School District Of Ocean Township

Ocean Township Board of Education
Waretown, New Jersey

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

COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

OCEAN TOWNSHIP BOARD OF EDUCATION

OCEAN TOWNSHIP, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2010

PREPARED BY

OCEAN TOWNSHIP BOARD OF EDUCATION
FINANCE DEPARTMENT

OCEAN TOWNSHIP SCHOOL DISTRICT

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INTRODUCTORY SECTION

October 11, 2010

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

Dear Board Members:

The comprehensive annual financial report of the Ocean Township School District for the fiscal year ended June 30, 2010, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (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 operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the general-purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, "Audits of State and Local Governments", and the state Treasury Circular Letter 04-04 OMB, "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.

1) REPORTING ENTITY AND ITS SERVICES: Ocean Township School District is an independent reporting entity within the criteria adopted by the GASB as established by Statement No. 14. All funds and account groups of the District are included in this report.

The District provides a full range of educational services appropriate to grade levels Pre-school, Kindergarten through 6. These include regular, as well as special education for handicapped youngsters. The District Residential Enrollment for 2009-2010 school year decrease by 8 students over the previous year's enrollment. The following details the changes in the student enrollment of the District over the last seven years. These figures are based upon average daily enrollment.

Average Daily Enrollment

Fiscal Year	Student Enrollment	Percent Change
2003-04	588.4	-.94%
2004-05	553.7	-.94%
2005-06	533	-.96%
2006-07	551	.97%
2007-08	545	-1.01%
2008-09	543	-.003%
2009-10	483	-.014%

Our District send students in grades seven through twelve, regular and special education for the handicapped youngsters to Southern Regional Middle/High School located in Manahawkin, New Jersey, on a tuition basis and supplies the students with transportation. The following details the tuition cost and student enrollment over the last six years.

Fiscal Year	Number Students Sent	Total Tuition Paid
2003-04	592	$5,927,814
2004-05	599	$6,588,922
2005-06	582	$6,580,756
2006-07	583	$6,866,096
2007-08	530	$6,930,381
2008-09	480	$7,051,485
2009-10	483	$7,449,757

2. ECONOMIC CONDITION AND OUTLOOK: Between 2009 and 2010 ratable increased by 3.9 million dollars due to an increase of developed property in the municipality. The District average daily enrollment for grades K-6 has decreased slightly over the last year, however, this will have no effect on staffing and program costs. Special education programs requirements will continue to have a significant impact on the budget. Tuition rates continue to increase and tuition costs represent approximately 50% of the school budget. Although increases in state aid helped the district from 1997-2000, it has leveled off and then the State frozen State Aid. The District increased the Capital Reserve Account by $450,000 and the Maintenance Reserve Account to by $500,000. The District's Fund Balance has been reduced to 2%.

3. MAJOR INITIATIVES: Administrative Team has upgraded our Five Year Curriculum Plan for the district. Our Five Year Long Range Plan for the district has been approved by the State. We were successful on our referendum on September 2006 on Proposal #1 for extensive renovations to both buildings and sites. The district completed the renovations in August 2008.

We were monitored by the State during the 2008-2009 school year utilizing the NJ QSAC program to determine the status of the district and the district passed. Our district was last monitored by the NJ DOE, as part of a statewide monitoring process to certify local districts in accordance with standards set forth in NJSA 18A:7A-1 and NJAC 6A:30 in February 2001. We were certified for a period of seven years.

Utilization of new technology (computers, action boards, Study Island and Fast Forword) will be continued in our district. Core Curriculum Standards, improvement in performance on state assessments and a revised code for special education continue to constitute major educational initiatives in our district.

The district continues its transportation jointure contract with Southern Regional School District for the majority of its transportation services since the 1998-1999 school year, which has developed into a continuation of contracted services for the district. We plan to continue this transportation jointure for the 2010-2011 school year.

4. INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

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

5) BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the District. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriation of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2010.

6) ACCOUNTING SYSTEM AND REPORTS: The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statement", Note 1.

7) FINANCIAL INFORMATION AT FISCAL YEAR-END: As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedule presents a summary of the general fund, special revenue fund and debt service fund revenues for the fiscal year ended June 30, 2010 and the percent of total.

8) DEBT ADMINISTRATION: In April 2001, the District refinanced general obligation bonds in the amount of $3,365,000. On February 15, 2007 the District sold $8,100,000 in Bonds and will be paid off in the year 2027. The district has an outstanding balance of $830,000 from the 1992 Bonds and $7,965,000 in the 2007 issue for a total outstanding debt as of June 30, 2010 in the amount of $8,795,000.

9) CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 2. The District has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

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

11) OTHER INFORMATION:

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants the accounting firm of Robert A. Hulsart & Company has been retained by the Board of Education. In addition to meeting the requirements of the Single Audit Act Amendments of 1996 and the related OMB Circular A-133 and state Treasury Circular Letter 04-04 OMB, the auditor's report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditors reports related specifically to the single audit are included in the single audit section of this report.

12) ACKNOWLEDGMENTS:

We would like to express our appreciation to the members of the Ocean Township School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school District and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,

Christopher Lommerin

Christopher Lommerin
Superintendent

Kathleen A. Barneman

Kathleen A. Barneman
Business Administrator/Board Secretary

OCEAN TOWNSHIP BOARD OF EDUCATION
Waretown, New Jersey
ROSTER OF OFFICIALS
JUNE 30, 2010

Term
Members of the Board of Education Expires

Rita Sweeney, President 2011

Joseph Tomczuk, Vice President 2012

Jacqueline Von Schmidt 2011

Annette Stride 2012

Michael Cort 2013

Other Officials

Christopher Lommerin, Superintendent

Kathleen A. Barneman, Business Administrator

Dawn Mundt, Treasurer

Joan Josephson, Attorney

OCEAN TOWNSHIP BOARD OF EDUCATION
Consultants and Advisors

Robert A. Hulsart & Company
2807 Hurley Pond Road
Wall, New Jersey 07719

Attorneys

Joan Josephson
Parker, McCay & Criscuolo
Building Four East, Suite 102A
1009 Lenox Drive
Lawrenceville, New Jersey 08648

Official Depository

TD Bank
Ocean First

FINANCIAL SECTION

Robert A. Hulsart and Company

CERTIFIED PUBLIC ACCOUNTANTS

ARMOUR S. HULSART, C.P.A., R.M.A., P.S.A. (1959-1992)
ROBERT A. HULSART, C.P.A., R.M.A., P.S.A.
ROBERT A. HULSART, JR.,C.P.A., P.S.A.

RICHARD J. HELLENBRECHT, JR., C.P.A., P.S.A.

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Board of Education of the Ocean Township School District, in the County of Ocean, State of New Jersey, as of and for the fiscal year ended June 30, 2010, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Ocean Township Board of Education's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 11, 2010, on our consideration of the Ocean Township Board of Education's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of this report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. This report is an integral part of our audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management Discussion and Analysis and Budgetary Comparison Information on pages 9 through 17 are not a required part of the basic financial statements but are supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Ocean Township Board of Education's basic financial statements. The accompanying introductory section 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 basic financial statements. The combining and individual fund financial statements and long-term debt schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section and statistical information have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations; and New Jersey OMB's Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid respectively, and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Respectfully submitted,

ROBERT A. HULSART AND COMPANY

Robert A. Hulsart
Licensed Public School Accountant
No. 322
Robert A. Hulsart and Company

October 11, 2010

REQUIRED SUPPLEMENTARY INFORMATION
PART I

Ocean Township School District, a K-6 school District located in Ocean County, New Jersey, has been chosen to implement the provisions of Governmental Accounting Standards Board Statement 34 (GASB 34) with the enclosed financial statements. The Administration's Discussion and Analysis, a requirement of GASB 34, is intended to be the Ocean Township School District Administration's discussion and analysis of the financial results for the fiscal year ended June 30, 2010.

Generally an accepted accounting principle (GAAP) according to GASB 34 requires the reporting of two types of financial statements: District Wide Financial Statements and Fund Financial Statements. The intent of the MD&A is to look at the School Board's overall financial performance and to assist readers in assessing the financial position as a result of the year's operations. The MD&A is a new element of the Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34.

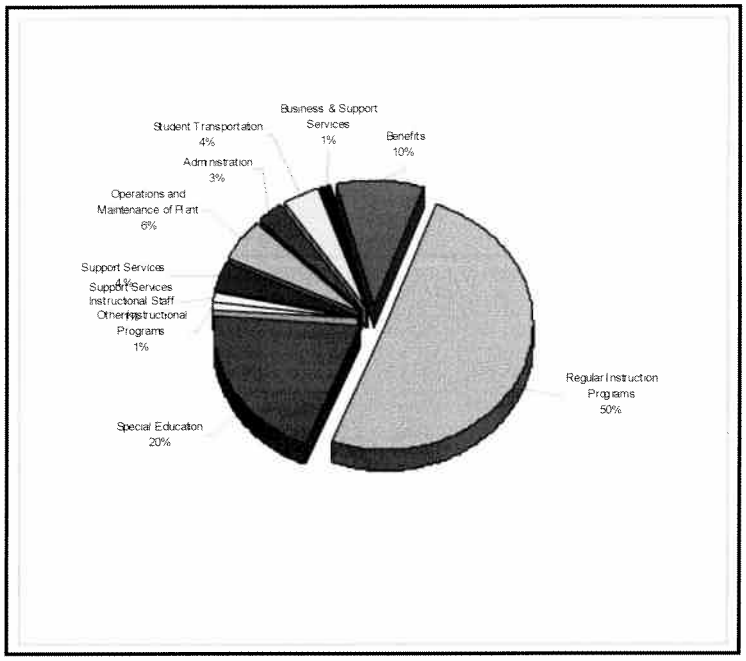
Financial Highlights

Key financial highlights for the fiscal year ended June 30, 2010 are as follows:

The overall condition of all funds, instructional activities and business-type activities remains strong for the School District. All goals related to financial activities have been met and if revenue and expenditure patterns can be maintained, the resources for next year will be available.

Total spending for all our programs was $17.4 million dollars for the school year 2009 - 2010. Most of the School District's taxes and state aid program funds were used to support the cost of services for regular instructional programs. State aid for categorical aid supported special educational programs in the amount of $491,750 dollars. The School district's taxes, state aid, grants and contributions and other revenue sources were sufficient to cover all unfunded costs incurred in the school year 2009-2010.

The total cost for the school year 2009-2010 current expense was $16,840,877



Regular Instruction Programs	$8,761,156
Special Education	$3,468,341
Other Instructional Programs	$165,245
Support Services Instructional Staff	$165,561
Support Services	$671,386
Operations and Maintenance of Plant	$996,207
Student Transportation	$728,349
Administration	$501,350
Business & Other Support Services	$218,393
Benefits	$1,667,467
Capital Outlay	$119,773
Total Expenditures -Current Expense	$17,463,228

decreased by $458,121. from last fiscal 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 that the reader can understand the Ocean Township Board of Education as an entire operating entity. The statements then proceed to provide and increasingly detailed look at specific financial activities.

Comprehensive Annual Financial Report
Introductory Section *Transmittal letter* *Elected Officials and Selected Administrative Officers*
Financial Section *Independent Auditors' Report* *Required Supplemental Information (Part A)* **Management's Discussion and Analysis** *Basic Financial Statements* *District Wide Financial Statements* ← → Fund Financial Statements Notes to the Basic Financial Statements *Required Supplemental Information (Part b)* Budgetary Information for Major Fund Groups Supplemental Information Non major Funds combining Statements & Budgetary Information Agency Funds Statements/Schedules Capital Assets by Source and Function
Statistical Section *Seven Years of Historical Financial Operating Data* *Seven Years of Property Tax Rates, Tax Levies and Collections* *Bonded Debt Information* *Property Values* *Demographics & Insurance Data* *Tax Rates* *Demographic and Attendance Data*

District Wide Financial Statements:

The District wide financial statements are new. These statements are full accrual basis statements. They report all of the District's assets and liabilities, both short and long term, regardless if they are "currently available" or not. For example, assets that are restricted for use in the Debt Funds solely for the payment of long term principal or interest are grouped with unrestricted assets of the General Fund. Capital assets and long-term obligations of the District are reported in the Statement of Net Assets of the District wide financial statements.

Fund Financial Statements:

For the most part, the fund financial statements are comparable to prior year's financial statements. The primary difference is that the Account Groups: General Fixed Assets and General Long Term Debt are no longer reported. The fund level statements are reported on a modified accrual basis. Only those assets that are "measurable" and "currently available" are reported. Liabilities are recognized to the extent they are normally expected to be paid with current financial resources. The fund statements are formatted to comply with the legal requirements of the New Jersey Department of Education's "Accounting Guidelines." In the State of New Jersey, the District's major instructional and instructional support activities are reported in the General Fund which includes Special Schools, and Capital Outlay. Additional activities are reported in their relevant funds including: Debt Funds, Capital Projects, Enterprise Funds and the School Service Funds.

Reporting the School Board as a Whole

The Statement of Net Assets and the Statement of Activities

While these documents contain the large number of funds used by the School Board to provide programs and activities, the view of the School Board as a whole looks at all financial transactions and asks the question, "How did the School Board do financially during the fiscal year ended June 30, 2010". The Statement of Net Assets and Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to accounting method used by most private sector companies. This basis of accounting considers all of the current year's revenues and expenses regardless of the when cash is received or paid.

These two statements report the School Board's assets the difference between assets and liabilities, and changes in those assets. This change in net assets is important because it tells the reader that, for the School Board as a whole, the financial position of the School Board has improved or diminished. The relationship between revenues and expenses is the School Board's *operating results.* However, the School Board's goal is to provide services to its students, not to generate profits as commercial entities do. One must consider many other non financial factors, such as the quality of the education provided and the safety of the schools to assess the overall health of the School Board.

The Following summarizes the net assets at fiscal year ended June 30, 2010.

The Statement of Net Assets contains all of the School Board's services both Governmental activities including instruction, plant services, transportation, and business operations. The statement also includes all Business type activities including Food Service and Latchkey Program.

Assets:

Governmental Activities and Business-type Activities

Cash and Cash Equivalents	$ 9,653
Accounts Receivables, Net	299,135
Inventory	4,730
Restricted Assets:	
Capital Reserve – Cash	632,813
Cash and Cash Equivalents	1,538,964
Capital Assets, Net	10,370,364
Total Assets	$ 12,855,659

Liabilities:

Accounts Payable	$ 69,970
Deferred Revenue	8,305
Non current Liabilities:	
Due Within One Year	387,234
Due Beyond One Year	9,056,660
Total Liabilities	$ 9,522,169

Net Assets:

Invested in Capital Assets, Net of Related Debt	$ 1,548,649
Restricted For:	
Other Purposes	2,791,076
Unrestricted	(1,006,235)
Total Net Assets	$ 3,333,490

The unrestricted deficit net assets of governmental activities represents accumulated results of the past years' of operations. It means that if the School Board had to pay off all of its bills today including all of its non capital liabilities (compensated absences for example), there would be a shortfall of $590,507. Close monitoring of the compensated absences and thru negotiations this expenditure could be reduced.

