

**OGDENSBURG BOROUGH
SCHOOL DISTRICT**

**Ogdensburg Borough Board of Education
Ogdensburg, New Jersey**

**Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2011**

**Comprehensive Annual
Financial Report**

of the

OGDENSBURG BOROUGH SCHOOL DISTRICT

Ogdensburg, New Jersey

For the Fiscal Year Ended June 30, 2011

Prepared by

**Ogdensburg Borough Board of Education
Finance Department**

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INTRODUCTORY SECTION

OGDENSBURG BOROUGH BOARD OF EDUCATION
100 Main Street
Ogdensburg New Jersey 07439
Phone: 973-827-7126 Fax: 973-827-2643

Timothy Nicinski - Superintendent/Principal

Marilyn Cuykendall - Business Administrator

August 15, 2011

The Honorable President and
Members of the Board of Education
of the Ogdensburg Borough School District
County of Sussex
Ogdensburg, New Jersey 07439

Dear Honorable President and Board Members:

The Comprehensive Annual Financial Report of the Ogdensburg Borough School District (the "District") for the fiscal year ended June 30, 2011 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 Ogdensburg Borough School District (the "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 basic financial statements and results of operations 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 Independent Auditors' Report, the management's discussion and analysis, the basic financial statements and notes providing an overview of the District's financial position and operating results, and supplementary schedules providing detailed budgetary information. The statistical section includes selected economical and demographic information, financial trends and the fiscal capacity of the District, 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 States, Local Governments and Nonprofit Organizations*, and New Jersey's OMB Circular NJOMB 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditors' report on the internal control and compliance with applicable laws, regulations, contracts and grants along with findings and questioned costs, are included in the single audit section of this report.

1. **REPORTING ENTITY AND ITS SERVICES:** Ogdensburg Borough School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) Codification Section 2100. All funds of the District are included in this report. The Ogdensburg Borough Board of Education and its school constitute the District's reporting entity.

The District continues to provide a full range of educational services appropriate to grade levels Preschool Handicapped through Grade 8. These include regular, as well as, special education for handicapped students.

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of the Board of Education
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The District completed the 2010-2011 school year with an average daily enrollment of 286.5 students. The District's enrollment for the 2011-2012 school year is projected to be 290 students. The following details the changes in the student enrollment over the last ten years:

<u>Fiscal Year</u>	<u>Average Daily Student Enrollment</u>	<u>Change</u>
2001-2002	406.7	1.55%
2002-2003	396.0	-2.63%
2003-2004	354.7	-10.41%
2004-2005	375.1	5.75%
2005-2006	345.0	-8.02%
2006-2007	321.0	-6.96%
2007-2008	309.4	-3.61%
2008-2009	324.0	4.72%
2009-2010	312.0	-3.70%
2010-2011	286.5	-8.17%

2. ECONOMIC CONDITIONS AND OUTLOOK: The Ogdensburg Elementary School is located in the Borough of Ogdensburg, New Jersey, on the Wallkill River in Sussex County, 53.4 miles from New York City. Land area covers 2.28 miles at an elevation of 693 feet. The community is named after Robert Ogden, a distiller and mine owner. The zinc mine closed in 1986, which curtailed the town's economic potential.

U.S. Census Bureau data for 2010 is not currently available at the municipal level. However, preliminary data indicate that Ogdensburg's resident population has decreased from 2,638 in 2000 to 2,546 in 2010. Negative growth in population has major implications on the economic conditions of the Borough and District.

The student population at Ogdensburg Elementary School also reflects negative growth. The student population in 2005 reached 375 pupils compared to an anticipated 290 students in September 2011.

The District has not commissioned a formal demographic study since 2006 with the Whitehall Associates report. However, more current demographic data are more readily available from real estate websites. Ogdensburg information is as follows: households with children represent 42% of the population; annual residential turnover is 9%; and, median year in residency is 6+ years. Home owners represent 84.2%; renters are 14.4%; and vacant is 1.3%. It is uncertain if the recent economic conditions affecting increasing unemployment and falling home prices have been fully realized in these numbers.

The Ogdensburg Elementary School is supported by a \$4.5 million budget and provides educational programs for resident children in grades Kindergarten through eighth grade with a preschool special education program for children ages three through five. High school age students attend Wallkill Valley Regional High School in nearby Hamburg, New Jersey.

Of the 287 students in the district, there are fifty students requiring special education services. Approximately fifteen percent of the students qualify for "free or reduced" lunch based on household income.

The Honorable President and Members
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Ogdensburg Borough School District
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There are thirty-seven certificated staff positions in the district.

The voters in the Borough of Ogdensburg support the school budget every year. In fact, Ogdensburg passed the 2010/2011 budget with the highest percent in Sussex County. This was significant given the fact that more than 50% of school budgets were rejected this year.

3. **MAJOR INITIATIVES:** Preparing our students to take their rightful place in the future marketplace continues to be the driving force behind the District's major initiatives. Acquisition of state of the art, web-based systems and leading edge software products and services continue to integrate technology with the instructional programs. Systems like On Course supports both teachers in organizing their instructional day and enables students to check assignments as well as complete homework and lessons on line. United Streaming Inc. offers on-line instruction plans for teachers and interactive programs for students. Reading Readiness Services, Reading from A-Z, 6+1 Traits and Study Island develop student efficiencies in targeted areas.

Hardware has also been added to support the instructional day. Classrooms are equipped with ceiling-mounted projectors and both teacher and student laptops are available for classroom use. Whiteboards or Mimmo Systems, that mimic whiteboard capabilities, are also readily available. The hardware, in unison with the web-based systems and software, compel students to engage in the lessons being presented. They come to school with a high level of technology savvy and the school puts it to good use. The WiFi system, which was installed last summer, enables the technology to be immediately accessible. The students demand this level of performance in their video games and hand-held devices and now it is part of their instructional day.

Teachers are very comfortable interacting with the technology in the classroom. Through Professional Development workshops and the special PRISM Grant with Montclair University, our teachers are using both software and hardware that is state of the art. Professional Development programs attended by the staff include: Orton Gillingham, Multi-Sensory Education, Newgrange School of Princeton, PRISM, and Teachers College Reading and Writing Workshop at Columbia.

The District Administration has refined our school to be more than capable of preparing its students for success both in high school and for the marketplace. To offset the declining enrollment of the community, administration has petitioned the state for and received the status of being a Choice School. This will enable Ogdensburg Elementary School to welcome up to 35 out of district, regular program students in the coming years.

Also new in September is the registration of regular program, preschool students on a tuition basis to attend school with their special education contemporaries. This program could add up to ten additional students to the District in September.

After securing the necessary resources to support instruction and staff, the District concentrated on safeguarding another asset, its school building and grounds. The Department of Education approved a grant under the auspices of the School Development Authority, to install two-gas fired boilers, replace six exterior doors; and, replace/repair an exterior concrete platform, railings and stairs outside the gymnasium.

The Honorable President and Members
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Ogdensburg Borough School District
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The local share is supported with over \$139,000 of Capital Reserve funds and budgeted capital outlay as well as a lease purchase agreement of \$103,455 which will be repaid over the next five years. Final approval was received; bid process completed; and, work began in June 2011.

The District's administration is secure in the knowledge that its strategies and plans will safeguard the viability of the school district well into the twenty-first century.

5. INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining an internal control system 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 awards, the District also is responsible for ensuring that an adequate internal control system is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control system is also subject to periodic evaluation by the District's management.

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

6. BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. 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.

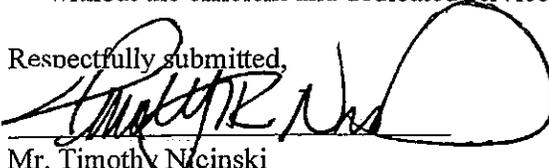
An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as fund balance restrictions, commitments and assignments at June 30, 2011.

