SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS  
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

This section identifies the status of prior-year findings related to the general-purpose financial statements and state awards that are required to be reported in accordance with Chapter 6.12 of Government Auditing Standards, and NJOMB Circular 04-04.

STATUS OF PRIOR-YEAR FINDINGS

Finding 2012-01 has been corrected, The Travel Expense maximum was updated for 2012/13 school year as required by State Statute.