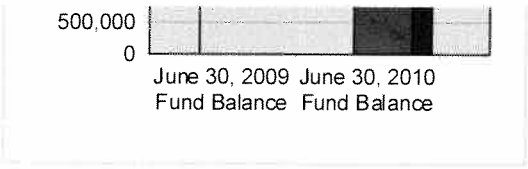
The statement of activities for the school year 2009-2010

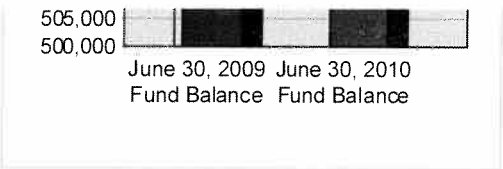
General Revenue:	
Governmental Activities	
Taxes:	
Property Taxes	9,331,450
Debt Services	205,598
Federal & State Non Restricted	6,859,292
Miscellaneous Income	489,027
Bond Interest	4992
Total Governmental Activities	*16,890,359*
Business - Type Activities	
Food Services	238,358
Latchkey Program	77,135
Total Business - Type Activities	*315,493*
Total Governmental activities	17,205,852
Total Revenue	$17,205,852

The actual revenue for governmental activities was $17,205,852 while expenditures were $18,251,148.

The School Board completed this year our governmental funds reported a combined fund balance of $2,605,285 an decrease of $675,319. The primary reasons for the decrease was because the State reduced the District's State Aid by $653,828 and the School District used $1,237,557 to off set taxes.

The following exhibit is comparison of unexpended allocation balances June 30, 2009 to June 30, 2010.





Dates	*General Fund*	*Capital Projects*
June 30, 2009 Fund Balance	2,750,131.	530,473
June 30, 2010 Fund Balance	2,605,285	510,973
Increase or Decrease	144,846	-19,500

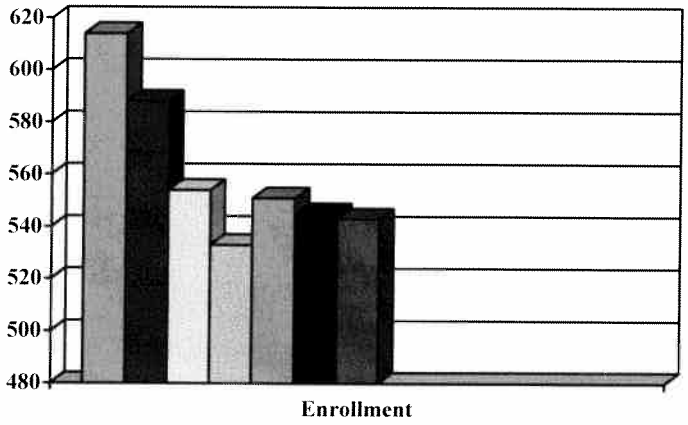
Analysis of Financial Position:

1. Depreciation expense GASB 34 requires school Districts to maintain a record of annual depreciation expense and accumulated depreciation. The net increase in accumulated depreciation expense is a reduction in net assets. For fiscal year ended June 30, 2010 the net increase in accumulated depreciation was $46,722. Depreciation expense is recorded on a straight-line basis over the estimated useful lives of assets. In accordance with generally accepted accounting principles (GAAP), depreciation expense is recorded based on the original cost of the asset less an estimated salvage value. One way to think of depreciation expense is that in order to maintain net assets at the same level, acquisitions of capital outlay and capitalized major maintenance projects would have to equal the annual depreciation in assets during the year.

2. Food Services: the school District has an automated point of sales cash register system. Each student now has an ID number denoting the entitlement of each student (free, reduced, and paid).

3. Attendance: the School District continues to decrease in student enrollment which will continue to affect the district's future expenditures. Assessed valuations are continuing to grow increasing the districts ability to maintain a stable tax rate. The chart listed below indicated the student enrollment over the last 7 years.

4. The financial well being of the School District is tied in large measure to the state funding formula and the tax base. As long as the state does not fully funds state aid and the tax base continues to increase the School District tax rate will not be stable.



2003-04	**588**
2004-05	**554**
2005-06	**533**
2006-07	**551**
2007-08	**545**
2008-09	**543**
2009-10	**535**

5. Original Budget VS Final Budget. Over the course of the school year, the School Board revises its budget as it attempts to deal with unexpected changes in revenues and expenditures. All transfers are approved by the Board of Education at their regular scheduled meetings. A schedule showing the School Board's original and final budget amounts compared with amounts actually paid and received is provided in our annual report.

The Statement of Net Assets contains all of the School Board's services both Governmental activities including instruction, plant services, transportation and business operations. The statement also includes all Business type activities including the Latchkey Program.

Assets:	
Governmental Activities	
Cash and Cash equivalents	$ 1,887,015
Account Receivable	1,449,755
Estimated Revenues	16,926,944
Revenues	(17,427,275)
Budgeted Fund Balance	1,237,557
Total Assets	$ 4,073,996
Business-type Activities	
Cash & Cash Equivalents	$ 9,654
Machinery & Equipment	75,594
Revenue	(315,494)
Total Assets	$ (230,246)
Liabilities:	
Governmental Activities	
Accounts Payable	$ (64,132)
Appropriations	(18,311,950)
Expenditures/Expenses	16,905,010
Encumbrances	141,141
Fund Equity	
Res. For Encumbered- Curr Yr	(141,141)
Capital Reserve/Main Reserve	(632,813)
Unres. Fund Balance	(1,212,781)
Total Liabilities & Fund Balance	$ (3,316,666)
Business-type Activities	
Accounts Payable	$
Expenditures/Expenses	133,133
Invests Gen F/A- Cap Proj	(75,594)
Unres. Fund Balance	(20,607)
Total Liabilities & Fund Balance	$ 36,932

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS – A

OCEAN TOWNSHIP SCHOOL DISTRICT

STATEMENT OF NET ASSETS

Exhibit A-1

JUNE 30, 2010

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and Cash Equivalents	$ -	9,653	9,653
Accounts Receivables, Net	292,011	7,124	299,135
Inventory		4,730	4,730
Restricted Assets:			
Capital Reserve - Cash	632,813		632,813
Cash and Cash Equivalents	1,538,964		1,538,964
Capital Assets, Net	10,319,906	50,458	10,370,364
Total Assets	12,783,694	71,965	12,855,659
Liabilities			
Accounts Payable	65,310	4,660	69,970
Deferred Revenue	8,305		8,305
Noncurrent Liabilities:			
Due Within One Year	387,234		387,234
Due Beyond One Year	9,056,660		9,056,660
Total Liabilities	9,517,509	4,660	9,522,169
Net Assets			
Invested in Capital Assets, Net of Related Debt	1,498,191	50,458	1,548,649
Restricted For:			
Other Purposes	2,786,110	4,966	2,791,076
Unrestricted	(1,018,116)	11,881	(1,006,235)
Total Net Assets	$ 3,266,185	67,305	3,333,490

The accompanying notes to financial statements are an integral part of this statement.

OCEAN TOWNSHIP SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2010

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:						
Instruction:						
Regular	$ 2,487,430			(2,487,430)		(2,487,430)
Special Education	1,715,426		555,177	(1,160,249)		(1,160,249)
Other Instruction	196,809			(196,809)		(196,809)
Support Services and Undistributed Costs:						
Tuition	7,509,277			(7,509,277)		(7,509,277)
Student & Instruction Related Services	1,148,441			(1,148,441)		(1,148,441)
School Administrative Services	292,420			(292,420)		(292,420)
Other Administrative Services	209,233			(209,233)		(209,233)
Plant Operations and Maintenance	1,008,615			(1,008,615)		(1,008,615)
Pupil Transportation	728,349			(728,349)		(728,349)
Business and Other Support Services	219,401			(219,401)		(219,401)
Unallocated Benefits	2,315,230		51,433	(2,263,797)		(2,263,797)
Interest on Long-Term Debt	356,230			(356,230)		(356,230)
Arra	105,998			(105,998)		(105,998)
Unallocated Depreciation	317,493			(317,493)		(317,493)
Total Government Activities	18,610,352	-	606,610	(18,003,742)	-	(18,003,742)
Business-Type Activities:						
Food Service	338,453	169,419	92,410		(76,624)	(76,624)
Latch Key	85,252	77,135			(8,117)	(8,117)
Total Business-Type Activities	423,705	246,554	92,410	-	(84,741)	(84,741)
Total Primary Government	19,034,057	246,554	699,020	(18,003,742)	(84,741)	(18,088,483)

OCEAN TOWNSHIP SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2010

		Program Revenues		Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purpose, Net				9,331,450		9,331,450
Taxes Levied for Debt Service				205,598		205,598
Federal and State Aid Not Restricted				7,835,856		7,835,856
Miscellaneous Income				521,951	81	522,032
Accounts Payable Additional				(33)		(33)
Transfers				(68,800)	68,800	-
Total General Revenues, Special Items, Extraordinary Items and Transfers				17,826,022	68,881	17,894,903
Change in Net Assets				(177,720)	(15,860)	(193,580)
Adjustment to Beginning Net Assets				(438,068)	40,831	(397,237)
Net Assets - Beginning				3,881,973	42,334	3,924,307
Net Assets - Ending	$ -			3,266,185	67,305	3,333,490

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

FUND FINANCIAL STATEMENTS – B

OCEAN TOWNSHIP SCHOOL DISTRICT

BALANCE SHEET

GOVERNMENTAL FUNDS

JUNE 30, 2010

	General Fund	Special Revenue Fund	Capital Projects	Debt Service Fund	Total Governmental Funds
Assets					
Cash and Cash Equivalents	$ 1,632,776		510,973	28,028	2,171,777
Interfund Receivable	238,570				238,570
Accounts Receivable, Net	43,958	248,053			292,011
Total Assets	$ 1,915,304	248,053	510,973	28,028	2,702,358
Liabilities and Fund Balance					
Liabilities:					
Accounts Payable	$ 64,132	1,178			65,310
Deferred Revenue		8,305			8,305
Interfund Payable		238,570			238,570
Total Liabilities	64,132	248,053	-	-	312,185
Fund Balance:					
Reserve for Capital Reserve	638,677				638,677
Reserve for Maintenance	755,500				755,500
Reserve for Encumbrances	141,141				141,141
Designated for Subsequent Years Expenditures			510,973	23,038	534,011
Excess Surplus - Designated for Subsequent Years Expenditures	720,901				720,901
Excess Surplus	1,744				1,744
Unreserved/Undesignated Fund Balance	(406,791)			4,990	(401,801)
Total Fund Balances	1,851,172	-	510,973	28,028	2,390,173
Total Liabilities and Fund Balance	$ 1,915,304	248,053	510,973	28,028	
Amounts reported for governmental activities in the Statement of Net Assets (A-1) are different because:					
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is $15,285,014 and the accumulated depreciation is $ 4,965,108					10,319,906
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 Note 3)					(9,443,894)
Net assets of governmental activities					$ 3,266,185

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

OCEAN TOWNSHIP SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2010

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Revenues					
Local Sources:					
Local Tax Levy	$ 9,331,450			205,598	9,537,048
Miscellaneous	516,959	996	4,992		522,947
Total Local Sources	9,848,409	996	4,992	205,598	10,059,995
State Sources	7,378,622			334,759	7,713,381
Federal Sources	122,475	605,614			728,089
Total Revenues	17,349,506	606,610	4,992	540,357	18,501,465
Expenditures					
Current:					
Regular Instruction	2,455,758				2,455,758
Special Education Instruction	1,174,667	540,759			1,715,426
Other Instruction	196,809				196,809
Support Services and Undistributed Costs:					
Tuition	7,509,277				7,509,277
Student and Instruction Related Services	1,148,441				1,148,441
General Administrative Services	292,420				292,420
School Administrative Services	209,233				209,233
Plant Operations and Maintenance	1,008,615				1,008,615
Pupil Transportation	728,349				728,349
Business and Other Support Services	219,401				219,401
Unallocated Benefits	2,263,797	51,433			2,315,230
Capital Outlay	119,772	14,418	19,500		153,690
ARRA-ESF	102,048				102,048
ARRA-GSF	3,950				3,950
Debt Service:					
Principal				355,000	355,000
Interest and Other Charges				362,458	362,458
Total Expenditures	17,432,537	606,610	19,500	717,458	18,776,105

OCEAN TOWNSHIP SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2010

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Excess (Deficiency) of Revenues Over (Under) Expenditures	(83,031)	-	(14,508)	(177,101)	(274,640)
Other Financing Sources (Uses):					
Additional Accounts Payable	(33)				(33)
Transfer to Food Service Fund	(68,800)				(68,800)
Transfer From Capital Projects Fund			(4,992)	4,992	-
Total Other Financing Sources (Uses)	(68,833)	-	(4,992)	4,992	(68,833)
Net Change in Fund Balances	(151,864)	-	(19,500)	(172,109)	(343,473)
Fund Balance - July 1	2,003,036		530,473	200,137	2,733,646
Fund Balance - June 30	$ 1,851,172	-	510,973	28,028	2,390,173

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

OCEAN TOWNSHIP SCHOOL DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

Exhibit B-3

FOR THE YEAR ENDED JUNE 30, 2010

Total Net Change in Fund Balances - Governmental Funds (From B-2)		$ (343,473)
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	(317,493)	
Capital Outlay	153,690	
		(163,803)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.		355,000
In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental fund, interest is reported when due.		6,228
In the statement of activities, certain operating expenses are measured by the amounts earned. In the governmental funds, however, expenditures are reported in the amount of financial resources used.		
Compensated Absences		(31,672)
Change in Net Assets of Governmental Activities		$ (177,720)

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

OCEAN TOWNSHIP SCHOOL DISTRICT

Exhibit B-4

STATEMENT OF NET ASSETS

PROPRIETARY FUNDS

JUNE 30, 2010

	Business-Type Activities - Enterprise Funds		
	Food Service	Latch Key Program	Totals
Assets			
Current Assets:			
Cash and Cash Equivalents	$ 512	9,141	9,653
Accounts Receivable	7,124		7,124
Inventories	4,730		4,730
Total Current Assets	12,366	9,141	21,507
Noncurrent Assets:			
Furniture, Machinery & Equipment	175,041		175,041
Less: Accumulated Depreciation	(124,583)		(124,583)
Total Noncurrent Assets	50,458	-	50,458
Total Assets	$ 62,824	9,141	71,965
Liabilities			
Accounts Payable	$ 485	4,175	4,660
Total Liabilities	$ 485	4,175	4,660
Net Assets			
Invested in Capital Assets Net of Related Debt	$ 50,458		50,458
Unrestricted	11,881		11,881
Reserve for Latch Key		4,966	4,966
Total Net Assets	$ 62,339	4,966	67,305