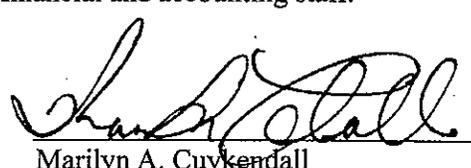
7. ACCOUNTING SYSTEM AND REPORTS: The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Basic Financial Statements", Note 1.
8. DEBT ADMINISTRATION: At June 30, 2011, the District has \$323,000 of outstanding bonded debt. The District also has \$20,434 of loans payable.

The Honorable President and Members
of the Board of Education
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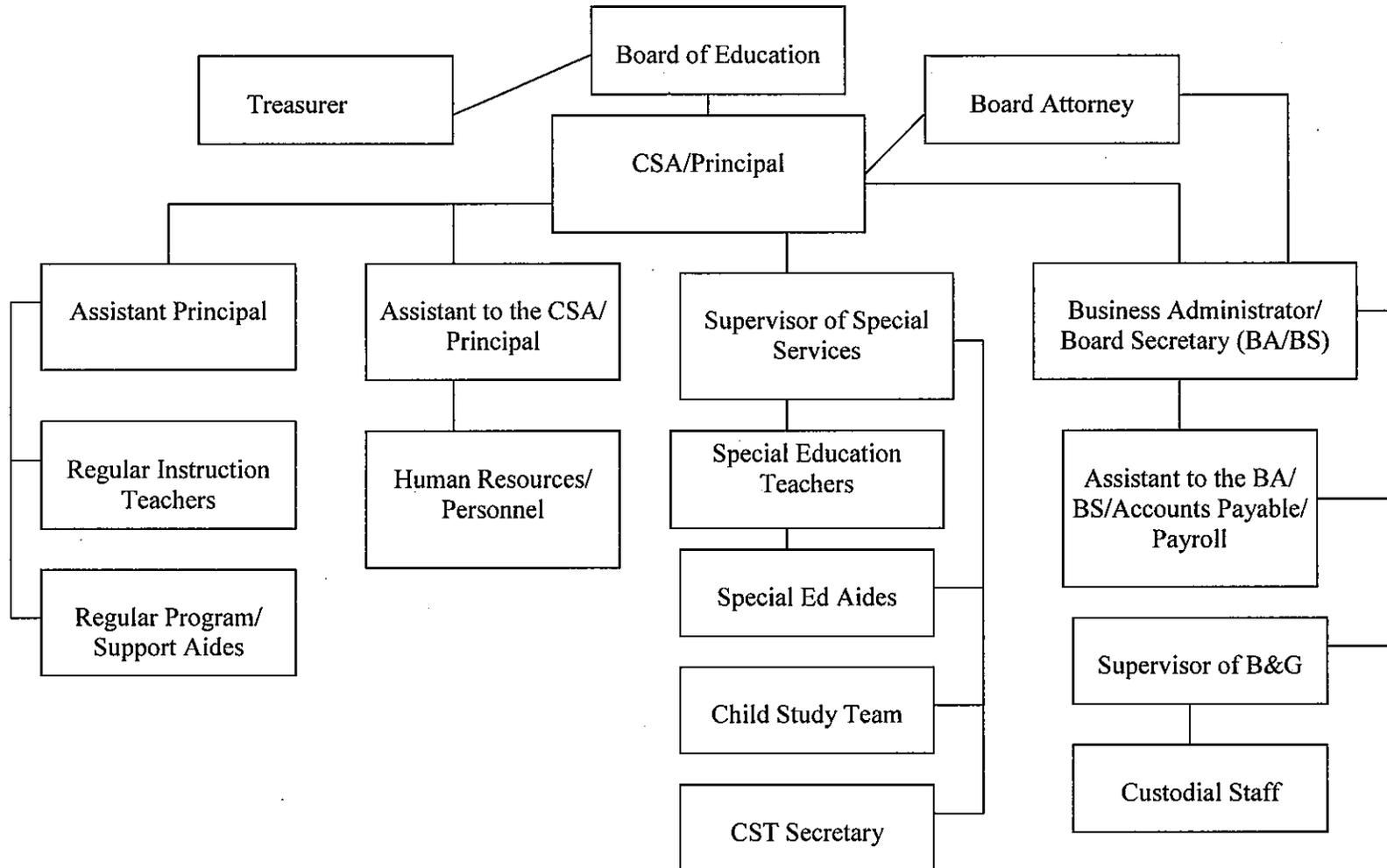
9. **CASH MANAGEMENT:** The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Basic Financial Statements", Note 3. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss 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, excess liability, auto liability and comprehensive/collision, hazard and theft insurance on property and contents, workers' compensation, and fidelity bonds. A schedule of insurance coverage is found on Exhibit J-20.
11. **OTHER INFORMATION: Independent Audit** - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nisivoccia LLP, CPAs, was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act Amendments of 1996 and the related OMB Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*, and New Jersey's OMB Circular NJOMB 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditors' report on the basic financial statements and specific required supplementary information 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. **ACKNOWLEDGEMENTS:** We would like to express our appreciation to the members of the Ogdensburg Borough School District 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,


Mr. Timothy Nicinski
Superintendent /Principal


Marilyn A. Cuykendall
Business Administrator/Board Secretary

Ogdensburg Board of Education Organization Chart



OGDENSBURG BOROUGH SCHOOL DISTRICT
ROSTER OF OFFICIALS
JUNE 30, 2011

Members of the Board of Education

Term Expires

Ricardo Rojas, President	2012
Peter Egan, Jr., Vice President	2013
David Astor	2014
Lynne Pedersen	2014
Richard Predmore	2014
Mary Fitzgibbons	2013
John Fierro	2012

Other Officials

Mr. Timothy Nicinski, Superintendent/Principal

Marilyn A. Cuykendall, School Business Administrator/Board Secretary

Linda Padula, Treasurer of School Monies

Mr. Michael Ryder, Assistant Principal

Sharon Swiss, Supervisor of Special Services

OGDENSBURG BOROUGH SCHOOL DISTRICT

Consultants and Advisors
Year Ended June 30, 2011

Audit Firm

Nisivoccia LLP
Mount Arlington Corporate Center
200 Valley Road Suite 300
Mount Arlington, New Jersey 07856

And

Lawrence Business Park
11 Lawrence Road
Newton, New Jersey 07860

Attorney

Matthew Giacobbe
Cleary, Giacobbe, Alfieri, Jacobs
7 James Street
Florham Park, New Jersey 07932

Official Depositories

Lakeland Bank
Rt. 23 & 517
Franklin, New Jersey 07416

Sussex Bank
Sterling Plaza
200 Munsonhurst Road – Route 517
Franklin, New Jersey 07416

FINANCIAL SECTION



Mount Arlington Corporate Center
200 Valley Road, Suite 300
Mt. Arlington, NJ 07856
973-328-1825 | 973-328-0507 Fax
Lawrence Business Center
11 Lawrence Road
Newton, NJ 07860
973-383-6699 | 973-383-6555 Fax

Independent Auditors' Report

The Honorable President and Members
of the Board of Education
Ogdensburg Borough School District
County of Sussex, New Jersey

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Ogdensburg Borough School District in the County of Sussex as of and for the fiscal year ended June 30, 2011, which collectively comprise the Board of Education's basic financial statements as listed in the foregoing table of contents. These financial statements are the responsibility of the 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 and Regulatory Compliance, 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 the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Ogdensburg Borough School District in the County of Sussex as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof, for the fiscal 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 August 15, 2011 on our consideration of the Ogdensburg Borough School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

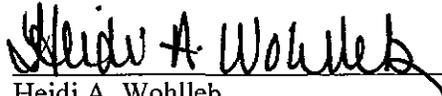
The Honorable President and Members
of the Board of Education
Ogdensburg Borough School District
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The Management's Discussion and Analysis and Budgetary Comparison Information on Exhibits C-1 through C-3 and I-3 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Ogdensburg Borough School District's basic financial statements. The accompanying introductory section, other supplementary information such as the combining and individual fund financial statements, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. Additionally, the schedules of expenditures of federal and state awards 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 Nonprofit Organizations*; and New Jersey's OMB Circular NJOMB 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and are not a required part of the basic financial statements. The supplementary combining and individual fund financial statements, supplementary schedules and schedules of expenditures of federal and state awards 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 section 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.

August 15, 2011
Mount Arlington, New Jersey

NISIVOCIA LLP



Heidi A. Wohlleb
Licensed Public School Accountant #2140
Certified Public Accountant

REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR FISCAL YEAR ENDED JUNE 30, 2011

(UNAUDITED)

The discussion and analysis of the Ogdensburg Borough School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2011. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the School District's financial performance.

Financial Highlights

The District was awarded a Schools Development Authority (SDA) grant in support of a project which will replace the current boilers, exterior doors and a platform. The District's fund balance was able to support a substantial portion of the local share of the approved project in the fiscal year ended June 30, 2011.

The current year's school budget has successfully supported high academic achievement while maintaining a secure and supportive learning environment with attention to fiscal responsibility.

Overview of the Financial Statements

This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *District-wide financial statements* that provide both *short-term* and *long-term* information about the District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District's operations in *more detail* than the District-wide statements.
- The *governmental funds statements* tell how basic services such as regular and special education were financed in the short-term as well as what remains for future spending.
- *Proprietary funds statements* offer *short- and long-term* financial information about the activities the District operates like a business, such as food services.
- *Fiduciary funds statements* provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

Figure A-1

Organization of Ogdensburg Borough School District's Financial Report

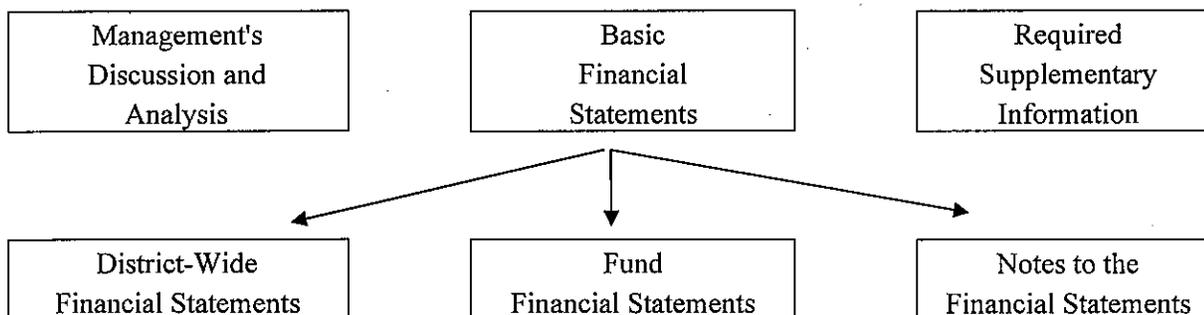


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights that structure and contents of each of the statements.

Figure A-2
Major Features of the District-Wide and Fund Financial Statements

	District-Wide Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as special education and building maintenance	Activities the District operates similar to private businesses - food services	Instances in which the District administers resources on behalf of someone else, such as scholarship programs and student activities monies.
Required Financial Statements	<ul style="list-style-type: none"> • Statement of Net Assets • Statement of Activities 	<ul style="list-style-type: none"> • Balance Sheet • Statement of Revenue, Expenditures, and Changes in Fund Balances 	<ul style="list-style-type: none"> • Statement of Net Assets • Statement of Revenue, Expenses, and Changes in Fund Net Assets • Statement of Cash Flows 	<ul style="list-style-type: none"> • Statement of Fiduciary Net Assets • Statement of Changes in Fiduciary Net Assets
Accounting basis and measurement focus	Accrual Accounting and Economic Resources focus	Modified Accrual Accounting and Current Financial Resources Focus	Accrual Accounting and Economic Resources focus	Accrual Accounting and Economic Resources focus
Type of Asset/Liability Information	All Assets and Liabilities, both Financial and Capital, Short-Term and Long-Term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, short-term and long-term	All assets and liabilities, both short-term & long-term; funds do not currently contain capital assets, although they can
Type of Inflow/Outflow Information	All Revenue and Expenses during the year, regardless of when Cash is Received or Paid	Revenue for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liabilities are due and payable	All Revenue and Expenses during the year, regardless of when cash is received or paid	All Additions and Deductions during the year, regardless of when cash is received or paid

District-wide Statements

The District-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the District's assets and liabilities. All of the current year's revenue and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two District-wide statements report the District's *net assets* and how they have changed. Net assets – the difference between the District's assets and liabilities – is one way to measure the District's financial health or *position*.

- Over time, increases or decreases in the District's net assets are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the District's overall health, you need to consider additional nonfinancial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the District-wide financial statements, the District's activities are divided into two categories:

- *Governmental activities*: Most of the District's basic services are included here, such as regular and special education, transportation and administration. Property taxes and state formula aid finance most of these activities.
- *Business-type activities*: The District charges fees to help it cover the costs of certain services it provides. The District's food service is included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by state law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes (such as repaying its long-term debts) or to show that it is properly using certain revenue (such as federal grants).

The District has three kinds of funds:

- *Governmental funds*: Most of the District's basic services are included in governmental funds, which generally focus on {1} how cash and other financial assets that can readily be converted to cash flow in and out, and {2} the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the District-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or difference) between them.
- *Proprietary funds*: Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the District-wide statements. The District's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities but provide more detail and additional information, such as cash flows. The District uses *internal service funds* (the other kind of proprietary fund) to report activities that provide supplies and services for its other programs and activities. The District currently does not maintain any internal service funds.
- *Fiduciary funds*: The District is the trustee, or *fiduciary*, for assets that belong to others, such as scholarship funds and the student activities funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the District-wide financial statements because it cannot use these assets to finance its operations.

Notes to Financial Statements: Provide additional information essential to a full understanding of the District-wide and fund financial statements.

Financial Analysis of the District as a Whole

The Statement of Net Assets provides the perspective of the School District as a whole. Net assets may serve over time as a useful indicator of a school's financial position.

The District's financial position is the product of financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

Net Assets. The District's combined net assets increased by \$70,191. Net assets from governmental activities increased by \$70,602 combined with a decrease in net assets from business activities of \$411. Net assets invested in capital assets increased by \$26,760, restricted net assets increased by \$85,069, and unrestricted net assets decreased by \$41,638.

Table 1

Condensed Statement of Net Assets

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2011	2010	2011	2010	2011	2010	2010 - 2011
Current and Other Assets	\$ 142,955	\$ 97,046	\$ 9,939	\$ 9,510	\$ 152,894	\$ 106,556	43.49%
Capital Assets	893,801	947,267	7,871	9,005	901,672	956,272	-5.71%
Total Assets	1,036,756	1,044,313	17,810	18,515	1,054,566	1,062,828	-0.78%
Long-term Debt Outstanding	448,361	547,649			448,361	547,649	-18.13%
Other Liabilities	31,651	10,522	1,100	1,394	32,751	11,916	174.85%
Total Liabilities	480,012	558,171	1,100	1,394	481,112	559,565	-14.02%
Net Assets:							
Invested in Capital Assets,							
Net of Related Debt	550,367	522,473	7,871	9,005	558,238	531,478	5.04%
Restricted	144,091	59,022			144,091	59,022	144.13%
Unrestricted / (Deficit)	(137,714)	(95,353)	8,839	8,116	(128,875)	(87,237)	-47.73%
Total Net Assets	\$ 556,744	\$ 486,142	\$ 16,710	\$ 17,121	\$ 573,454	\$ 503,263	13.95%

Changes in Net Assets. The District's combined net assets were \$573,454 on June 30, 2011, or \$70,191 more than they were the year before. The increase in net assets invested in capital assets is due to the retirement of \$75,000 of serial bonds payable, the retirement of \$6,360 of loans payable and the \$17,524 in capital assets additions offset by \$69,462 of depreciation expense and deletions, net of depreciation, of \$2,662. The increase in restricted net assets is due primarily to the current year deposits in the capital reserve of \$35,000 offset by appropriations of \$14,955 along with an increase in restricted for debt service of \$1 and a \$108,959 increase in the restricted for capital projects offset by a decrease in the reserve for encumbrances of \$43,935. The decrease in unrestricted net assets is due primarily to the use of fund balance to support the current year's budget that was not replenished by current year operations offset by a decrease in compensated absences payable. (See Table 2).