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

Exhibit B-5

OCEAN TOWNSHIP SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS

PROPRIETARY FUNDS

JUNE 30, 2010

	Business-Type Activities - Enterprise Funds		
	Food Service	Latch Key Program	Totals
Operating Revenues:			
Charge for Services:			
Daily Sales	$ 169,419		169,419
Community Service Functions		77,135	77,135
Total Operating Revenues	169,419	77,135	246,554
Operating Expenses:			
Cost of Sales	97,178		97,178
Salaries	171,995	70,609	242,604
Employee Benefits	51,079	5,232	56,311
Cleaning, Repair and Maintenance Services	3,427		3,427
General Supplies	5,486	2,021	7,507
Depreciation	7,821		7,821
Miscellaneous	1,467	5,074	6,541
Other Purchased Professional Services		2,316	2,316
Total Operating Expenses	338,453	85,252	423,705
Operating Income (Loss)	(169,034)	(8,117)	(177,151)
Nonoperating Revenues (Expenses):			
Interest Revenue	81		81
Board Subsidy	68,800		68,800
State Sources:			
State Breakfast Program	817		817
State School Lunch Program	3,528		3,528
Federal Sources:			
National Breakfast Program	8,029		8,029
National School Lunch Program	63,608		63,608
Food Distribution Program	16,428		16,428
Total Nonoperating Revenues (Expenses)	161,291	-	161,291
Change in Net Assets	(7,743)	(8,117)	(15,860)
Adjustment for Fixed Assets	40,831		40,831
Total Net Assets - Beginning	29,251	13,083	42,334
Total Net Assets - Ending	$ 62,339	4,966	67,305

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

OCEAN TOWNSHIP SCHOOL DISTRICT

Exhibit B-6

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

JUNE 30, 2010

	Business-Type Activities - Enterprise Funds		
	Food Service	Latch Key Program	Totals
Cash Flows from Operating Activities:			
Receipts from Customers	$ 169,419	77,135	246,554
Payments to Employees	(171,995)	(70,609)	(242,604)
Employee Benefits	(51,079)	(5,232)	(56,311)
Payments to Suppliers & Miscellaneous	(92,939)	(11,539)	(104,478)
Net Cash Provided (Used by) Operating Activities	(146,594)	(10,245)	(156,839)
Cash Flows from Noncapital Financing Activities:			
State Sources	4,345		4,345
Federal Sources	71,637		71,637
Operating Subsidies and Transfers from Other Funds	68,800		68,800
Net Cash Provided (Used by) Noncapital Financing Activities	144,782	-	144,782
Cash Flows from Investing Activities			
Interest	81	-	81
Net Increase (Decrease) in Cash & Cash Equivalents	(1,731)	(10,245)	(11,976)
Balances - Beginning of Year	2,243	19,386	21,629
Balances - End of Year	$ 512	9,141	9,653
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	$ (169,034)	(8,117)	(177,151)
Depreciation	7,821		7,821
Federal Commonidities	16,428		16,428
(Increase) Decrease in Accounts Receivable - Net	(1,461)		(1,461)
(Increase) Decrease in Inventories	(451)		(451)
Increase (Decrease) in Accounts Payable	103	(2,128)	(2,025)
Net Cash Provided (Used by) Operating Activities	$ (146,594)	(10,245)	(156,839)

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

OCEAN TOWNSHIP SCHOOL DISTRICT

STATEMENT OF FIDUCIARY NET ASSETS

Exhibit B-7

FIDUCIARY FUNDS

JUNE 30, 2010

	Unemployment Compensation Expendable Trust Fund
Assets	
Cash and Cash Equivalents	$ 3,885
Total Assets	$ 3,885
Net Assets	
Reserved - Dedicated to Unemployment	$ 3,885
Total Net Assets	$ 3,885

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

OCEAN TOWNSHIP SCHOOL DISTRICT

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS

Exhibit B-8

FIDUCIARY FUNDS

JUNE 30, 2010

	Unemployment Compensation Trust
Additions	
Contributions:	
Other	$ 28,770
Total Contributions	28,770
Investment Earnings:	
Interest	40
Net Investment Earnings	40
Total Additions	28,810
Deductions	
Unemployment Claims	38,411
Total Deductions	38,411
Change in Net Assets	(9,601)
Net Assets - Beginning of Year	13,486
Net Assets - End of the Year	$ 3,885

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

NOTES TO FINANCIAL STATEMENTS

BOARD OF EDUCATION

OCEAN TOWNSHIP SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2010

NOTE 1: Summary of Significant Accounting Policies

The financial statements of the Board of Education (Board) of the Ocean Township School District (District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Board's accounting policies are described below.

A. Reporting Entity:

The Ocean Township 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 nine members elected to three-year terms. The purpose of the district is to educate students in grades K-6. The Ocean Township School District had an approximate enrollment at June 30, 2010 of 530 students.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Government 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

B. Government-Wide Financial Statements

The government-wide financial statements include the statement of net assets and the statement of activities. These statements report financial information for the District as a whole excluding fiduciary activities such as student activities. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by state and federal aid, tuition and county tax levies, from business-type activities generally financed in whole or in part with fees charged to external parties.

NOTE 1: Summary of Significant Accounting Policies (Continued)

B. Government-Wide Financial Statements (Continued)

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include (1) charges for services which report fees and other charges to users of the District's services and (2) operating grants and contributions. These revenues are subject to externally imposed restrictions to these program uses. Tax levies and other revenue sources not properly included with program revenues are reported as general revenues.

Fund Financial Statements

Fund financial statements are provided for governmental, proprietary and fiduciary funds. The New Jersey Department of Education (the "Department") 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 Department believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The financial statements of the District are prepared in accordance with generally accepted accounting principles (GAAP). The District's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. The government-wide and proprietary fund financial statements apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails.

The government-wide statements report using the economic resources measurement focus and the accrual basis of accounting generally including the reclassification or elimination of internal activity (between or within funds). Proprietary and fiduciary fund financial statements also report using this same focus and basis of accounting although internal activity is not eliminated in these statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred regardless of the timing of related cash flows. County tax revenues are recognized in the year for which they are levied while grants are recognized when grantor eligibility requirements are met. The Unemployment Trust Fund recognizes employer and employee contributions in the period in which contributions are due.

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to apply current liabilities. The District considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for long-term pension and compensated absences, which are reported as expenditures in the year due.

NOTE 1: Summary of Significant Accounting Policies (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

Major revenue sources susceptible to accrual includes Intergovernmental revenues, and the county tax levy. In general, other revenues are recognized when cash is received.

Operating income reported in proprietary fund financial statements includes revenues and expenses related to the primary continuing operations of the fund. Principal operating revenues for proprietary funds are charges to customers for food sales and for services provided to other governmental entities. Principles operating expenses are the costs of providing goods or services and include administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

D. Fund Accounting:

The accounts of the District are maintained in accordance with the principles of fund accounting to ensure observance of limitations and restrictions on the resources available. The principles of fund accounting require that resources be classified for accounting and reporting purposes into funds or account groups in accordance with activities or objectives specified for the resources. Each fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources. Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types".

Governmental Fund Types

General Fund: The general fund is the general operating fund of the District and is used to account for all expendable financial resources except those required to be accounted for in another fund.

Special Revenue Fund: The District accounts for the proceeds of specific revenue sources (other than expendable trust or major capital projects) that are legally restricted to expenditures for specified purposes in the special revenue funds.

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).

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.

Proprietary Fund Type

Enterprise Fund: To account for operations that are financed and operated in a manner similar to private business enterprises, in which the intent of the District is that the costs of providing goods or services to the District on a continuing basis be financed or recovered primarily through user charges.

NOTE 1: **Summary of Significant Accounting Policies (Continued)**

D. **Fund Accounting (Continued)**:

Fiduciary Fund Types

Agency Funds (Payroll and Student Activities Fund): 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.

Trust and Agency Funds: The trust and agency funds are used to account for assets held by the District on behalf of outside parties, including other governments, or on behalf of other funds within the District.

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. Expendable trust funds include Unemployment Compensation Insurance.

E. **Basis of Accounting**:

The modified accrual basis of accounting is used for measuring financial position and operating results of all governmental fund types, expendable trust funds and agency funds. Under the modified accrual basis of accounting, revenues are recognized when they become both 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 recognized in the accounting period in which the fund liability is incurred, except for principal and interest on general long-term debt which are recorded when due.

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 moneys under the established payment schedule and the unpaid amount is considered to be an "accounts receivable".

The accrual basis of accounting is used for measuring financial position and operating results of proprietary fund types and nonexpendable trust funds. Under this method, revenues are recorded in the accounting period in which they are earned and expenses are recorded at the time liabilities are incurred.

NOTE 1: Summary of Significant Accounting Policies (Continued)

F. 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 April. Budgets are prepared using the modified accrual basis of accounting; 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. 6A:23-2.2(g)1. All budget amendments must be approved by School Board resolution. Budget amendments during the year ended June 30, 2010 were insignificant.

The Public School Education Act of 1975, limits the annual increase of any district's net current expense budget. The Commissioner of Education certifies the allowable amount for each district but may grant a higher level of increase if he determines that the sums so provided would be insufficient to meet the identified goals and needs of the district or that an anticipated enrollment increase requires additional funds.

The Commissioner must also review every proposed local school district budget for the next school year. He examines every item of appropriations for current expenses and budgeted capital outlay to determine their adequacy in relation to the identified needs and goals of the district. If, in his view, they are insufficient, the Commissioner must order remedial action. If necessary, he is authorized to order changes in the local district budget.

Once a budget is approved, it can be amended by transfers or additional appropriation of fund balances by approval of a majority of the members of the Board. Amendments are presented to the Board at their regular meetings. Each amendment must have Board approval. Such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year-end as dictated by law. Individual transfers were not material in relation to the original appropriations. All uncommitted budget appropriations lapse at year-end.

Notes to Required Supplementary Information
Budgetary Comparison Schedule

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) "revenues" from the budgetary comparison schedules	$ 17,356,524	614,911
Difference – budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		(8,301)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes	747,095	

NOTE 1: Summary of Significant Accounting Policies (Continued)

F. Budgets/Budgetary Control (Continued):

	General Fund	Special Revenue Fund
The last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33).	(754,113)	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances – governmental funds.	$ 17,349,506	606,610
Uses/Outflows of Resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	$ 17,432,537	614,911
Differences – 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.		(8,301)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances – governmental funds.	$ 17,432,537	606,610

G. Encumbrances:

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

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

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

H. Short-Term Interfund Receivables/Payables:

Short-Term interfund receivables/payables represents amounts that are owed, other than charges for good or services rendered to/from a particular fund in the District and that are due within one year.

NOTE 1: Summary of Significant Accounting Policies (Continued)

I. Inventories and Prepaid Expenses

Inventories and prepaid expenses, which benefit future periods, are recorded as an expenditure during the year of purchase. The value of inventories remaining at the end of the fiscal year is not included on the balance sheet.

Enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2010.

J. Capital Assets and Depreciation

The District's property, buildings and improvements, equipment, vehicles, furniture and fixtures with useful lives of five years or more are stated at historical or estimated historical cost and are reported in the government-wide financial statements. Proprietary Fund capital assets are reported in its respective fund.

The District contracted with an outside service company to provide a report with a comprehensive detail of capital assets and depreciation. The report included capital assets purchased during the 2008-2009 fiscal year and prior with a historical cost of $2,000 or more. Accumulated depreciation prior to fiscal year 2010, fiscal year 2010 depreciation expense, total accumulated depreciation and book values were also provided. The costs of normal maintenance and repairs that do not add to the asset value or materially extend the useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts. Estimated useful lives, in years, for depreciable assets are as follows:

Buildings and Improvements	20 – 50
Equipment and Vehicles	5 – 20
Furniture and Fixtures	5 – 20

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

NOTE 1: Summary of Significant Accounting Policies (Continued)

J. Capital Assets and Depreciation

	Balance July 1, 2009	Additions	Adjustment	Retirements	Balance June 30, 2010
Governmental Activities:					
Land	$ 97,895				97,895
Const. in Progress	7,570,031		(7,570,031)		
Total	7,667,926		(7,570,031)		97,895
Depreciable Assets:					
Buildings & Sites	7,246,902		6,723,304		13,970,206
Equipment	933,529		283,384		1,216,913
Total	8,180,431		7,006,688		15,187,119
Less: Accumulated Depreciation:					
Buildings	(4,154,656)	(260,095)	346,001		(4,068,750)
Equipment	(763,730)	(57,398)	(75,230)		(896,358)
Total Accumulated Depreciation	(4,918,386)	(317,493)	270,771		(4,965,108)
Net Depreciable Assets	3,262,045	(317,493)	7,277,459		10,222,011
Governmental Activities: Capital Assets, Net	$ 10,929,971	(317,493)	(292,572)		10,319,906
Business-Type Activities: Equipment	$ 112,595	62,446			175,041
Less: Accumulated Depreciation: Equipment	(95,147)	(7,821)	(21,615)		(124,583)
Business-Type Activities Capital Assets (Net)	$ 17,448	54,625	(21,615)		50,458

Depreciation expense was charged to governmental functions as follows:

Unallocated	$ 239,854

K. Compensated Absences

District employees are permitted, within certain limitations, to accrue vacation and sick leave in varying amounts under the Districts personnel policies and may be paid at a later date according to contractual agreements.

NOTE 1: Summary of Significant Accounting Policies (Continued)

K. Compensated Absences (Continued)

The liability for vested compensated absences of the governmental fund types is recorded in the government-wide financial statements as a non-current liability. Governmental funds report only matured compensated absences payable to currently terminating employees and are included in wages and benefits payable

L. Deferred Revenue

Deferred revenue in the special revenue funds represent cash which has been received but not yet earned. See Note 1(F) regarding the special revenue fund.

M. Fund Equity

The governmental fund financial statements report reserved fund balance for amounts not available for appropriation or legally restricted for specified purposes. The general fund reserve for restricted purposes includes net assets relating to capital reserve (See Note 9).

NOTE 2: Cash and Cash Equivalents and Investments

Cash and cash equivalents includes petty cash, change funds, amounts in deposits, and short term investments with original maturities of three months or less.

Investments are stated at cost, which approximates market. The District classifies certificates of deposit, which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

Deposits

New Jersey statutes require that school districts deposit public funds in public depositories located in New Jersey which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed depository insurance limits as follows:

> The market value of the collateral must equal at least 5% of the average daily balance of collected public funds on deposit.

In addition to the above collateral requirement, if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

All collateral must be deposited with the Federal Reserve Bank of New York, the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than $25,000.000.

NOTE 2: Cash and Cash Equivalents and Investments (Continued)

Investments

New Jersey statutes permit the District to purchase the following types of securities:

a. Bonds or other obligations of the United States or obligations guaranteed by the United States.

b. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or any United States Bank for cooperatives which have a maturity date not greater than twelve months from the date of purchase.

c. Bonds or other obligations of the school district.

As of June 30, 2010, cash and cash equivalents and investments of the District consisted of the following:

	Cash and Cash Equivalents
	$ 2,191,326

During the period ended June 30, 2010 the District did not hold any investments. The carrying amount of the District's cash and cash equivalents at June 30, 2010 was $2,191,326 and the bank balance was $2,382,416. Of the bank balance, $200,000 was covered by federal depository insurance and $2,182,416 was covered by a collateral pool maintained by the banks as required by New Jersey statutes.

Credit Risk Categories

All bank deposits and investments as of the balance sheet date are classified as to credit risk by the following two categories described below:

As of June 30, 2010, the District did not hold any long-term investments.

Insured:	
FDIC	$ 200,000
GUDPA	2,182,416
	$ 2,382,416

NOTE 3: General Long-Term Debt

During the fiscal year ended June 30, 2010, the following changes occurred in liabilities reported in the general long-term debt account group:

	Balance June 30, 2009	Issued	Retired	Balance June 30, 2010	Due Within One Year
Compensated Absences Payable	$ 590,507	31,672		622,179	
Capital Leases Payable	43,604		16,889	26,715	17,234
Bonds Payable	9,150,000		355,000	8,795,000	370,000
	$ 9,784,111	31,672	371,889	9,443,894	387,234

A. Bonds Payable

Bonds are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are of general obligation bonds, and the interest rates vary from 3.45% to 4.50%.