Table 2 shows changes in net assets for fiscal year 2011.

Table 2
Changes in Net Assets from Operating Results

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2011	2010	2011	2010	2011	2010	
Revenue:							
Program Revenue:							
Charges for Services			\$ 58,402	\$ 60,749	\$ 58,402	\$ 60,749	-3.86%
Operating Grants and Contributions:	\$ 592,341	\$ 697,375	24,385	28,544	616,726	725,919	-15.04%
General Revenue:							
Property Taxes	2,208,992	2,165,474			2,208,992	2,165,474	2.01%
Federal and State Aid	1,801,282	1,988,256			1,801,282	1,988,256	-9.40%
Miscellaneous	4,535	10,043	32	63	4,567	10,106	-54.81%
Total Revenue	4,607,150	4,861,148	82,819	89,356	4,689,969	4,950,504	-5.26%
Expenses:							
Instruction	2,674,770	2,911,401			2,674,770	2,911,401	-8.13%
Pupil and Instruction Services	695,680	738,465			695,680	738,465	-5.79%
Administrative and Business	542,790	587,135			542,790	587,135	-7.55%
Maintenance and Operations	455,141	463,204			455,141	463,204	-1.74%
Transportation	69,455	96,174			69,455	96,174	-27.78%
Capital Outlay	30,996	8,200			30,996	8,200	278.00%
Other	67,716	40,686	83,230	88,407	150,946	129,093	16.93%
Total Expenses	4,536,548	4,845,265	83,230	88,407	4,619,778	4,933,672	-6.36%
Increase/(Decrease) in Net Assets	\$ 70,602	\$ 15,883	\$ (411)	\$ 949	\$ 70,191	\$ 16,832	317.01%

The District's total revenue for the 2010/2011 school year was \$4,689,969. (See Table 3). Property taxes and state formula aid accounted for most of the District's revenue, with local taxes accounting for \$2,208,992 of the total, or 47.10 percent. Another 51.55 percent came from state and federal aid and the remainder from miscellaneous sources and charges for services.

Table 3
Sources of Revenue for Fiscal Year 2011

Sources of Income	Amount	Percentage
State Formula Aid	\$ 1,939,182	41.34%
Property Taxes	2,208,992	47.10%
Federal and State Categorical Grants	478,826	10.21%
Charges for Services	58,402	1.25%
Other	4,567	0.10%
	\$ 4,689,969	100.00%

The total cost of all programs and services was \$4,619,778. The District's expenses are predominantly related to instructing, providing pupil services, and transporting students (74.46 percent). (See Table 4).

Table 4
Expenses for Fiscal Year 2011

Expense Category	Amount	Percentage
Instruction	\$ 2,674,770	57.90%
Pupil & Instruction Services	695,680	15.06%
Administrative and Business	542,790	11.75%
Maintenance & Operations	455,141	9.85%
Transportation	69,455	1.50%
Capital Outlay	30,996	0.67%
Other	150,946	3.27%
	<u>\$ 4,619,778</u>	<u>100.00%</u>

Governmental Activities

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 5 shows the total cost of services and the net cost of services. The net cost shows the financial burden that was placed on the District's taxpayers by each of those functions.

Table 5
Net Cost of Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2011	2010	2011	2010
Instruction	\$ 2,674,770	\$ 2,911,401	\$ 2,133,447	\$ 2,276,220
Pupil & Instruction Services	695,680	738,465	679,115	714,760
Administrative and Business	542,790	587,135	526,788	569,663
Maintenance & Operations	455,141	463,204	455,141	442,187
Transportation	69,455	96,174	51,004	96,174
Capital Outlay	30,996	8,200	30,996	8,200
Other	67,716	40,686	67,716	40,686
Total	<u>\$ 4,536,548</u>	<u>\$ 4,845,265</u>	<u>\$ 3,944,207</u>	<u>\$ 4,035,456</u>

- The cost of all governmental activities this year was \$4.54 million.
- The federal and state governments subsidized certain programs with grants and contributions (\$2.39 million).
- Approximately 47% of the District's costs (\$2.21 million), however, were financed by District taxpayers.
- The remainder of the funding came from miscellaneous revenue and investment earnings.

Business-Type Activities

Net assets from the District's business-type activities decreased by \$411. (Refer to Table 2). Factors contributing to these results included:

- The decrease in net assets from the business-type activities was due primarily to depreciation expense of \$1,134 offset by an increase in federal and state lunch reimbursements and a decrease in food service contractor expenses.

Financial Analysis of the District's Funds

The District's financial position decreased significantly due primarily to the use of fund balance to support the current year's budget that was not replenished by current year operations. Expenditures during the recent year increased due to increases in salaries and related benefits.

These factors plus increasing energy costs are likely to continue for the next several years. To maintain a stable financial position, the District must continue to practice sound fiscal management.

General Fund Budgeting Highlights

The School District's budget is prepared according to New Jersey law, and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant fund is the General Fund.

Over the course of the year, the District revised the annual operating budget several times. These budget amendments are due to:

- Over the course of the year, the District revised the annual operating budget when the educational needs of the District required it. Approved budgets are a snapshot in time and include estimates and projections that are available during the planning and submission stages. As more specificity becomes available, the projections and estimates are replaced with sound data and the budget is revised accordingly.

Capital Assets

At the end of the fiscal year 2011, the School District had \$ 893,801 invested in sites and site improvements, buildings and building improvements and machinery and equipment. Table 6 shows fiscal year 2011 balances compared to 2010.

Table 6

Capital Assets (net of depreciation)

	Governmental Activities		Business-Type Activities		Total School District		Percentage
	2011	2010	2011	2010	2011	2010	Change 2010/2011
Sites and Site Improvements	\$ 9,865	\$ 9,865			\$ 9,865	\$ 9,865	0.00%
Buildings & Improvements	777,799	820,949			777,799	820,949	-5.26%
Machinery and Equipment	106,137	116,453	\$ 7,871	\$ 9,005	114,008	125,458	-9.13%
Total	\$ 893,801	\$ 947,267	\$ 7,871	\$ 9,005	\$ 901,672	\$ 956,272	-5.71%

Overall capital assets decreased by \$54,600 from fiscal year 2010 to fiscal year 2011. The net decrease in capital assets is due to the excess of depreciation expense and deletions over equipment purchases.

Debt Administration

At June 30, 2011, the School District had \$448,361 of outstanding debt. Of this amount, \$104,927 is for compensated absences, \$20,434 is loans payable and \$323,000 is serial bonds payable.

Table 7

Outstanding Long-Term Debt

	Total School District		Percentage
	2011	2010	Change 2010/2011
General Obligation Bonds (Financed with Property Taxes)	\$ 323,000	\$ 398,000	-18.84%
Other Long Term Debt	125,361	149,649	-16.23%
Total	\$ 448,361	\$ 547,649	-18.13%

Factors Bearing on the District's Future

There are two primary revenue sources available to school districts: state aid and local taxes. The state aid revenue stream has been frozen since 2007. This means that all inflationary pressures and related cost increases for salary, benefits, supplies and materials have to be born by the local tax base. Effective for 2011 however, legislation was passed to place a 2% cap on the increase to the local tax levy.

An eroding student population complicates the matter even more. Families are moving from the district as well as students transferring to "hybrid" schools that are attracting high performing students with little regard for the underachievers. State aid for the transferring students goes to the new school and fixed costs of the district become the burden of a smaller base.

The economic conditions of the community, the county and the state are also primary factors bearing on the District's future. Too much spending and borrowing and taxing have resulted in high unemployment, families moving out-state, and stagnant industry growth. The unemployment rate for New Jersey is 10%. Families that live below the poverty level in Sussex County is 4.1%. Population estimates for Ogdensburg reflect a loss of 86 residents from 2000 to 2009 or -3.3%. Sussex County, during the same period, increased residents by 6,952 or 4.8%.

In light of these external factors, this school district is determined to maintain a quality education for its students and to meet their educational needs in preparation for college and/or employment in an ever-evolving marketplace.

Clearly, the School District has little influence on external, socio-economic factors. The Board of Education however, has made decisions with positive impact on the factors within. The Board hired a new superintendent, Mr. Tim Nicinski, in October 2009 and they stressed the importance to vision and commitment.

The 2010/11 School Year was the second year for Mr. Timothy Nicinski. He was joined in August 2010 by a new Assistant Principal, Mr. Michael Ryder, who was a teacher in the district and very familiar with the staff, students and needs of the school. The administrative team immediately set to work to define the direction of the district with the primary objective of engaging student learning in every way. Their plan consisted of acquiring the necessary technology and interactive software programs; developing staff skills and comfort levels when using the use of the new equipment; and, curbing the disintegrating student base.

By the conclusion of the school year, major strides in all three areas were realized. Technology is state of the art; teachers are highly qualified to utilize new programs and complement the learning process through interactive devises; becoming a choice school and implementing an expanded preschool program already has and will continue to expand the student base.

Every year brings new surprises to the budgeting process. Budgets were held to a 2% increase during 2010/11 school year. Staff association agreements were held to 0% increase. Health care increases did not require the mandatory budgetary amount and unemployment compensation was less than anticipated, all of which contributed to some fiscal breathing room.

As a result, the District was able to award the boiler project which was over the budgeted amount by \$56,354. Surplus funds from the 2010/11 budget and capital outlay from 2011/12 school year will be used to fill the shortfall.

Contacting the School District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional information, contact the Board of Education Office, 100 Main Street, Ogdensburg, NJ 07439.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

OGDENSBURG BOROUGH SCHOOL DISTRICT
STATEMENT OF NET ASSETS
AS OF JUNE 30, 2011

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 102,389	\$ 7,335	\$ 109,724
Receivables, net:			
Receivables from State Government	1,056	59	1,115
Receivables from Federal Government	3,181		3,181
Interfund Receivable	1,200		1,200
Inventories		2,545	2,545
Restricted Assets:			
Cash and Cash Equivalents	35,129		35,129
Capital Assets, Net:			
Sites (Land)	9,865		9,865
Depreciable Site Improvements, Buildings and Building Improvements and Machinery and Equipment	883,936	7,871	891,807
Total Assets	<u>1,036,756</u>	<u>17,810</u>	<u>1,054,566</u>
LIABILITIES			
Accounts Payable	25,276		25,276
Interfund Accounts Payable	100		100
Accrued Interest Payable	6,275		6,275
Deferred Revenue		1,100	1,100
Noncurrent Liabilities:			
Due Within One Year	84,576		84,576
Due Beyond One Year	363,785		363,785
Total Liabilities	<u>480,012</u>	<u>1,100</u>	<u>481,112</u>
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	550,367	7,871	558,238
Restricted for:			
Capital Projects	144,088		144,088
Debt Service	3		3
Unrestricted/(Deficit)	(137,714)	8,839	(128,875)
Total Net Assets	<u>\$ 556,744</u>	<u>\$ 16,710</u>	<u>\$ 573,454</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

OGDENSBURG BOROUGH SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Functions/Programs	Expenses	Program Revenue			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 1,793,060		\$ 223,406		\$ (1,569,654)		\$ (1,569,654)
Special Education	721,931		300,714		(421,217)		(421,217)
Other Special Instruction	111,445		10,215		(101,230)		(101,230)
School-Sponsored/Other Instruction	48,334		6,988		(41,346)		(41,346)
Support Services:							
Tuition	99,846				(99,846)		(99,846)
Student & Instruction Related Services	595,834		16,565		(579,269)		(579,269)
General Administrative Services	177,700				(177,700)		(177,700)
School Administrative Services	174,094		16,002		(158,092)		(158,092)
Central Services	167,781				(167,781)		(167,781)
Administrative Information Technology	23,215				(23,215)		(23,215)
Plant Operations and Maintenance	455,141				(455,141)		(455,141)
Pupil Transportation	69,455		18,451		(51,004)		(51,004)
Interest on Long-Term Debt	14,674				(14,674)		(14,674)
Capital Outlay	30,996				(30,996)		(30,996)
Transfer to Charter School	53,042				(53,042)		(53,042)
Total Governmental Activities	4,536,548		592,341		(3,944,207)		(3,944,207)
Business-Type Activities:							
Food Service	83,230	\$ 58,402	24,385			\$ (443)	(443)
Total Business-Type Activities	83,230	58,402	24,385			(443)	(443)
Total Primary Government	\$ 4,619,778	\$ 58,402	\$ 616,726	\$ -0-	(3,944,207)	(443)	(3,944,650)

OGDENSBURG BOROUGH SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

Functions/Programs	Expenses	Program Revenue			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
General Revenue:							
Taxes:							
	Property Taxes, Levied for General Purposes, Net				\$ 2,135,868		\$ 2,135,868
	Taxes Levied for Debt Service				73,124		73,124
	Federal and State Aid not Restricted				1,801,282		1,801,282
	Interest Income					\$ 32	32
	Miscellaneous Income				4,535		4,535
	Total General Revenue				<u>4,014,809</u>	<u>32</u>	<u>4,014,841</u>
	Change in Net Assets				70,602	(411)	70,191
	Net Assets - Beginning				<u>486,142</u>	<u>17,121</u>	<u>503,263</u>
	Net Assets - Ending				<u>\$ 556,744</u>	<u>\$ 16,710</u>	<u>\$ 573,454</u>

FUND FINANCIAL STATEMENTS

OGDENSBURG BOROUGH SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS:					
Cash and Cash Equivalents	\$ 102,386			\$ 3	\$ 102,389
Interfund Receivable:					
Special Revenue Fund	643				643
General Fund			\$ 108,959		108,959
Fiduciary Fund - Net Payroll	1,200				1,200
Intergovernmental Receivable:					
State	1,056				1,056
Federal		\$ 3,181			3,181
Restricted Assets:					
Cash and Cash Equivalents	35,129				35,129
Total Assets	\$ 140,414	\$ 3,181	\$ 108,959	\$ 3	\$ 252,557
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts Payable	\$ 22,838	\$ 2,438			\$ 25,276
Interfund Payable:					
General Fund		643			643
Capital Projects Fund	108,959				108,959
Fiduciary Fund - Student Activities		100			100
Total Liabilities	131,797	3,181			134,978
Fund Balances:					
Restricted:					
Capital Reserve Account	35,129				35,129
Debt Service				\$ 3	3
Committed					
Unassigned/(Deficit)	(26,512)		\$ 108,959		(26,512)
Total Fund Balances	8,617		108,959	3	117,579
Total Liabilities and Fund Balances	\$ 140,414	\$ 3,181	\$ 108,959	\$ 3	

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 \$2,445,047 and the accumulated depreciation is \$1,551,246.	893,801
Interest on Long-Term Debt is not Accrued in the Governmental Funds, but Rather is Recognized as an Expenditure When Due.	(6,275)
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.	(448,361)
Net Assets of Governmental Activities	\$ 556,744