Principal and interest due on serial bonds outstanding is as follows:

Year Ending June 30	Principal	Interest	Total
2011	$ 370,000	347,775	717,775
2012	385,000	332,278	717,278
2013	405,000	316,441	721,441
2014	415,000	304,881	719,881
2015	430,000	288,800	718,800
2016-2020	2,440,000	1,170,600	3,610,600
2021-2025	2,980,000	641,200	3,621,200
2026-2027	1,370,000	82,800	1,452,800
	$ 8,795,000	3,484,775	12,279,775

B. Bonds Authorized But Not Issued

As of June 30, 2010, the Board had no authorized but not issued bonds.

NOTE 3: General Long-Term Debt (Continued)

C. Capital Leases Payable:

The District has two leases totaling $43,604 under capital leases. The following is a schedule of future minimum lease payment under this capital lease and present value of the net minimum lease payments at June 30, 2010.

2010-2011	$ 18,014
2011-2012	9,834
	27,848
Less Interest	(1,132)
Total Minimum Lease Payments	$ 26,716

Copier lease for 60 months for $39,013 @ 7.75% interest commencing June 1, 2006 at $682 per month for 60 months maturing June 1, 2011 with a balance of $7,867 at June 30, 2010.

Copier lease for 60 months for $49,170 @ 7.75% interest commencing June 1, 2007 at $819 per month for 60 moths maturing July 1, 2012 with a balance of $18,849 at June 30, 2010.

NOTE 4: 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 the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teacher's 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 1, 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 (PERS) was established as of January 1, 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.

NOTE 4: Pension Plans (Continued)

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 provide for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provision of the System.

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

Significant Legislation - During the year ended June 30, 1997, legislation was enacted Chapter 114, P.L. 1997) 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 asset valuation method from market related value to full-market value. This legislation also contains 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 a 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 the 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.

Funding Policy – The contribution policy is set by New Jersey State Statutes and contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 5% 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 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.

Legislation enacted during 1993 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 1994 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 per month for two years for employees at least age 60 with 10 years but less than 20 years of service. The Board will assume the increased cost for the early retirement as it affects their districts.

NOTE 4: Pension Plans (Continued)

During the year ended June 30, 2010, the State of New Jersey contributed $275,337 to the TPAF 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 $320,994 during the year ended June 30, 2010 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. These amounts have been included in the general-purpose financial statements, and the combining and individual fund and account group statements and schedules as revenues and expenditure in accordance with GASB 24.

Three-Year Trend Information for PERS

Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/10	N/A	100%	0
6/30/09	88,529	100%	0
6/30/08	N/A	100%	0

Three-Year Trend Information for TPAF (Paid On-Behalf of the District)

Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/10	$ 275,337	100%	0
6/30/09	264,984	100%	0
6/30/08	459,784	100%	0

NOTE 5: 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, 2009, there were 84,590 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

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

NOTE 6: Interfund Receivables and Payables

There were interfunds as of June 30, 2010 as follows:

	From	To
General Fund		$ 238,570
Special Revenue Fund	$ 238,570	

NOTE 7: Compensated Absences

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

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

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, 2010, no liability existed for compensated absences in the Food Service Fund.

NOTE 8: Tuition Adjustments

Regulations specify that tuition adjustments for any given school year shall be remitted/ received in the two following years after the tuition rate is certified. These adjustments have not been reflected on the June 30, 2010 financial statements.

NOTE 9: Operating Leases

The District had no operating leases as of June 30, 2010.

NOTE 10: Capital Reserve Account

A Capital Reserve account was established by the Township of Ocean Board of Education for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Fund placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:26-9.1(d) 1, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2009 to June 30, 2010 fiscal year is as follows:

Beginning Balance, July 1, 2009	$ 186,774
Interest Earnings & Transfers	451,903
Ending Balance, June 20, 2010	$ 638,677

NOTE 11: 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 the State. The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's expendable trust fund for the current year and previous year:

Fiscal Year	District Contributions	Employee Contributions	Reimbursed	Balance
2009-2010	$ 40	28,770	38,411	3,885
2008-2009	54	10,471	446	13,486
2007-2008	0	12,280	8,941	3,407

NOTE 12: Economic Dependency

The District receives a substantial amount of its support from federal and state governments. A significant reduction in the level of support, if this were to occur, may have an effect on the District's programs and activities.

NOTE 13: 2% Calculation of Excess Surplus

2009-10 Total General Fund Expenditures Per the CAFR	$ 17,157,072
Increased by:	
Transfer to Food Service Fund	68,800
Decreased by:	
On-Behalf TPAF Pension & Social Security	(320,866)
Adjusted 2009-10 General Fund Expenditures	$ 16,905,006
2% of Adjusted 2009-10 General Fund Expenditures	$ 347,322
Enter Greater of Above or $250,000	$ 347,322
Maximum Unreserved/Undesignated Fund Balance	$ 347,322

Section 2

Total General Fund – Fund Balance @ 6-30-10	$ 2,605,285
Decreased by:	
Reserved for Encumbrances	(141,141)
Designated for Subsequent Year's Expenditures	(720,901)
Other Reserves	(1,394,177)
Total Unreserved/Undesignated Fund Balance	$ 349,066
Reserved Fund Balance – Excess Surplus	$ 1,744

Section 3

Reserved Fund Balance – Excess Surplus Designated for Subsequent Years Expenditures	$ 1,744

Detail of Other Reserved Fund Balance

Maintenance Reserve	$ 755,500
Capital Reserve	638,677
Total	$ 1,394,177

NOTE 14: Contingent Liabilities

The Board is involved in several claims and lawsuits incidental to its operations. In the opinion of the administration and legal counsel, the ultimate resolution of these matters will not have a material adverse effect of the financial position of the District.

NOTE 15: Fund Balance Appropriated

General Fund – Of the $2,605,285 General Fund fund balance at June 30, 2010, $141,141 is reserved for encumbrances; $638,677 is reserved for capital reserve; $755,500 is reserved for maintenance; $720,901 is designated for subsequent year's expenditure in the 2010-2011 budget; $1,744 is excess surplus for the 2011-12 budget and $347,322 is unreserved and undesignated.

NOTE 16: Recent Accounting Pronouncements

In June 2009, the FASB issued FASB ASC 105, Generally Accepted Accounting Principles, which establishes the FASB Accounting Standards Codification as the sole source of authoritative generally accepted accounting principles. Pursuant to the provisions of FASB ASC 105, the District has updated references to GAAP in its financial statements issued for the period ended June 30, 2010. The adoption of FASB ASC 105 did not impact the District's financial position or results of operations.

In May 2009, the FASB updated ASC 855, Subsequent Events, which is effective for reporting periods ending after June 15, 2009. ASC 855 establishes general standards of accounting for and disclosure of events that occur after the balance sheet date, but before the financial statements are issued, or are available to be issued. The District adopted the amended sections of ASC 855 and it did not have an impact on the District's financial statements. The District evaluated all events or transactions that occurred after June 30, 2010 through October 11, 2010.

REQUIRED SUPPLEMENTARY INFORMATION
PART II

BUDGETARY COMPARISON SCHEDULES – C

OCEAN TOWNSHIP SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

JUNE 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues:					
Local Sources:					
Local Tax Levy	$ 9,331,450		9,331,450	9,331,450	-
Miscellaneous	46,359		46,359	516,959	470,600
Total Local Sources	9,377,809	-	9,377,809	9,848,409	470,600
State Sources:					
Security Aid	122,862		122,862	122,862	-
Transportation Aid	353,642		353,642	353,642	-
Special Education Aid	491,750		491,750	491,750	-
Adjustment Aid	5,996,692	(653,828)	5,342,864	5,342,864	-
Equalization Aid	584,189	(105,998)	478,191	478,191	-
TPAF Pension (On-Behalf Non-Budgeted)			-	275,337	275,337
TPAF Social Security (Reimbursed Non-Budgeted)			-	320,994	320,994
Total State Sources	7,549,135	(759,826)	6,789,309	7,385,640	596,331
Federal Sources:					
ARRA-ESF		102,048	102,048	102,048	-
ARRA-GSF		3,950	3,950	3,950	-
Medical Assistance Program			-	16,477	16,477
Total Federal Sources		105,998	105,998	122,475	16,477
Total Revenues	16,926,944	(653,828)	16,273,116	17,356,524	1,083,408

OCEAN TOWNSHIP SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

JUNE 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures:					
Current Expenditures:					
Regular Programs - Instruction:					
Preschool-Salaries of Teachers	65,687		65,687	65,548	139
Kindergarten - Salaries of Teachers	184,884	45,400	230,284	230,144	140
Grades 1-3 - Salaries of Teachers	916,953	(101,965)	814,988	813,910	1,078
Grades 4-5 - Salaries of Teachers	463,417	201,831	665,248	664,348	900
Grade 6 - Salaries of Teachers	317,467	5,513	322,980	322,527	453
Regular Programs - Home Instruction:					
Salaries of Teachers	2,520	(150)	2,370	849	1,521
Regular Program - Undistributed Instruction:					
Purchased Professional Educational Services	15,100	(1,764)	13,336	2,620	10,716
Purchased Technical Services	28,461	1,657	30,118	26,635	3,483
Other Purchased Services (400-500 Series)	32,513		32,513	20,592	11,921
General Supplies	212,719	112,812	325,531	291,168	34,363
Textbooks	74,580	(45,958)	28,622	17,232	11,390
Other Objects	225		225	185	40
Total Regular Programs - Instruction	2,314,526	217,376	2,531,902	2,455,758	76,144
Special Education - Instruction:					
Multiple Disabilities					
Salaries of Teachers	115,576	(45,531)	70,045	68,790	1,255
Other Salaries for Instruction	46,107	29,234	75,341	75,168	173
Other Purchased Services (400-500 Series)	3,000	(322)	2,678		2,678
General Supplies	3,500	1,022	4,522	4,441	81
Total Learning and/or Language Disabilities	168,183	(15,597)	152,586	148,399	4,187

OCEAN TOWNSHIP SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

JUNE 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Autism:					
Salaries of Teachers	58,165	1,408	59,573	59,573	-
Other Salaries for Instruction	75,265	355	75,620	66,757	8,863
General Supplies	3,100	(1,121)	1,979	1,314	665
Total Behavioral Disabilities	136,530	642	137,172	127,644	9,528
Resource Room/Center:					
Salaries of Teachers	620,892	(26,988)	593,904	570,926	22,978
Other Salaries for Instruction	292,289	(14,005)	278,284	190,738	87,546
General Supplies	14,000	2,589	16,589	15,585	1,004
Textbooks	500		500		500
Total Resource Room/Center	927,681	(38,404)	889,277	777,249	112,028
Pre-School -Disabilities - Part-Time:					
Salaries of Teachers	53,537	(532)	53,005	52,246	759
Other Salaries for Instruction	47,677	9,172	56,849	56,849	-
General Supplies	2,000	87	2,087	2,087	-
Total Pre-School Disabilities - Part-Time	103,214	8,727	111,941	111,182	759
Home Instruction:					
Salaries of Teachers	48,000	113	48,113	10,193	37,920
Total Home Instruction	48,000	113	48,113	10,193	37,920
Total Special Education - Instruction	1,383,608	(44,519)	1,339,089	1,174,667	164,422

OCEAN TOWNSHIP SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

JUNE 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	187,297	(6,757)	180,540	125,924	54,616
Other Salaries for Instruction	50,043		50,043	38,799	11,244
General Supplies	2,600	3	2,603	522	2,081
Total Basic Skills/Remedial - Instruction	239,940	(6,754)	233,186	165,245	67,941
School-Sponsored Co-Curricular Activities - Instruction:					
Salaries	30,800	6,800	37,600	31,564	6,036
Total School-Sponsored Co-Curricular Activities - Inst.	30,800	6,800	37,600	31,564	6,036
Total Instruction	3,968,874	172,903	4,141,777	3,827,234	314,543
Undistributed Expenditures - Instruction:					
Tuition to Other LEA's Within the State - Regular	5,957,356		5,957,356	5,955,856	1,500
Tuition to Other LEA's Within the State - Special	2,199,658	(390,019)	1,809,639	1,553,421	256,218
Tuition Private Schools Within the State - Disabilities		52,203	52,203		52,203
Total Undistributed Expenditures - Instruction	8,157,014	(337,816)	7,819,198	7,509,277	309,921
Undistributed Expenditures - Attendance and Social Work:					
Attendance - Salaries	27,398	(4,225)	23,173	17,093	6,080
Total Undistributed Expenditures - Attendance and Social Work	27,398	(4,225)	23,173	17,093	6,080

OCEAN TOWNSHIP SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

JUNE 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Health Services:					
Salaries	113,165	4,553	117,718	117,643	75
Purchased Professional and Technical Services	700	(575)	125		125
Supplies and Materials	5,159	1,852	7,011	5,756	1,255
Total Undistributed Expenditures - Health Services	119,024	5,830	124,854	123,399	1,455
Undistributed Expenditures - Other Support Services - Students - Related Services:					
Salaries	126,030	23,633	149,663	132,999	16,664
Purchased Professional - Educational Services	3,300	(1,700)	1,600	1,600	-
Supplies and Materials	1,750	267	2,017	1,845	172
Total Undistributed Expenditures - Other Support Services Students - Related Services	131,080	22,200	153,280	136,444	16,836
Undistributed Expenditures - Other Support Services - Students - Extra Services:					
Salaries	65,100	14,595	79,695	77,010	2,685
Purchased Professional Educational Services	123,850	(1,797)	122,053	116,477	5,576
Supplies and Materials	2,000	10	2,010	1,191	819
Total Undistributed Expenditures - Other Support Services - Students - Extra Services	190,950	12,808	203,758	194,678	9,080
Undistributed Expenditures - Other Support Services - Students - Regular:					
Salaries of Other Professional Staff	112,972	530	113,502	113,502	-

OCEAN TOWNSHIP SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

JUNE 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Other Support Services - Students - Special:					
Salaries of Other Professional Staff	307,787	(3,014)	304,773	304,772	1
Salaries of Secretarial and Clerical Assistants	48,269	(1,963)	46,306	45,852	454
Purchased Professional Educational Services	5,000	12	5,012	4,462	550
Miscellaneous Purchased Services (400-500 Series)	7,982	(2,969)	5,013	4,293	720
Supplies and Materials	6,000	2,851	8,851	8,135	716
Other Objects	2,300	1,910	4,210	4,060	150
Total Undistributed Expenditures - Other Support Services - Students - Special	377,338	(3,173)	374,165	371,574	2,591
Undistributed Expenditures - Improvement of Instructional Services:					
Salaries -Supervisor of Instruction	49,144	148	49,292	40,733	8,559
Purchased Professional Educational Services	6,300	3,388	9,688	5,176	4,512
Supplies and Materials	4,000		4,000	528	3,472
Total Undistributed Expenditures - Improvement of Instructional Services	59,444	3,536	62,980	46,437	16,543
Undistributed Expenditures - Educational Media Services/ School Library:					
Salaries-Other Professional Staff	44,311	73,680	117,991	107,229	10,762
Purchased Professional and Technical Services	4,399	20,397	24,796	599	24,197
Other Purchased Services (400-500 Series)	4,250	2	4,252	4,252	-
Supplies and Materials	41,923	434	42,357	23,784	18,573
Total Undistributed Expenditures - Educational Media Services/School Library	94,883	94,513	189,396	135,864	53,532