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

OGDENSBURG BOROUGH SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUE:					
Local Sources:					
Local Tax Levy	\$ 2,135,868			\$ 73,124	\$ 2,208,992
Miscellaneous	4,535	\$ 3,497			8,032
Total - Local Sources	2,140,403	3,497		73,124	2,217,024
State Sources	2,246,015			24,255	2,270,270
Federal Sources		119,856			119,856
Total Revenue	4,386,418	123,353		97,379	4,607,150
EXPENDITURES:					
Current:					
Regular Instruction	1,189,033	38,839			1,227,872
Special Education Instruction	442,571	84,514			527,085
Other Special Instruction	83,040				83,040
School Sponsored/Other Instruction	31,705				31,705
Support Services and Undistributed Costs:					
Tuition	99,846				99,846
Student & Instruction Related Services	467,718				467,718
General Administration	153,991				153,991
School Administration	123,324				123,324
Central Services	130,382				130,382
Administration Information Technology	23,215				23,215
Plant Operations and Maintenance	398,091				398,091
Pupil Transportation	69,455				69,455
Unallocated Benefits	1,038,411				1,038,411

OGDENSBURG BOROUGH SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
EXPENDITURES:					
Debt Service:					
Redemption of Principal				\$ 81,360	\$ 81,360
Interest and Other Charges				16,018	16,018
Capital Outlay	\$ 28,163		\$ 30,996		59,159
Transfer of Funds to Charter Schools	53,042				53,042
Total Expenditures	4,331,987	\$ 123,353	30,996	97,378	4,583,714
Excess(Deficit) of Revenue Over/(Under) Expenditures	54,431		(30,996)	1	23,436
Other Financing Sources/(Uses):					
Transfers In			139,955		139,955
Transfers Out	(139,955)				(139,955)
Total Other Financing Sources/(Uses)	(139,955)		139,955		
Excess/(Deficit) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(85,524)		108,959	1	23,436
Fund Balance—July 1	94,141			2	94,143
Fund Balance—June 30	<u>\$ 8,617</u>	<u>\$ -0-</u>	<u>\$ 108,959</u>	<u>\$ 3</u>	<u>\$ 117,579</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

OGDENSBURG BOROUGH SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Total Net Change in Fund Balances - Governmental Funds (from B-2) \$ 23,436

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 depreciation and the disposal of assets with carrying value exceeded capital outlays in the period.

	Depreciation expense	\$ (68,328)	
	Deletions/Adjustments, net of depreciation expense	(2,662)	
	Capital outlays	17,524	(53,466)

In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+)

17,928

In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. When accrued interest exceeds the interest paid, the difference is a reduction in the reconciliation (-); when the interest paid exceeds the accrued interest, the difference is an addition to the reconciliation (+).

1,344

Repayment of bond and loan 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. (+)

81,360

Change in Net Assets - Governmental Activities (from A-2)

\$ 70,602

OGDENSBURG BOROUGH SCHOOL DISTRICT
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
AS OF JUNE 30, 2011

	<u>Business-type Activities - Enterprise Funds Food Service</u>
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	\$ 7,335
Intergovernmental Accounts Receivable:	
State	59
Inventories	<u>2,545</u>
Total Current Assets	<u>9,939</u>
Non-Current Assets:	
Capital Assets	50,505
Less: Accumulated Depreciation	<u>(42,634)</u>
Total Non-Current Assets	<u>7,871</u>
Total Assets	<u>17,810</u>
LIABILITIES:	
Current Liabilities:	
Deferred Revenue	<u>1,100</u>
Total Current Liabilities	<u>1,100</u>
NET ASSETS:	
Investment in Capital Assets Net of Related Debt	7,871
Unrestricted	<u>8,839</u>
Total Net Assets	<u><u>\$ 16,710</u></u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

Exhibit B-5

OGDENSBURG BOROUGH SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Business-type Activities - Enterprise Funds
	Food Service
Operating Revenue:	
Local Sources:	
Daily Sales - Reimbursable Programs	\$ 43,909
Daily Sales - Non-Reimbursable Programs	14,473
Other Income	20
	58,402
Total Operating Revenue	58,402
Operating Expenses:	
Cost of Sales	43,167
Salaries, Benefits & Payroll Taxes	30,152
Supplies, Insurance & Other Costs	1,777
Management Fee	7,000
Depreciation Expense	1,134
	83,230
Total Operating Expenses	83,230
Operating Loss	(24,828)
Non-Operating Income:	
Local Sources:	
Interest Income	32
State Sources:	
State School Lunch Program	1,142
Federal Sources:	
National School Lunch Program	18,220
Food Distribution Program	5,023
	24,417
Total Non-Operating Income	24,417
Change in Net Assets	(411)
Net Assets - Beginning of Year	17,121
Net Assets - End of Year	\$ 16,710

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

OGDENSBURG BOROUGH SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Business-type Activities - Enterprise Funds Food Service</u>
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 58,402
Payments to Food Service Contractor	<u>(77,177)</u>
Net Cash Used for Operating Activities	<u>(18,775)</u>
Cash Flows by Investing Activities:	
Local Sources:	
Interest Income	<u>32</u>
Net Cash Provided by Investing Activities	<u>32</u>
Cash Flows from Noncapital Financing Activities:	
State Sources:	
State School Lunch Program - Received in Food Service Fund	1,197
Federal Sources:	
National School Lunch Program - Received in Food Service Fund	<u>19,770</u>
Net Cash Provided by Noncapital Financing Activities	<u>20,967</u>
Net Increase in Cash and Cash Equivalents	2,224
Cash and Cash Equivalents, July 1	<u>5,111</u>
Cash and Cash Equivalents, June 30	<u>\$ 7,335</u>
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:	
Operating Loss	\$ (24,828)
Adjustment to Reconcile Operating Loss to Cash Used for Operating Activities:	
Depreciation	1,134
Food Distribution Program	5,023
Changes in Assets and Liabilities:	
Decrease in Inventory	190
(Decrease) in Deferred Revenue	<u>(294)</u>
Net Cash Used for Operating Activities	<u>\$ (18,775)</u>

Noncash Investing and Financing Activities:

The Food Service Enterprise Fund received U.S.D.A. Commodities through the Food Distribution Program valued at \$4,729 and utilized U.S.D.A. Commodities valued at \$5,023.

OGDENSBURG BOROUGH SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2011

	Unemployment Compensation Trust	Private Purpose Scholarship Trust	Agency Fund
ASSETS:			
Cash and Cash Equivalents	\$ 34,186	\$ 5,501	\$ 12,076
Investments	35,107		
Interfund Receivable:			
Special Revenue Fund			100
Total Assets	69,293	5,501	12,176
LIABILITIES:			
Interfund Payable:			
General Fund			1,200
Payroll Deductions and Withholdings			1
Due to Athletics Account			626
Due to Student Groups			10,349
Total Liabilities			12,176
NET ASSETS:			
Held in Trust for Unemployment Claims	69,293		
Reserved for Scholarships		5,501	
Total Net Assets	\$ 69,293	\$ 5,501	\$ -0-

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

OGDENSBURG BOROUGH SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Scholarship Trust</u>
Additions:		
Contributions:		
Plan Member Contributions	\$ 4,331	
Board Contributions	19,000	
Donations		\$ 725
Total Contributions	<u>23,331</u>	<u>725</u>
Investment Earnings:		
Interest	178	6
Net Investment Earnings	<u>178</u>	<u>6</u>
Total Additions	<u>23,509</u>	<u>731</u>
Deductions:		
Unemployment Compensation Claims	18,746	
Scholarships Awarded		850
Total Deductions	<u>18,746</u>	<u>850</u>
Change in Net Assets	4,763	(119)
Net Assets - Beginning of the Year	<u>64,530</u>	<u>5,621</u>
Net Assets - End of the Year	<u>\$ 69,293</u>	<u>\$ 5,502</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

OGDENSBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Board of Education (the "Board") of the Ogdensburg Borough School District (the "District") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government 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 Board is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of elected officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District.