OCEAN TOWNSHIP SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

JUNE 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Instructional Staff Training Services:					
Other Purchased Services (400-500 Series)	20,550		20,550	9,450	11,100
Undistributed Expenditures - Support Services - General Admin.:					
Salaries	181,024	13,078	194,102	194,102	-
Legal Services	35,000	(3,666)	31,334	19,189	12,145
Other Purchased Professional Services	9,000		9,000	9,000	-
Purchased Technical Services	5,000	13,115	18,115	17,876	239
Communications/Telephone	3,600	682	4,282	4,283	(1)
Other Purchased Services (400-500 Series)	14,200	2,184	16,384	15,303	1,081
Supplies and Materials	2,515	299	2,814	2,068	746
Judgments		16,636	16,636	16,636	
Miscellaneous Expenditures	16,900	(1,889)	15,011	13,963	1,048
Total Undistributed Expenditures - Support Services - General Administration	267,239	40,439	307,678	292,420	15,258
Undistributed Expenditures - Support Services - School Admin.:					
Salaries of Principals/Assistant Principals	99,538	1	99,539	99,539	-
Salaries of Secretarial and Clerical Assistants	87,215	5,350	92,565	91,748	817
Salaries-Other	4,000	93	4,093	4,093	
Purchased Professional and Technical Services	1,000	(60)	940	10	930
Other Purchased Services (400-500 Series)	4,990	(572)	4,418	3,896	522
Supplies and Materials	7,000	1,205	8,205	7,993	212
Other Objects	2,595	(399)	2,196	1,954	242
Total Undistributed Expenditures - Support Services - School Administration	206,338	5,618	211,956	209,233	2,723

OCEAN TOWNSHIP SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

JUNE 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Required Maintenance for School Facilities:					
Salaries	66,858	(12,161)	54,697	50,826	3,871
Cleaning, Repair and Maintenance Services	80,200	20,377	100,577	95,770	4,807
General Supplies	10,000	7,072	17,072	3,801	13,271
Total Undistributed Expenditures - Required Maintenance - School Facilities	157,058	15,288	172,346	150,397	21,949
Undistributed Expenditures - Other Operations and Maintenance of Plant:					
Salaries	272,191	43,901	316,092	291,903	24,189
Purchased Professional and Technical Services	4,000	(1,886)	2,114	550	1,564
Cleaning, Repair and Maintenance Services	67,653	(5,325)	62,328	49,566	12,762
Other Purchased Property Services	10,500		10,500	8,210	2,290
Insurance	120,000	11,186	131,186	131,186	-
General Supplies	70,000	17,969	87,969	74,193	13,776
Energy (Heat and Electricity)	304,500	(23,323)	281,177	256,752	24,425
Other Objects	11,200	60	11,260	10,858	402
Total Undistributed Expenditures - Other Operations and Maintenance of Plant	860,044	42,582	902,626	823,218	79,408
Total Undistributed Expenditures - Operations and Maintenance of Plant	1,017,102	57,870	1,074,972	973,615	101,357
Undistributed Expenditures-Care & Upkeep of Grounds					
Salaries	27,000		27,000	27,000	
Other Objects	8,000		8,000	8,000	
Total Undistributed Expenditures-Care & Upkeep of Grounds	35,000		35,000	35,000	

OCEAN TOWNSHIP SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

JUNE 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Student Transportation Services:					
Salaries for Pupil Transportation (Between Home & School)	19,317		19,317	18,169	1,148
Salaries for Pupil Transportation Special Education (Between Home and School)	22,950	11,390	34,340	25,830	8,510
Contracted Services (Other Than Between Home & School) - Vendors	25,000	3,541	28,541	28,541	-
Contracted Services (Between Home & School) Jointures	470,000	77,969	547,969	547,969	-
Contracted Services (Spec. Ed.) - Vendors	45,000	11,148	56,148	55,739	409
Contracted Services (Between Home & School) Special Education - Jointures	426,500	(104,016)	322,484	51,091	271,393
Contracted Services - Aid in Lieu	3,500		3,500	884	2,616
Other Purchased Services	30,000		30,000	126	29,874
Total Undistributed Expenditures - Student Transportation Services	1,042,267	32	1,042,299	728,349	313,950
Undistributed Expenditures - Central Services:					
Salaries	186,447		186,447	186,352	95
Purchased Professional Services	7,950	11,585	19,535	19,143	392
Supplies and Materials	5,500	6,340	11,840	11,840	-
Miscellaneous Expenditures	4,100	(1,422)	2,678	2,066	612
Total Undistributed Expenditures Business and Other Support Support Services	203,997	16,503	220,500	219,401	1,099
Undistributed Expenditures-Adm. Info. Tech.					
Salaries	73,077	(73,077)			
Purchased Tech. Services	21,000	(21,000)			
Total Undistributed Services-Adm. Info. Tech.	94,077	(94,077)			

OCEAN TOWNSHIP SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

JUNE 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Employee Benefits:					
Social Security Benefits	119,000	16,694	135,694	135,694	-
Other Retirement benefits	195,480	86,178	281,658	191,042	90,616
Unemployment Compensation	25,000		25,000	12,550	12,450
Health Benefits	1,402,059	4,968	1,407,027	1,323,585	83,442
Tuition Reimbursement	8,000	600	8,600	4,595	4,005
Total Undistributed Expenditures Unallocated Benefits	1,749,539	108,440	1,857,979	1,667,466	190,513
On-Behalf TPAF Pension Contributions - Non-Budgeted				275,337	(275,337)
Reimbursed TPAF Social Security Contributions Non-Budgeted				320,994	(320,994)
Total On-Behalf Contributions	-	-	-	596,331	(596,331)
Total Undistributed Expenditures	13,906,212	(70,972)	13,835,240	13,379,533	455,707
Total Current Expense	17,875,086	101,931	17,977,017	17,206,767	770,250
Capital Outlay:					
Interest to Capital Reserve	1,828		1,828		1,828
Regular Programs - Instruction:					
Grades 1-5	72,189	39,877	112,066	72,905	39,161
Grades 6-8	20,800	12,133	32,933	32,933	-
Undistributed Expenses:					
Nursing Equipment		1,930	1,930	1,930	
Supplemental Services-Speech	7,600	(7,600)			
Business Office	4,000	(4,000)			
Operation of Plant	7,000	5,004	12,004	12,004	-
Total Capital Outlay	113,417	47,344	160,761	119,772	40,989

OCEAN TOWNSHIP SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

JUNE 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
ARRA-ESF					
Salaries		102,048	102,048	102,048	
ARRA-GSF					
Salaries		3,950	3,950	3,950	
Total Expenditures	17,988,503	255,273	18,243,776	17,432,537	811,239
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(1,061,559)	(909,101)	(1,970,660)	(76,013)	1,894,647
Other Financing Sources:					
Additional Accounts Payable			-	(33)	(33)
Transfer to Food Service Fund	(70,000)		(70,000)	(68,800)	1,200
Total Other Financing Sources	(70,000)	-	(70,000)	(68,833)	1,167
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Sources (Uses)	(1,131,559)	(909,101)	(2,040,660)	(144,846)	1,895,814
Fund Balance July 1	2,750,131		2,750,131	2,750,131	
Fund Balance June 30	$ 1,618,572	(909,101)	709,471	2,605,285	1,895,814

OCEAN TOWNSHIP SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

JUNE 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Recapitulation:					
Reserve for Encumbrances				$ 141,141	
Excess Surplus				1,744	
Maintenance Reserve				755,500	
Capital Reserve				638,677	
Unrestricted Fund Balance				347,322	
Unrestricted Fund Balance - Designated for Subsequent Year's Expenditures				720,901	
				2,605,285	
Reconciliation to Governmental Funds Statement (GAAP):					
Final State Audit Payments not Recognized on GAAP Basis				(754,113)	
Fund Balance per Governmental Funds (GAAP)				$ 1,851,172	

OCEAN TOWNSHIP SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

Exhibit C-1a

STATE FISCAL STABILIZATION FUND

ARRA-ESF

	Adjusted Budget	Expended	Funds Available
Salaries of Teachers			
16-120-100-101	$ 102,048	102,048	
Total ARRA-ESF	$ 102,048	102,048	

OCEAN TOWNSHIP SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

Exhibit C-1b

STATE FISCAL STABILIZATION FUND

ARRA-GSF

	Adjusted Budget	Expended	Funds Available
Salaries of Teachers			
17-130-100-101	$ 3,950	3,950	
Total ARRA-GSF	$ 3,950	3,950	

Exhibit C-2

OCEAN TOWNSHIP SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE

SPECIAL REVENUE FUND

JUNE 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues:					
Local	$	996	996	996	-
Federal Sources	390,661	223,254	613,915	613,915	
Total Revenues	$ 390,661	224,250	614,911	614,911	-
Expenditures:					
Instruction:					
Salaries of Teachers	$ 144,006	53,553	197,559	197,559	-
Other Salaries for Instruction		25,143	25,143	25,143	
Other Purchased Services	246,655	11,450	258,105	258,105	
General Supplies		68,253	68,253	68,253	
Total Instruction	390,661	158,399	549,060	549,060	-
Support Services:					
Personal Services - Benefits		51,433	51,433	51,433	
Total Support Services	-	51,433	51,433	51,433	-
Facilities, Acquisition and Construction Services:					
Equipment		14,418	14,418	14,418	
Total Facilities, Acquisition and Construction Services	-	14,418	14,418	14,418	-
Total Expenditures	$ 390,661	224,250	614,911	614,911	-

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

OCEAN TOWNSHIP SCHOOL DISTRICT

Exhibit C-3

REQUIRED SUPPLEMENTARY INFORMATION

BUDGET-TO-GAAP RECONCILIATION

NOTE TO RSI

JUNE 30, 2010

	General Fund	Special Revenue Fund
Sources/Inflows of Resources		
Actual Amounts (budgetary) "revenues" from the budgetary comparison schedule	$ 17,356,524	614,911
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized,		(8,301)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	747,095	
The last state aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33).	(754,113)	
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds.	$ 17,349,506	606,610
Uses/Outflows of Resources		
Actual Amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	$ 17,432,537	614,911
Differences - 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.		(8,301)
Total expenditures as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	$ 17,432,537	606,610

OTHER SUPPLEMENTARY INFORMATION

SCHOOL LEVEL SCHEDULES – D

N/A

SPECIAL REVENUE FUND – E

OCEAN TOWNSHIP SCHOOL DISTRICT

SPECIAL REVENUE FUND

COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS

JUNE 30, 2010

	No Child Left Behind							
	Title I			IDEA		Preschool		
	2010	2009	ARRA	2010	ARRA	2010	2009	ARRA
Revenues:								
Local Sources	$ -						-	
Federal Sources	73,658	23,454	29,148	246,655	162,860	6,623	1,250	7,718
Total Revenues	$ 73,658	23,454	29,148	246,655	162,860	6,623	1,250	7,718
Expenditures:								
Instruction:								
Salaries of Teachers	$ 65,565	5,584			76,584	6,000		
Other Purchased Services	4,500	79	1,457		1,000			
General Supplies	1,026	58	27,691		37,800	500		
Tuition				246,655				
Other Salaries for Instruction	707	4,000			18,776			
Total Instruction	71,798	9,721	29,148	246,655	134,160	6,500	-	-
Support Services:								
Benefits	1,860	13,733			22,000	123	1,250	
Total Support Services	1,860	13,733	-	-	22,000	123	1,250	-
Facilities, Acq. & Const. Services								
Equipment					6,700			7,718
Total Facilities, Acq. & Const. Services	-	-	-	-	6,700	-	-	7,718
Total Expenditures	$ 73,658	23,454	29,148	246,655	162,860	6,623	1,250	7,718

OCEAN TOWNSHIP SCHOOL DISTRICT

SPECIAL REVENUE FUND

COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS

JUNE 30, 2010

	Title II A		Title IID		Title IV		Rebel	
	2010	2009	2010	2009	2010	2009	2010	Total
Revenues:								
Local Sources							996	996
Federal Sources	47,350	12,386	230	665	798	1,120		613,915
Total Revenues	47,350	12,386	230	665	798	1,120	996	614,911
Expenditures:								
Instruction:								
Salaries of Teachers	42,000					1,000	826	197,559
Other Purchased Services	2,800	599	230	665			120	11,450
General Supplies	286				798	44	50	68,253
Tuition								246,655
Other Salaries for Instruction		1,660						25,143
Total Instruction	45,086	2,259	230	665	798	1,044	996	549,060
Support Services:								
Benefits	2,264	10,127				76		51,433
Total Support Services	2,264	10,127	-	-	-	76	-	51,433
Facilities, Acq. & Const. Services								
Equipment								14,418
Total Facilities, Acq. & Const. Services	-	-	-	-	-	-	-	14,418
Total Expenditures	47,350	12,386	230	665	798	1,120	996	614,911

CAPITAL PROJECTS FUND – F

OCEAN TOWNSHIP SCHOOL DISTRICT

CAPITAL PROJECTS FUND

Exhibit F-1

SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2010

Revenues and Other Financing Sources	
Interest Earned	$ 4,992
Total Revenues	4,992
Expenditures and Other Financing Uses	
Construction	19,500
Total Expenditures and Other Financing Uses	19,500
Other Financing Sources (Uses):	
Operating Transfer to Debt Service	(4,992)
Total Other Financing Sources (Uses)	(4,992)
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing (Uses)	(19,500)
Fund Balance - Beginning	530,473
Fund Balance - Ending	$ 510,973

Exhibit F-1a

OCEAN TOWNSHIP SCHOOL DISTRICT

CAPITAL PROJECTS FUND

SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,

AND PROJECT STATUS - BUDGETARY BASIS

ROOF REPLACEMENT PROJECT

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2010

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
Bond Proceeds	$ 8,100,503		8,100,503	8,100,503
Total Revenues	8,100,503	-	8,100,503	8,100,503
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	643,592	19,500	663,092	665,000
Construction Services	6,924,209		6,924,209	7,433,274
Miscellaneous	2,229		2,229	2,229
Total Expenditures	7,570,030	19,500	7,589,530	8,100,503
Excess (Deficiency) of Revenues over (Under) Expenditures	$ 530,473	(19,500)	510,973	-

Additional Project Information	
Project Number	
Grant Date	
Original Authorized Cost	$8,100,503
Additional Authorized Cost	-
Revised Authorized Cost	8,100,503
Bonds Issued	8,100,000
Percentage Increase Over Original Authorized Cost	
Percentage Completion	98%
Original Target Completion Date	2008
Revised Target Completion Date	2010

PROPRIETARY FUNDS – G

OCEAN TOWNSHIP SCHOOL DISTRICT

Exhibit G-1

COMBINING STATEMENT OF NET ASSETS

PROPRIETARY FUNDS

JUNE 30, 2010

	Business-Type Activities - Enterprise Funds		
	Food Service	Latch Key Program	Totals
Assets			
Current Assets:			
Cash and Cash Equivalents	$ 512	9,141	9,653
Accounts Receivable	7,124		7,124
Inventories	4,730		4,730
Total Current Assets	12,366	9,141	21,507
Noncurrent Assets:			
Furniture, Machinery & Equipment	175,041		175,041
Less: Accumulated Depreciation	(124,583)		(124,583)
Total Noncurrent Assets	50,458	-	50,458
Total Assets	$ 62,824	9,141	71,965
Liabilities			
Accounts Payable	$ 485	4,175	4,660
Total Liabilities	$ 485	4,175	4,660
Net Assets			
Invested in Capital Assets Net of Related Debt	$ 50,458		50,458
Unrestricted	11,881		11,881
Reserve for Latch Key		4,966	4,966
Total Net Assets	$ 62,339	4,966	67,305

OCEAN TOWNSHIP SCHOOL DISTRICT

Exhibit G-2

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS

PROPRIETARY FUNDS

JUNE 30, 2010

	Business-Type Activities - Enterprise Funds		
	Food Service	Latch Key Program	Totals
Operating Revenues:			
Charge for Services:			
Daily Sales	$ 169,419		169,419
Community Service Functions		77,135	77,135
Total Operating Revenues	169,419	77,135	246,554
Operating Expenses:			
Cost of Sales	97,178		97,178
Salaries	171,995	70,609	242,604
Employee Benefits	51,079	5,232	56,311
Cleaning, Repair and Maintenance Services	3,427		3,427
General Supplies	5,486	2,021	7,507
Depreciation	7,821		7,821
Miscellaneous	1,467	5,074	6,541
Other Purchased Professional Services		2,316	2,316
Total Operating Expenses	338,453	85,252	423,705
Operating Income (Loss)	(169,034)	(8,117)	(177,151)
Nonoperating Revenues (Expenses):			
Interest Revenue	81		81
Board Subsidy	68,800		68,800
State Sources:			
State Breakfast Program	817		817
State School Lunch Program	3,528		3,528
Federal Sources:			
National Breakfast Program	8,029		8,029
National School Lunch Program	63,608		63,608
Food Distribution Program	16,428		16,428
Total Nonoperating Revenues (Expenses)	161,291	-	161,291
Change in Net Assets	(7,743)	(8,117)	(15,860)
Adjustment for Fixed Assets	40,831		40,831
Total Net Assets - Beginning	29,251	13,083	42,334
Total Net Assets - Ending	$ 62,339	4,966	67,305

Exhibit G-3

OCEAN TOWNSHIP SCHOOL DISTRICT

COMBINING STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

JUNE 30, 2010

	Business-Type Activities - Enterprise Funds		
	Food Service	Latch Key Program	Totals
Cash Flows from Operating Activities:			
Receipts from Customers	$ 169,419	77,135	246,554
Payments to Employees	(171,995)	(70,609)	(242,604)
Employee Benefits	(51,079)	(5,232)	(56,311)
Payments to Suppliers	(92,939)	(11,539)	(104,478)
Net Cash Provided (Used by) Operating Activities	(146,594)	(10,245)	(156,839)
Cash Flows from Noncapital Financing Activities:			
State Sources	4,345		4,345
Federal Sources	71,637		71,637
Operating Subsidies and Transfers from Other Funds	68,800		68,800
Net Cash Provided (Used by) Noncapital Financing Activities	144,782	-	144,782
Cash Flows from Investing Activities			
Interest	81	-	81
Net Increase (Decrease) in Cash & Cash Equivalents	(1,731)	(10,245)	(11,976)
Balances - Beginning of Year	2,243	19,386	21,629
Balances - End of Year	$ 512	9,141	9,653
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	$ (169,034)	(8,117)	(177,151)
Depreciation	7,821		7,821
Federal Commondities	16,428		16,428
(Increase) Decrease in Accounts Receivable - Net	(1,461)		(1,461)
(Increase) Decrease in Inventories	(451)		(451)
Increase (Decrease) in Accounts Payable	103	(2,128)	(2,025)
Net Cash Provided (Used by) Operating Activities	$ (146,594)	(10,245)	(156,839)

FIDUCIARY FUND – H

OCEAN TOWNSHIP SCHOOL DISTRICT

TRUST AND AGENCY FUND

Exhibit H-1

COMBINING STATEMENT OF FIDUCIARY NET ASSETS

JUNE 30, 2010

	Student Activity	Payroll Agency	Payroll Salary	Unemployment Compensation Expendable Trust Fund	Total 2010
Assets					
Cash and Cash Equivalents	$ 2,373	2,963	675	3,885	9,896
Total Assets	$ 2,373	2,963	675	3,885	9,896
Liabilities					
Due to Student Groups	$ 2,373				2,373
Payroll Withholdings		2,963	675		3,638
Total Liabilities	$ 2,373	2,963	675	-	6,011
Net Assets					
Reserved - Dedicated to Unemployment				3,885	3,885
Total Net Assets				3,885	3,885

OCEAN TOWNSHIP SCHOOL DISTRICT

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS

Exhibit H-2

FIDUCIARY FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Unemployment Compensation Trust
Additions	
Contributions:	
Other	$ 28,770
Total Contributions	28,770
Investment Earnings:	
Interest	40
Net Investment Earnings	40
Total Additions	28,810
Deductions	
Unemployment Claims	38,411
Total Deductions	38,411
Change in Net Assets	(9,601)
Net Assets - Beginning of Year	13,486
Net Assets - End of the Year	$ 3,885

OCEAN TOWNSHIP SCHOOL DISTRICT

STUDENT ACTIVITY AGENCY FUND

Exhibit H-3

SCHEDULE OF RECEIPTS AND DISBURSEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Balance July 1, 2009	Cash Receipts	Cash Disbursements	Balance June 30, 2010
Elementary School	$ 2,604	3,156	3,387	2,373

OCEAN TOWNSHIP SCHOOL DISTRICT

PAYROLL AGENCY

Exhibit H-4

SCHEDULE OF RECEIPTS AND DISBURSEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Balance July 1, 2009	Additions	Deletions	Balance June 30, 2010
Assets				
Cash and Cash Equivalents	$ 57,756	6,725,420	6,780,213	2,963
Liabilities				
Payroll Deductions, Withholdings and Amount Due Employees	$ 57,756	6,725,420	6,780,213	2,963

LONG-TERM DEBT – I

OCEAN TOWNSHIP SCHOOL DISTRICT

Exhibit I-1

LONG-TERM DEBT

SCHEDULE OF SERIAL BONDS

JUNE 30, 2010

Issue	Date of Issue	Amount of Issue	Maturities Date	Maturities Amount	Interest Rate	Balance July 1, 2009	Retired	Balance June 30, 2010
Refunding Bonds	4/26/01	$ 3,365,000	8/1/10	$ 290,000	4.250%	$ 1,125,000	295,000	830,000
			8/1/11	285,000	4.375%			
			8/1/12	255,000	4.500%			
Renovations to Elementary Schools	2/15/07	8,100,000	1/15/11	80,000	3.875%	8,025,000	60,000	7,965,000
			1/15/12	100,000				
			1/15/13	150,000				
			1/15/14	415,000				
			1/15/15	430,000	4.000%			
			1/15/16	450,000				
			1/15/17	470,000				
			1/15/18	485,000				
			1/15/19	505,000				
			1/15/20	530,000				
			1/15/21	550,000				
			1/15/22	570,000				
			1/15/23	595,000				
			1/15/24	620,000				
			1/15/25	645,000				
			1/15/26	670,000				
			1/15/27	700,000				
						$ 9,150,000	355,000	8,795,000

OCEAN TOWNSHIP SCHOOL DISTRICT

Exhibit I-2

LONG-TERM LIABILITIES

SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES

JUNE 30, 2010

Purpose	Date of Issue	Amount of Issue	Interest Rate	Balance July 1, 2009	Retired Current Year	Balance June 30, 2010
Copiers	7/1/06	$ 80,851	7.50%	$ 43,604	16,888	26,716
				$ 43,604	16,888	26,716

OCEAN TOWNSHIP SCHOOL DISTRICT Exhibit I-3

BUDGETARY COMPARISON SCHEDULE

DEBT SERVICE FUND

JUNE 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
Revenues:					
Local Sources:					
Local Tax Levy	$ 205,598		205,598	205,598	
State Aid:					
Debt Service Aid	334,759		334,759	334,759	
Total Revenues	540,357	-	540,357	540,357	-
Expenditures:					
Regular Debt Service:					
Interest	362,458		362,458	362,458	-
Redemption of Principal	355,000		355,000	355,000	
Total Expenditures	717,458	-	717,458	717,458	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(177,101)	-	(177,101)	(177,101)	-
Other Financing Sources:					
Due from Capital Projects Fund	-	-	-	4,992	4,992
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(177,101)	-	(177,101)	(172,109)	4,992
Fund Balance July 1	200,137		200,137	200,137	-
Fund Balance June 30	$ 23,036	-	23,036	28,028	4,992

STATISTICAL SECTION

(Unaudited)

Ocean Township Board of Education
Net Assets by Component,
Last Five Fiscal Years

(accrual basis of accounting)

Exhibit J-1
GASB B-1
New

	2006	2007	2008	2009	2010
Governmental activities					
Invested in capital assets, net of related debt	$ (77,828)	$ (6,152,095)	$ 1,476,349	$ 1,738,834	$ 1,498,191
Restricted	547,192	9,450,167	4,136,847	3,088,898	2,786,110
Unrestricted	1,613,520	384,524	535,861	(945,759)	(1,018,116)
Total governmental activities net assets	$ 2,082,884	$ 3,682,596	$ 6,149,057	$ 3,881,973	$ 3,266,185
Business-type activities					
Invested in capital assets, net of related debt	$ 15,308	$ 25,261	$ 21,356	$ 17,448	$ 50,458
Restricted	3,290	6,509	17,734	13,083	4,966
Unrestricted	5,154	6,848	7,884	11,803	11,881
Total business-type activities net assets	$ 23,752	$ 38,618	$ 46,974	$ 42,334	$ 67,305
District-wide					
Invested in capital assets, net of related debt	$ (62,520)	$ (6,126,834)	$ 1,497,705	$ 1,756,282	$ 1,548,649
Restricted	550,482	$ 9,456,676	4,154,581	3,101,981	2,791,076
Unrestricted	1,618,674	$ 391,372	543,745	(933,956)	(1,006,235)
Total district net assets	$ 2,106,636	$ 3,721,214	$ 6,196,031	$ 3,924,307	$ 3,333,490

Source: CAFR Scehdule A-1

Ocean Township Board of Education
Changes in Net Assets, Last Five Fiscal Years
(accrual basis of accounting)

Exhibit J-2
GASB B-2
New

	2006	2007	2008	2009	2010
Expenses					
Governmental Activities					
Instruction					
Regular	$ 2,386,507	$ 2,297,333	$ 2,545,442	$ 2,313,777	$ 2,487,430
Special Education	1,053,831	1,078,086	1,520,084	1,222,990	1,160,249
Other Special Education					
Vocational					
Other Instruction	73,133	69,513		172,495	196,809
Support Services:					
Tuition	6,460,051	6,909,836	7,431,302	8,348,299	7,509,277
Student & Instruction Related Services	825,627	899,667	1,024,397	1,160,073	1,148,441
General Administrative Services	253,972	269,066	231,045		
School Administrative Services	260,122	258,540	268,845	265,456	292,420
Other Administrative Services				287,485	209,233
Business Administrative Services	166,884				
Plant Operations and Maintenance	910,696	834,995	181,537	922,087	1,008,615
Pupil Transportation	606,803	633,984	817,983	751,370	728,349
Business and Other Support Services		186,294	675,934	205,138	219,401
Unallocated Benefits	1,781,620	2,090,349	2,136,307	2,039,684	2,263,797
Capital Outlay					
Interest on Long-term Debt	85,923	197,471	382,011	370,517	356,230
ARRA					105,998
Unallocated Depreciation	74,517	205,769	273,587	239,854	317,493
Total Governmental Activities Expenses	14,939,686	15,930,903	17,488,474	18,299,225	18,003,742
Business-type Activities:					
Food Service	112,316	147,567	427,314	106,622	76,624
Latch Key	2,847	(3,219)	81,089	4,651	8,117
Total Business-type Activities Expense	115,163	144,348	508,403	111,273	84,741
Total District Expenses	$ 15,054,849	$ 16,075,251	$ 17,996,877	$ 18,410,498	$ 18,088,483
Program Revenues					
Governmental activities:					
Charges for services:					
Taxes	$ 7,756,479	$ 8,215,031	$ 8,654,519	$ 9,000,700	$ 9,331,450
Taxes on Debt Service	230,419	220,883	371,062	258,094	205,598
Federal & State Aid Not Restricted	7,670,993	7,922,784	8,386,715	8,058,744	7,835,856
Miscellaneous Income	275,006	403,019	396,467	191,270	522,032
Sale of Bonds		8,100,503			
Account Receivable Cancelled				8,951	
Additional Accounts Payables					(33)
Transfers				(106,552)	
Total Governmental Activities Program Revenues	15,932,897	24,862,220	17,808,763	17,411,207	17,894,903
Change in Net Assets					
Governmental Activities	883,921	8,810,317	6,149,057	6,149,057	(177,720)
Business -type Activities	(5,873)	(23,348)	47,810	46,974	(15,860)
Total District	$ 878,048	$ 8,786,969	$ 6,196,867	$ 6,196,031	$ (193,580)

Source: CAFR Schedule A-2

Ocean Township Board of Education
Fund Balances, Governmental Funds,
Last Five Fiscal Years
(modified accrual basis of accounting)

Exhibit J-3
GASB B-3
New

	2006	2007	2008	2009	2010
General Fund					
Reserved	$ 2,831,378	$ 2,800,245	$ 5,161,793	$ 1,650,284	$ 2,252,099
Unreserved	49,476	27,113	177101	352,752	(400,927)
Total general fund	$ 2,880,854	$ 2,827,358	$ 5,338,894	$ 2,003,036	$ 1,851,172
All Other Governmental Funds					
Reserved	$ 1	$ 7,872,450	$ 4,902,311		
Capital Projects				530,473	510,973
Debt Service				177,101	23,038
Unreserved, reported in:					
Special Revenue fund	(1,244)	(1,244)			
Capital Reserve fund			181,083		
Maintenance Reserve		137,603	255,500		
Debt Service				23,036	4,990
Total all other governmental funds	$ (1,243)	$ 8,008,809	$ 5,338,894	$ 730,610	$ 539,001

Source: CAFR Schedule B-1

Ocean Township Board of Education
Changes in Fund Balances, Governmental Funds,
Last Five Fiscal Years