Governmental Accounting Standards Board publication, Codification of Governmental Accounting and Financial Reporting Standards, Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. The basic criterion for inclusion or exclusion from the financial reporting entity is the exercise of oversight responsibility over agencies, boards and commissions by the primary government. The exercise of oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters. In addition, certain legally separate, tax-exempt entities that meet specific criteria (i.e. benefit of economic resources, access/entitlement to economic resources, and significance) should be included in the financial reporting entity. The combined financial statements include all funds of the District over which the Board exercises operating control. The operations of the District include an elementary school located in the Borough of Ogdensburg. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

B. Basis of Presentation:

District-Wide Financial Statements:

The statement of net assets and the statement of activities present financial information about the District's governmental and business type activities. These statements include the financial activities of the overall District in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. These statements distinguish between the governmental and business type activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenue and other nonexchange transactions. Business type activities are financed in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenue for business-type activities and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses are allocated to the functions using an appropriate allocation method or association with the specific function. Indirect expenses include health benefits, employer's share of payroll taxes, compensated absences and tuition reimbursements. Program revenue includes (a) charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenue that is not classified as program revenue, including all taxes, is presented as general revenue. The comparison of direct expenses with program revenues identifies

OGDENSBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

B. Basis of Presentation: (Cont'd)

District-Wide Financial Statements: (Cont'd)

the extent to which each government function or business segment is self-financing or draws from the general revenues of the District.

Fund Financial Statements:

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

The District reports the following governmental funds:

General Fund: The General Fund is the general operating fund of the District and is used to account for and report all expendable financial resources not accounted for and reported in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the capital outlay subfund.

As required by NJDOE, the District includes budgeted capital outlay in this fund. GAAP, as it pertains to governmental entities, states that general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenue. Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to current expenses by board resolution.

Special Revenue Fund: The Special Revenue Fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. Thus, the Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Governments (other than major capital projects, debt service or the enterprise funds) and local appropriations that are legally restricted or committed to expenditures for specified purposes.

Capital Projects Fund: The Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets (other than those financed by proprietary funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual

OGDENSBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

B. Basis of Presentation: (Cont'd)

Capital Projects Fund: (Cont'd) election or at a special election, funds appropriated from the General Fund, and from aid provided by the state to offset the cost of approved capital projects.

Debt Service Fund: The Debt Service Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for principal and interest.

The District reports the following proprietary fund:

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

Additionally, the District reports the following fund type:

Fiduciary Funds: The Fiduciary Funds are used to account for assets held by the District on behalf of others and includes the Student Activities Fund, Payroll Agency Fund, Unemployment Compensation Insurance Trust Fund and Private Purpose Trust Fund.

C. Measurement Focus and Basis of Accounting:

The district-wide financial statements and the proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Non-exchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenue is recognized when measurable and available. The District considers all revenue reported in the governmental funds to be available if the revenue is collected within sixty days after the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in the governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

It is the District's policy, that when an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, to apply restricted resources first followed by unrestricted resources. Similarly, within unrestricted fund balance, it is the District's policy to apply committed resources first followed by assigned resources and then unassigned resources when an

OGDENSBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

C. Measurement Focus and Basis of Accounting: (Cont'd)

expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Under the terms of grant agreements, the District may fund certain programs by a combination of specific cost-reimbursement grants, categorical block grants and general revenue. Therefore, when program expenses are incurred, both restricted and unrestricted net assets may be available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, followed by general revenue.

Reports for the District's Food Service Fund are prepared following the Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989; Accounting Principles Board Opinions; and Accounting Research Bulletins, unless those pronouncements conflict with Governmental Accounting Standards Board (GASB) pronouncements.

D. 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 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. 6:20-2A.2(m)1. All budget amendments/transfers must be made by School Board resolution. All budgeting amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized reserves on the annual budget during the year).

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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

The general fund budgetary revenue differs from GAAP revenue due to a difference in recognition of the last two state aid payments for the current year. Since the State is recording the last two state aid payments in the subsequent fiscal year, the District cannot recognize these payments on the GAAP financial statements.

OGDENSBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

D. Budgets/Budgetary Control: (Cont'd)

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 4,364,733	\$ 123,353
Differences - Budget to GAAP:		
Prior Year State Aid Payments Recognized for GAAP Statements	213,050	
Current Year State Aid Payment Recognized for Budgetary Purposes, not Recognized for GAAP Statements	<u>(191,365)</u>	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 4,386,418</u>	<u>\$ 123,353</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 4,471,942	\$ 123,353
Differences - Budget to GAAP:		
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.	<u>(139,955)</u>	
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 4,331,987</u>	<u>\$ 123,353</u>

E. Cash and Cash Equivalents, and Investments:

Cash and cash equivalents include petty cash, change funds, amount in deposits, and short-term investments with maturities of one year or less.

New Jersey school districts are limited as to type of investments and types of financial institutions they may invest in. New Jersey Statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts. Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental

OGDENSBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

E. Cash and Cash Equivalents, and Investments: (Cont'd)

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.

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value of at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Government Units. If a public depository fails, the collateral it has pledged, plus the collateral of all the other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

F. Interfund Transactions:

Transfers between governmental and business-type activities on the District-wide statements are reported in the same manner as general revenues. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in the enterprise fund. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

On fund financial statements, short-term interfund loans are classified as interfund receivables/payables. These amounts are eliminated in the statement of net assets, except for amounts due between governmental and business-type activities, which are presented as internal balances.

G. Allowance for Uncollectible Accounts:

No allowance for uncollectible accounts has been recorded as all amounts are considered collectible.

H. 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 restricted, committed and/or assigned 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 revenue 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.

OGDENSBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

I. Short-term Interfund Receivables/Payables:

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

J. Inventories and Prepaid Expenses:

Inventories and prepaid expenses, which benefit future periods, other than those recorded in the enterprise fund, are recorded as an expenditure during the year of purchase.

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, 2011.

K. Capital Assets:

During the year ended June 30, 1994, the District established a formal system of accounting for its capital assets. Capital assets acquired or constructed subsequent to June 30, 1994, are recorded at historical cost including ancillary charges necessary to place the asset into service. Capital assets acquired or constructed prior to the establishment of the formal system are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Land has been recorded at estimated historical cost. Donated capital assets are valued at their estimated fair market value on the date received. The cost of normal maintenance and repairs is not capitalized. The District does not possess any infrastructure. Capital assets have been reviewed for impairment.

The capitalization threshold (the dollar value above which asset acquisitions are added to the capital asset accounts) is \$2,000. The depreciation method is straight-line. The estimated useful lives of capital assets reported in the district-wide statements and proprietary funds are as follows:

	<u>Estimated Useful Life</u>
Buildings	50 Years
Site Improvements	20 Years
Furniture and Equipment	10 to 15 Years
Computer and Related Technology	5 Years
Vehicles	8 Years

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures in the governmental fund upon acquisition. Fixed assets are not capitalized and the related depreciation is not reported in the fund financial statements.

L. Long Term Liabilities:

In the district-wide and enterprise fund statements of net assets, long-term debt and other long-term obligations are reported as liabilities in the applicable government activities, business-type activities, or enterprise funds. Bond issuance costs, as well as applicable bond premium and discounts, are reported as deferred charges and amortized over the term of the related debt using the straight-line method of

OGDENSBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

L. Long Term Liabilities:

amortization. In the fund financial statements, governmental fund types recognize bond issuance costs, as expenditures in the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

M. Accrued Salaries and Wages:

The District no longer allows employees, who provide services to the District over the ten-month academic year the option to have their salaries evenly disbursed during the entire twelve month year; therefore, there are no accrued salaries and wages as of June 30, 2011.

N. Compensated Absences:

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

It is the District's policy to permit employees to accumulate earned but unused vacation and sick leave benefits. A long-term liability of accumulated vacation and sick leave has been recorded in the governmental activities in the district-wide statements, representing the District's commitment to fund such costs from future operations. A liability is reported in the governmental funds only to the amount due and payable within sixty days of year end as a result of employee resignations and retirements.