Exhibit J-4
GASB B-4
New

	2006	2007	2008	2009	2010
Revenues					
Tax levy	$ 7,986,898	$ 7,435,914	$ 9,025,581	$ 9,258,794	$ 9,537,048
Tuition charges	117,522	71,088	52,368	70,220	
Interest earnings	147,516	182,321	146,334	52,136	
Miscellaneous	10,316	152,610	209,557	59,914	522,947
State sources	7,699,230	7,943,501	8,452,213	8,050,410	7,713,381
Federal sources	411,733	390,442	350,954	371,300	728,089
Total revenue	16,373,215	17,175,876	18,237,007	17,862,774	18,501,465
Expenditures					
Instruction					
Regular Instruction	2,347,990	2,270,030	2,526,506	2,389,456	2,455,758
Special education instruction	1,447,237	1,452,272	1,520,084	1,570,657	1,715,426
Other special instruction	-				
Vocational education	-				
Other instruction	73,133	69,513	131,940	172,495	196,809
Nonpublic school programs	-				
Adult/continuing education programs	-				
Support Services:					
Tuition	6,460,051	6,909,836	7,431,302	8,348,299	7,509,277
Student & instruction related services	872,539	939,640	1,024,397	1,176,372	1,148,441
General administrative services	253,972	258,540	231,045	265,456	292,420
School Administrative services	260,122	269,066	268,845	287,485	209,233
Business administrative services					
Plant operations and maintenance	910,696	834,995	817,983	922,087	1,008,615
Pupil transportation	606,802	633,984	675,934	751,370	728,349
Business and Oher Support Services	166,884	186,294	181,537	205,138	219,401
Unallocated employee benefits	1,781,620	2,090,349	2,136,307	2,039,684	2,315,230
Capital Outlay	79,025	7,932,636	203,533	163,068	153,690
ARRA-ESF					102,048
ARRA-GSF					3,950
Debt service:	-				
Principal	315,000	310,000	340,000	340,000	355,000
Interest and other charges	90,845	79,049	363,050	376,352	362,458
Total expenditures	15,665,916	24,236,204	17,852,463	19,007,919	18,776,105
Excess (Deficiency) of revenues over (under) expenditures	707,299	(7,060,328)	384,544	(1,135,145)	(274,640)
Other Financing sources (uses)					
Accounts Payable Cancelled				9,237	
Additional Accounts Payable					(33)
Accounts Reciveable Cancelled				(286)	
Sale of Bonds	-	8,100,503			
Transfers - Food Service	(109,290)	(121,000)	(119,000)	(106,552)	(68,800)
Total other financing sources (uses)	(109,290)	7,979,503	(119,000)	(97,601)	(68,833)
Net change in fund balances	$ 598,009	$ 919,175	$ 265,544	$ (1,232,746)	$ (343,473)
Fund Balance July 1				3,966,392	2,733,646
Fund Balance June 30				2,733,646	2,390,173
Debt service as a percentage of noncapital expenditures	2.6%	2.4%	4.0%	3.8%	3.9%

Source: CAFR Schedule B-2

OCEAN TOWNSHIP SCHOOL DISTRICT
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
LAST SIX FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	Interest on Investments	Tuition Revenue	Rentals	Misc.	Total
2005	$ 58,611	22,019	2,400	4,760	87,790
2006	147,516	117,522	2,400	8,691	276,129
2007	123,774	64,797	2,400	14,512	205,483
2008	146,334	52,368	2,400	163,585	364,687
2009	80,961	70,220	2,200	30,509	183,890
2010	18,501	453,547	400	16,442	488,890

Source: District Records

Ocean Township Board of Education
Assessed Value and Actual Value of Taxable Property,
Last SIX Fiscal Years

Exhibit J-6
GASB C-11
NJ J-4

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax-Exempt Property	Public Utilities [a]	Net Valuation Taxable	Total Direct School Tax Rate [b]	Estimated Actual (County Equalized Value)
2005	$102,904,300	$930,601,400	$2,490,400	$364,600	$55,087,100	$574,600		$1,092,022,400		$1,491,151	$1,093,513,551	0.730	0.287
2006	$93,228,300	$997,622,300	$1,943,900	$359,800	$54,811,500	$574,600		$1,148,540,400		$1,385,404	$1,149,925,804	0.733	0.320
2007	$79,818,100	$1,077,178,900	$1,943,900	$381,600	$60,019,100	$574,600		$1,219,916,200		$1,351,217	$1,221,267,417	0.739	0.337
2008	$68,887,700	$1,127,016,900	$2,902,500	$389,500	$59,969,800	$574,600		$1,259,741,000		$1,350,724	$1,261,091,724	0.734	0.352
2009	$67,564,300	$1,163,308,000	$2,902,500	$376,600	$62,682,500	$574,600		$1,297,408,500		$1,420,876	$1,298,829,376	0.734	0.351
2010	$71,455,800	$1,199,130,600	$3,301,000	$264,300	$62,240,200	$574,600		$1,336,966,500		$1,602,840	$1,338,569,340	0.734	

Source: Municipal Tax Assessor

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

Reassessment occurs when ordered by the County Board of Taxation

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

b Tax rates are per $100

Ocean Township Board of Education
Direct and Overlapping Property Tax Rates
Last Seven Fiscal Years

(rate per $100 of assessed value)

Exhibit J-7
GASB C-2
NJ J-5

Fiscal Year Ended June 30,	Ocean Township Board of Education			Overlapping Rates				Total Direct and Overlapping Tax Rate	
	Basic Rate [a]	General Obligation Debt Service [b]	Total Direct	School District	Ocean Township	Library/Other	Ocean County		
2003	$ 1.699	0.239	1.938	1.938	0.680	0.011	0.626	5.193	
2004	1.900	0.035	1.935	1.935	6.750	0.012	0.655	11.287	
2005	0.710	0.020	0.730	0.730	0.333	0.012	0.287	2.092	
2006	0.713	0.020	0.733	0.733	0.352	0.012	0.320	2.150	
2007	0.708	0.031	0.739	0.739	0.361	0.012	0.337	2.188	
2008	0.714	0.020	0.734	0.734	0.396	0.012	0.352	1.494	
2009	0.718	0.160	0.734	0.734	0.423	0.300	0.351	1.538	* Plus Municipal Open Space .030
2010	0.718	0.160	0.734	0.734	0.421	0.035	0.328	1.548	*Plus Muncipal Open Space .030

Source:Municipal Tax Collector

Note:

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

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 Township Board of Education
Principal Property Tax Payers,
Current Year

Exhibit J-8
GASB C-3
NJ J-11

Taxpayer	As of October 2009 for 2010 Taxable Assessed Value	Rank [Optional]
US Home Corp	$ 20,306,900	1
Lange, Robert & Vivian	5,734,200	2
Whelan, Thomas	4,920,900	3
Mackres Family LLC	4,219,000	4
Silvestri, Joseph C.	2,579,200	5
Coastal Redevelopment	2,332,800	6
Lennar Corp.	2,319,900	7
CVS 7190 NJ LLC	2,263,700	8
Vasen, Arthur & Jodi	2,085,600	9
Ocean Memorial Plaza LLC	2,033,600	10
Total	$ 48,795,800	

Source: Municipal Tax Assessor

Ocean Township Board of Education
Property Tax Levies and Collections,
Last Six Fiscal Years

Exhibit J-9
GASB C-4
Expanded J-3

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy	
		Amount	Percentage of Levy
2005	$ 8,333,337	8,333,337	100.00%
2006	7,986,898	7,986,898	100.00%
2007	8,435,914	8,435,914	100.00%
2008	9,025,581	9,025,581	100.00%
2009	9,258,794	9,258,794	100.00%
2010	9,537,048	9,537,048	100.00%

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

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

Ocean Township Board of Education
Ratios of Outstanding Debt by Type
Last Six Fiscal Years

Exhibit J-10
GASB D-1
New

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		
	General Obligation Bonds [b]	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Total District	Per Capita [a]
2005	$ 2,355,000	-		-	-	2,355,000	34,509
2006	2,040,000	-		-	-	2,040,000	32,964
2007	9,830,000	-		-	-	9,830,000	33,910
2008	9,490,000	-		-	-	9,490,000	35,856
2009	9,150,000	-		-	-	9,150,000	37,228
2010	9,795,000					9,795,000	39,521

Source: District CAFR Schedules I-1, I-2

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

a See Exhibit NJ J-13 for population data.

Ocean Township Board of Education
Ratios of Net General Bonded Debt Outstanding
Last Six Fiscal Years

Exhibit J-11
GASB D-2
NJ J-6 modified

Fiscal Year Ended June 30,	General Bonded Debt Outstanding: General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value [a] of Property	Per Capita [b]
2005	$ 2,675,000	320,000	2,355,000	0.09%	34,509
2006	2,355,000	315,000	2,040,000	0.07%	33,921
2007	10,140,000	310,000	9,830,000	0.34%	36,037
2008	9,830,000	340,000	9,490,000	0.33%	35,856
2009	9,490,000	340,000	9,150,000	0.32%	37,228
2010	9,150,000	355,000	8,795,000	0.32%	39,521
	-	-	-		-

Note: Details regarding the district's outstanding debt can be found in the notes to the financial statements.
a See Exhibit NJ J-6 for property tax data.
b Population data can be found in Exhibit NJ J-13.

Ocean Township Board of Education
Ratios of Overlapping Governmental Activities Debt
As of June 30, 2010

Exhibit J-12
GASB D-3
NJ J-8 modified

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable [a]	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Ocean Township	$ 13,104,805		13,104,805
Other debt			0.00%
Ocean County			4,634,127
Subtotal, overlapping debt			17,738,932
Ocean Township School District Direct Debt			8,855,000
Total direct and overlapping debt			$ 26,593,932

Sources: Ocean Township Fiannce Officer, Ocean County Finance Office and Utility Authorities

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Ocean Township. 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.

Oceaan Township Board of Education
Legal Debt Margin Information,
Last Six Fiscal Years

Exhibit J-13
GASB D-4
NJ J-7 modified

	2005	2006	2007	2008	2009	2010
Debt limit						
Total net debt applicable to limit	$ 2,665,000	$ 2,350,000	$ 1,730,000	$ 9,490,000	$ 9,150,000	$ 8,795,000
Legal debt margin	$ (2,665,000)	$ (2,350,000)	$ (1,730,000)	$ (9,490,000)	$ (9,150,000)	$8,795,000.00
Total net debt applicable to the limit as a percentage of debt limit						

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

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

Ocean Township Board of Education
Demographic and Economic Statistics
Last Six Fiscal Years

Exhibit J-14
GASB E-1
NJ J-10 modified

Year	Population [a]	Personal Income [c]	Unemployment Rate [d]
2004	7,497	33,132	3.9%
2005	7,822	34,509	3.3%
2006	8,241	N/A	6.4%
2007	8,643	36,037	5.6%
2008	8,993	37,228	7.3%
2009	9,121	39,521	12.0%

Source:
a Population information provided by the NJ Dept of Labor and Workforce Development
b Personal income
c Per Capita
d Unemployment data provided by the NJ Dept of Labor and Workforce Development

Ocean Township Board of Education
Principal Employers,
Current Year

Exhibit J-15
GASB E-2
NEW

	2010		
Employer	**Employees**	**Rank (Optional)**	**Percentage of Total Employment**
Shop Rite	250	1	48.36%
Township of Ocean BOE	124	2	23.98%
Township of Ocean	65	3	12.57%
Sonic	40	4	7.74%
Lighthouse Tavern	14	5	2.71%
Clayton Block	13	6	2.51%
Waretown Post Office	11	7	2.13%
	517		100.00%

Source:

This schedule should include the ten largest employers, unless fewer are required to reach 50 percent of total employment.

Ocean Township Board of Education
Full-time Equivalent District Employees by Function/Program,
Last Six Fiscal Years

Exhibit J-16
GASB F-1
New

Function/Program	2005	2006	2007	2008	2009	2010
Administration	5	5	5	5	4	3
Certified Educational Support Staff	4	4	4	4	4	4
Instruction						
Regular	38	37	37	38	38	38
Special education	15	15	15	15	15	15
Support Services:						
Student & instruction related services	19	19	19	20	20	20
General adminsitrative services	1	1	1	1	1	1
School administrative services	5	5	5	5	5	5
Business adminsitrative services	2	2	2	2	2	2
Plant operations and maintenance	16	16	16	16	16	16
Food Service						
Total	105	104	104	106	105	104

Source: District Personnel Records

Ocean Township Board of Education
Operating Statistics
Last Six Fiscal Years

Exhibit J-17
GASB F-6
NJ J-12, 14

Fiscal Year	Enrollment	Operating Expenditures [a]	Cost Per Pupil	Percentage Change	Teaching Staff [b]	Pupil/Teacher Ratio Elementary		Average Daily Enrollment (ADE) [c]	Average Daily Attendance (ADA) [c]	% Change in Average Daily Enrollment
2005	576	14,872,739	25,821		53			554	524	
2006	533	14,819,754	27,804	7.68%	52			511	487	-7.76%
2007	551	16,536,995	30,013	7.94%	52			551	523	7.83%
2008	543	16,056,172	29,569	-1.48%	53			545	517	-1.09%
2009	543	17,298,998	31,858	7.74%	53			543	513	-0.37%
2010	535	16,721,104	31,254	-0.02%	53			535	504	-0.01%

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

Note: Enrollment based on annual October district count.

a Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-1
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).

Ocean Township Board of Education
School Building Information
Last Six Fiscal Years

Exhibit J-18
GASB F-4
New

District Building	2005	2006	2007	2008	2009	2010
Elementary						
Frederic A. Priff School						
Square Feet	42,000	42,000	42,000	42,000	42,000	42,000
Capacity (students)	318	318	318	318	318	318
Enrollment			215	216	216	216
Waretown Elementary School						
Square Feet	40,000	40,000	40,000	40,000	40,002	40,002
Capacity (students)	349	349	349	349	349	349
Enrollment			321	327	327	327
Total Enrollment	554	511	551	543	543	535
Other						
Superintendent's Office						
Square Feet	840	840	840	840	840	840
Business Office						
Square Fee	840	840	840	840	840	840
Maintenance Offices						
Square Feet	840	840	840	840	840	840
Latchkey Trailer						
Square Feet	840	840	840	840	840	0
Municapal Alliance						
Square Fee	216	216	216	216	216	0
Number of Schools at June 30, 2008	2	2	2	2	2	2
Elementary = 2						
Other = 5						

Source: District records, ASSA

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

OCEAN TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
LAST SIX FISCAL YEARS
UNAUDITED

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

School Facilities	2010	2009	2008	2007	2006	2005
Frederic Priff School	69,767	99,247	132,044	61,322	$ 32,564	$ 64,521
Waretown Elementary School	69,644	135,448	153,461	74,144	49,739	54,930
Total School Facilities	139,411	234,695	285,505	135,466	82,303	119,451
Grand Total	$ 139,141	$ 234,695	$ 285,505	$ 135,466	$ 82,303	$ 119,451

Source: District Records

OCEAN TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
UNAUDITED

Company	Type of Coverage	Coverage	Deductible
School Alliance Ins. Fund	Property Blanket Building & Contents-Replacement Cost Values	$ 250,000,000	$ 1,000
School Alliance Ins. Fund	Flood	10,000,000 / 100,000	
	Earthquake	25,000,000	25,000
School Alliance Ins. Fund	Genreal Liability		
	Each Occurrence	15,000,000	
	General Aggregate	15,000,000	
	Prod/completed Oper	15,000,000	
	Personal Injury	15,000,000	1,000
	Fire Damage	2,500,000	
	Medical Expense Limit	5,000	
	Excluding students		
	Employee Benefit Liability	5,000,000	
	Aggregate	5,000,000	
School Alliance Ins. Fund	Automotive Coverage		
	-Combined Single Limit	15,000,000	
	-Hired/Non-Owned	15,000,000	
	-Uninsured & Underinsured	15,000,000	
School Alliance Ins. Fund	Inland Marine	250,000,000	1,000
	-Electronic Data Processing Equipment		
School Alliance Ins. Fund	Crime Coverage	100,000	
	-Employee Dishonesty with Faithful Performance	400,000	1,000
	-Theft, Disappearance & Destruction Inside and Out	50,000	1,000
School Alliance Ins. Fund	Boiler & Machinery Coverage	100,000,000	1,000
School Alliance Ins. Fund	Catastrophe Liability Coverage Included Above		

Source: District Records

(Continued)

OCEAN TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
UNAUDITED

Company	Type of Coverage	Coverage	Deductible
School Alliance Ins. Fund	Board of Education		
School Alliance Ins. Fund	-Liability Wrongful Acts Coverage	10,000,000	5,000
School Alliance Ins. Fund	Each Loss	$ 10,000,000	$ 5,000
	Aggregate		
School Alliance Ins. Fund	Fellow Employee/Volunteer Workers	25,000	N/A
Maksin & Assoc.	Student Accident - Voluntary Program	5,000,000	
	-Benefit Period 2 years	1,000,000	
	Fidelity Bonds		
Travelers Prop. & Cas.	-Treasurer of School Monies	250,000	
	-School Business Administrator/ Board Secretary	100,000	
School Alliance Ins. Fund	Worker's Compensation		
School Alliance Ins. Fund	-Covered Payrolls-Professional	4,160,459	N/A
School Alliance Ins. Fund	-Covered Payrolls-Non-Professional	478,689	

SINGLE AUDIT SECTION

Robert A. Hulsart and Company
CERTIFIED PUBLIC ACCOUNTANTS

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REPORT ON COMPLIANCE AND 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*

K-1

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

We have audited the general-purpose financial statements of the Board of Education of the Ocean Township School District, in the County of Ocean, State of New Jersey, as of and for the fiscal year ended June 30, 2010, and have issued our report thereon dated October 11, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

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

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

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

Compliance and Other Matters

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

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

Robert A. Hulsart
Licensed Public School Accountant
No. 322
Robert A. Hulsart and Company

October 11, 2010

Robert A. Hulsart and Company
CERTIFIED PUBLIC ACCOUNTANTS

ARMOUR S. HULSART, C.P.A., R.M.A., P.S.A. (1959-1992)
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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR 04-04

K-2

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

Compliance

We have audited the compliance of the Board of Education of the Ocean Township School District, in the County of Ocean, State of New Jersey, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that are applicable to each of its major federal and state programs for the fiscal year ended June 30, 2010. Ocean Township Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the Ocean Township Board of Education's management. Our responsibility is to express an opinion on the Ocean Township Board of Education's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey; OMB 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*. 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 and state program occurred. An audit includes examining, on a test basis, evidence about the Ocean Township Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Ocean Township Board of Education's compliance with those requirements.

In our opinion, the Board of Education of the Ocean Township School District, in the County of Ocean, State of New Jersey, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal and state programs for the year ended June 30, 2010.

Internal Control Over Compliance

The management of the Board of Education of the Ocean Township School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered the Ocean Township Board of Education's internal control over compliance with requirements that could have a direct and material effect on a major federal or state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Ocean Township Board of Education's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal or state program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. Ocean Township Board of Education's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Ocean Township Board of Education's response and, accordingly, we express no opinion on it.

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

Robert A. Hulsart
Licensed Public School Accountant
No. 322
Robert A. Hulsart and Company

October 11, 2010

OCEAN TOWNSHIP SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

JUNE 30, 2010

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal C.F.D.A. Number	Grant or State Project Number	Program or Award Amount	Grant Period From	Grant Period To	Balance June 30, 2009	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Balance at June 30, 2010 (Accounts Receivable)	Balance at June 30, 2010 Deferred Revenue	Balance at June 30, 2010 Due to Grantor
U.S. Department of Education:													
General Fund:													
ARRA-SFSF-ESF	84.394	N/A	$ 102,048	9/1/2009	6/30/2010	$		102,048	(102,048)				
ARRA-SFSF-GSF	84.397	N/A	3,950	9/1/2009	6/30/2010			3,950	(3,950)				
Medical Assistance Program	93.778	N/A	16,477	9/1/2009	8/31/2010	-		16,477	(16,477)				
Total General Fund						-	-	122,475	(122,475)	-	-	-	-
Special Revenue:													
NCLB:													
Title I	84.010A	NCLB-09	79,927	9/1/2008	8/31/2009	(17,873)		41,327	(23,454)				
Title I	84.010A	NCLB-10	88,673	9/1/2009	8/31/2010			33,172	(73,658)		(40,486)		
Title I-ARRA	84.389	NCLB-10	29,148	9/1/2009	8/31/2010				(29,148)		(29,148)		
Title II Part A	84.367	NCLB-09	54,362	9/1/2008	8/31/2009	(13,976)		26,362	(12,386)				
Title II Part A	84.367	NCLB-10	56,931	9/1/2009	8/31/2010			25,486	(47,350)		(21,864)		
Title II Part D	84.318	NCLB-09	665	9/1/2008	8/31/2010			665	(665)				
Title II Part D	84.318	NLCB-10	902	9/1/2009	8/31/2010			110	(230)		(120)		
Title IV	84.186	NCLB-09	1,282	9/1/2008	8/31/2009	(662)		1,782	(1,120)				
Title IV	84.186	NCLB-10	1,748	9/1/2009	8/31/2010			588	(798)		(210)		
IDEA:													
Preschool	84.173	IDEA-09	7,496	9/1/2008	8/31/2009	(3,246)		4,496	(1,250)				
Preschool	84.173	IDEA-10	7,500	9/1/2009	8/31/2010			3,600	(6,623)		(3,023)		
Preschool -ARRA	84.392	IDEA-10	7,718	9/1/2009	8/31/2010				(7,718)		(7,718)		
Basic-ARRA	84.391	IDEA-10	213,645	9/1/2009	8/31/2010			110,138	(162,860)		(52,722)		
Basic	84.027	IDEA-09	246,429	9/1/2008	8/31/2009	(120,874)		120,874					
Basic	84.027	IDEA-10	246,655	9/1/2009	8/31/2010			153,893	(246,655)		(92,762)		
Total Special Revenue						(156,631)	-	522,493	(613,915)	-	(248,053)	-	-
U.S. Department of Agriculture:													
Passed Through State Department of Education:													
Enterprise Fund:													
National School Breakfast Program	10.553		8,029	7/1/2009	6/30/2010			7,420	(8,029)		(609)		
National School Breakfast Program	10.553		9,719	7/1/2008	6/30/2009	(662)		662					
National School Lunch Program	10.555		63,608	7/1/2009	6/30/2010			57,484	(63,608)		(6,124)		
National School Lunch Program	10.555		59,781	7/1/2008	6/30/2009	(4,654)		4,654					
U.S. Food Distribution Program	10.550		16,428	7/1/2009	6/30/2010			16,428	(16,428)				
Total Enterprise Fund						(5,316)	-	86,648	(88,065)	-	(6,733)	-	-
Total Federal Assistance						$ (161,947)	-	731,616	(824,455)	-	(254,786)	-	-

See accompanying notes to Schedules of Expenditures of Federal Awards and State Financial Assistance.

OCEAN TOWNSHIP SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

Schedule B
K-4

FOR THE FISCAL YEAR ENDED JUNE 30, 2010

State Grantor/Program State Department of Education:	Grant or State Project Number	Program or Award Amount	Grant Period From	Grant Period To	Balance June 30, 2009	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Balance at June 30, 2010 (Accounts Receivable)	Balance at June 30, 2010 Deferred Revenue	Balance at June 30, 2010 Due to Grantor	MEMO Budgetary Receivable	MEMO Cumulative Total Expenditures
General Fund:														
Extraordinary Aid	09-495-034-5120-044	$ 57,998	7/1/2008	6/30/2009	$ (10,977)		10,977							
Security Aid	10-495-034-5120-084	122,862	7/1/2009	6/30/2010			122,862	(122,862)					(13,649)	122,862
Transportation Aid	10-495-034-5120-014	353,642	7/1/2009	6/30/2010			353,642	(353,642)					(39,289)	342,642
Special Education Aid	10-495-034-5120-089	491,750	7/1/2009	6/30/2010			491,750	(491,750)					(54,598)	491,750
Adjustment Aid	10-495-034-5120-085	5,342,864	7/1/2009	6/30/2010			5,342,864	(5,342,864)					(593,488)	5,342,864
Equalization Aid	10-495-034-5120-057	478,191	7/1/2009	6/30/2010			478,191	(478,191)					(53,089)	478,191
TPAF Pension (On Behalf of Non-Budgeted)	10-495-034-5095-006	275,337	7/1/2009	6/30/2010			275,337	(275,337)						275,337
TPAF Social Security (Reimbursed Non-Budgeted)	10-495-034-5095-002	320,994	7/1/2009	6/30/2010			305,199	(320,994)		(15,795)				320,994
Total General Fund					(10,977)	-	7,380,822	(7,385,640)	-	(15,795)	-	-	(754,113)	7,374,640
State Department of Agriculture Enterprise Fund.														
National School Breakfast Program (State Share)	10-100-010-3360-096	817	7/1/2009	6/30/2010			763	(817)		(54)				817
National School Breakfast Program (State Share)	09-100-010-3360-096	1,048	7/1/2008	6/30/2009	(69)		69							
National School Lunch Program (State Share)	10-100-010-3360-067	3,528	7/1/2009	6/30/2010			3,191	(3,528)		(337)				3,528
National School Lunch Program (State Share)	09-100-010-3360-067	3,530	7/1/2008	6/30/2009	(278)		278							
Total Enterprise Fund					(347)	-	4,301	(4,345)	-	(391)	-	-	-	4,345
Debt Service Fund:														
Debt Service Aid	10-495-034-5120-017	334,759	7/1/2009	6/30/2010			334,759	(334,759)						334,759
Total State Financial Assistance					$ (11,324)	-	7,719,882	(7,724,744)	-	(16,186)	-	-	(754,113)	7,713,744

See accompanying Notes to Schedules of Fedetal Awards and State Financial Assistance.

BOARD OF EDUCATION

K-5

OCEAN TOWNSHIP SCHOOL DISTRICT

NOTES TO SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE

JUNE 30, 2010

NOTE 1: General

The accompanying schedules of financial assistance present the activity of all federal and state financial assistance programs of the Board of Education, Ocean Township School District. The Board of Education is defined in Note 1(A) to the Board's general-purpose financial statements. All federal financial assistance received directly from federal agencies, as well as federal financial assistance passed through other government agencies is included on the schedule of federal financial assistance.

NOTE 2: Basis of Accounting

The accompanying schedules of financial assistance are presented using the modified accrual basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. Programs recorded in the food service fund include the Special Milk Program. These bases of accounting are described in the Note 1(C) to the Board's general-purpose financial statements.

NOTE 3: Relationship to General Purpose Financial Statements

Amounts reported in the accompanying schedules agree with amounts reported in the Board's general-purpose financial statements except for the general fund and the special revenue fund. The general fund and special revenue fund is maintained on the grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognized the related revenues, whereas the GAAP basis does not. The net adjustment to reconcile from the budgetary basis to the GAAP basis in the general fund is $(7,018) and in the special revenue fund is $(8,301). See Note 1(F) for a reconciliation of the budgetary basis to the GAAP basis of accounting for the special revenue fund. Financial assistance revenues are reported in the Board's general-purpose financial statements as follows:

	Federal	State	Total
General Fund	$ 122,475	7,374,640	7,497,115
Special Revenue Fund	613,915		613,915
Debt Service Fund		334,759	334,759
Food Service Fund	88,065	4,345	92,410
Total Financial Assistance	$ 824,455	7,713,744	8,538,199

NOTE 4: Relationship to Federal and State Financial Reports

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

NOTE 5: Other

TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2010. 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, 2010. Revenues and expenditures reported under the food distribution program represent current year value received and current year distributions respectively.

OCEAN TOWNSHIP SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

K-6

FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Part 1 - Summary of Auditor's Results

Financial Statement Section	
Type of auditor's report issued:	**Unqualified**
Internal control over financial reporting:	
1) Material weakness(es) identified?	___ Yes x No
2) Reportable conditions(s) identified that are not considered to be material weaknesses?	___ Yes x None Reported
Noncompliance material to general purpose financial statements noted?	___ Yes x No
Federal Awards Section	
(D) Dollar threshold used to determine Typed A programs:	$300,000
(E) Auditee qualified as low-risk auditee?	x Yes ___ No
(F) Type of auditor's report on compliance for major programs:	Unqualified
(G) Internal control over compliance:	
1) Material weakness(es) identified?	___ Yes x No
2) Were reportable condition(s) identified that were not considered to material weaknesses?	___ Yes x No
(H) Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133 (section .510(a))?	___ Yes x No

(I) Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
84.027	I.D.E.A. Part B Basic
84.391	I.D.E.A. Part B Basic - ARRA
84.394	ARRA-ESF/GSF

OCEAN TOWNSHIP SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

K-6

FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Part 1 - Summary of Auditor's Results (Continued)

State Awards

Dollar threshold used to distinguish between type A and type B programs:	$300,000			
Auditee qualified as low-risk auditee?	x	Yes		No
Type of auditor's report issued on compliance for major programs:	Unqualified			
Internal Control over major programs:				
(1) Material Weakness(es) identified?		Yes	x	No
(2) Reportable condition(s) identified that are not considered to material weaknesses?		Yes	x	None Reported
Any audit findings disclosed that are required to be reported in accordance with N.J. OMB's Circular 04-04?		Yes	x	No

Identification of major programs:

GMIS Number(s)	Name of State Program
10-495-034-5120-089	Special Education Aid
10-495-034-5120-085	Adjustment Aid
10-495-034-5120-057	Equalization Aid
10-495-034-5095-014	Transportation Aid

OCEAN TOWNSHIP SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Part 2 - Financial Statement Findings

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

Finding: None

Criteria or specific requirement: N/A

Condition: N/A

Questioned Costs: N/A

Context: N/A

Effect: N/A

Cause: N/A

Recommendation: N/A

Management's Response: N/A

OCEAN TOWNSHIP SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Part 3 - Federal Awards and State Financial Assistance Findings and Questioned Costs

This section identifies audit findings required to be reported by section .510(a) of Circular A-133 and NJOMB Circular Letter 04-04.

FEDERAL AWARDS

Finding: NONE

Information on the Federal Program: N/A

Criteria or specific requirement: N/A

Condition: N/A

Questioned Costs: N/A

Context: N/A

Effect: N/A

Cause: N/A

Recommendation: N/A

Management's response: N/A

STATE AWARDS

Finding: NONE

Information on the State Program: N/A

Criteria or specific requirement: N/A

Condition: N/A

Questioned Costs: N/A

Context: N/A

Effect: N/A

Cause: N/A

OCEAN TOWNSHIP SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Part 3 - Federal Awards and State Financial Assistance Findings and Questioned Costs (Continued)

STATE AWARDS (Continued)

Recommendation: N/A

Management's response: N/A

OCEAN TOWNSHIP SCHOOL DISTRICT

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

K-7

FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Prior Audit Findings:

None