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

O. Deferred Revenue:

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

P. Fund Balance Appropriated:

General Fund: Of the \$8,617 General Fund fund balance at June 30, 2011, \$35,129 is restricted in the Capital Reserve account and there is a deficit of \$26,512 in unassigned fund balance due to the final state aid payments of \$191,365 not being recognized on a GAAP basis.

Capital Projects Fund: The Capital Projects Fund fund balance at June 30, 2011 of \$108,959 is committed for capital projects. This fund balance does not include the SDA grant revenue of \$172,824 which is not recognized on a GAAP basis.

OGDENSBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

P. Fund Balance Appropriated: (Cont'd)

Debt Service Fund: The Debt Service Fund fund balance at June 30, 2011 of \$3 is restricted for debt service purposes. \$2 of the total fund balance has been appropriated and included as revenue in the budget for the fiscal year ended June 30, 2012.

Calculation of Excess Surplus: In accordance with N.J.S.A. 18A:7F-7 as amended by P.L. 2004, c.73 (S1701), the designation for Reserved Fund Balance-Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The District did not have excess fund balance at June 30, 2010 or June 30, 2011.

Q. Net Assets:

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

R. Deficit Fund Balance/Net Assets:

The District's fund balance in the General Fund is less on a GAAP basis than the budgetary basis by \$191,365, as reported in the fund statements (modified accrual basis). P.L. 2003, C.97 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the related state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the last two state aid payments in the subsequent fiscal year, the school district cannot recognize the last two state aid payments on the GAAP financial statements until the year the State records the payable. The excess surplus calculation is calculated using the fund balance reported on the Budgetary Comparison Schedule, including the final two state aid payments and not the fund balance reported on the fund statement which excludes the last two state aid payments

The District also has a deficit in unrestricted net assets from governmental activities in the amount of \$137,714 due to the deficit in unassigned general fund balance of \$26,512, accrued interest on long term debt of \$6,275 and compensated absences payable of \$104,927.

These deficits do not mean that the District is facing financial difficulties and is a permitted practice by generally accepted accounting principles.

OGDENSBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

S. Fund Balance Fund Balance Restrictions, Commitments and Assignments:

The District implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, during the current fiscal year. The objective of this standard is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions (as detailed in Note 1B). This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. The committed fund balance classification includes amounts that can be used only for the specific purposes determined for a formal action of the District's highest level of decision-making authority. Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. Unassigned fund balance is the residual classification for the District's General Fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned classifications should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts has been restricted, committed or assigned.

A fund balance restriction has been established for a capital reserve and debt service.

The District Board of Education has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body. The Board of Education must also utilize a formal motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body in order to remove or change the commitment of resources. The District has committed resources in the Capital Projects Fund at June 30, 2011.

The assignment of resources is generally made by the District Board of Education through a motion or a resolution passed by a majority of the Members of the Board of Education. These resources are intended to be used for a specific purpose. The process is not as restrictive as the commitment of resources and the Board of Education may allow an official of the District to assign resources through policies adopted by the Board of Education. The District has no assigned resources at June 30, 2011.

T. Revenue - Exchange and Nonexchange Transactions:

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

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants,

OGDENSBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

T. Revenue - Exchange and Nonexchange Transactions: (Cont'd)

entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

U. Operating Revenue and Expenses:

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

V. Management Estimates:

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

NOTE 2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS

Due to the differences in the measurement focus and basis of accounting used on the government fund statements and district-wide statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items.

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents include 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 Board 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.

GASB Statement No. 40, *Governmental Accounting Standards Board Deposit and Investment Risk Disclosures*, requires disclosure of the level of custodial credit risk assumed by the District in its cash, cash equivalents, and investments, if those items are uninsured or unregistered. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned.

Interest Rate Risk - In accordance with its cash management plan, the District ensures that any deposit or investment matures within the time period that approximates the prospective need for the funds, deposited or invested, so that there is not a risk to the market value of such deposits or investments.

OGDENSBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

Credit Risk - The District limits its investments to those authorized in its cash management plan which are those permitted under state statute as detailed on the following page.

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.

Investments:

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

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
- (4) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investment of the Department of the Treasury for investment by local units;
- (5) Local government investment pools;
- (6) Deposits with the State of New Jersey Cash Management Fund; or

OGDENSBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

Investments:

- (7) Agreements for the repurchase of fully collateralized securities if:
- (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) above;
 - (b) the custody of collateral is transferred to a third party;
 - (c) the maturity of the agreement is not more than 30 days;
 - (d) the underlying securities are purchased through a public depository as defined in statute; and
 - (e) a master repurchase agreement providing for the custody and security of collateral is executed.

As of June 30, 2011, cash and cash equivalents and investments of the District consisted of the following:

	Capital Reserve	Cash and Cash Equivalents	Investments	Total
Checking Accounts	\$ 35,129	\$ 161,487	\$ 35,107	\$ 231,723

During the period ended June 30, 2011, the District did not hold any investments other than certificates of deposit. The carrying amount of the Board's cash and cash equivalents and investments at June 30, 2011, was \$231,723 and the bank balance was \$314,755.

NOTE 4. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Ogdensburg Borough School District for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

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

OGDENSBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

NOTE 4. CAPITAL RESERVE ACCOUNT (Cont'd)

The activity of the capital reserve for the July 1, 2010 to June 30, 2011 fiscal year is as follows:

Balance at June 30, 2010	\$ 15,084
Budgeted Increase in Capital Reserve	<u>35,000</u>
	50,084
Budgeted Withdrawals	<u>14,955</u>
Balance at June 30, 2011	<u><u>\$ 35,129</u></u>

The balance in the capital reserve at June 30, 2011 did not exceed the balance of local support costs of uncompleted capital projects in the District's approved Long Range Facilities Plan. The withdrawal from the capital reserve was for use in a DOE approved facilities project, consistent with the District's LRFP.

OGDENSBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

NOTE 5. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2011 were as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases/ Adjustments</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets not being Depreciated:				
Sites (Land)	\$ 9,865			\$ 9,865
Total Capital Assets not Being Depreciated	<u>9,865</u>			<u>9,865</u>
Capital Assets Being Depreciated:				
Site Improvements	116,730			116,730
Buildings and Building Improvements	2,083,508	\$ 2,700	\$ (3,550)	2,082,658
Machinery and Equipment	220,970	14,824		235,794
Total Capital Assets Being Depreciated	<u>2,421,208</u>	<u>17,524</u>	<u>(3,550)</u>	<u>2,435,182</u>
Governmental Activities Capital Assets	<u>2,431,073</u>	<u>17,524</u>	<u>(3,550)</u>	<u>2,445,047</u>
Less Accumulated Depreciation for:				
Site Improvements	(116,730)			(116,730)
Buildings and Building Improvements	(1,262,559)	(43,188)	888	(1,304,859)
Machinery and Equipment	(104,517)	(25,140)		(129,657)
Total Accumulated Depreciation	<u>(1,483,806)</u>	<u>(68,328)</u>	<u>888</u>	<u>(1,551,246)</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 947,267</u>	<u>\$ (50,804)</u>	<u>\$ (2,662)</u>	<u>\$ 893,801</u>
Business Type Activities:				
Capital Assets Being Depreciated:				
Machinery and Equipment	\$ 50,505			\$ 50,505
Less Accumulated Depreciation	(41,500)	\$ (1,134)		(42,634)
Business Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 9,005</u>	<u>\$ (1,134)</u>	<u>\$ -0-</u>	<u>\$ 7,871</u>
GRAND TOTAL	<u>\$ 956,272</u>	<u>\$ (51,938)</u>	<u>\$ (2,662)</u>	<u>\$ 901,672</u>

OGDENSBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

NOTE 5. CAPITAL ASSETS (Cont'd)

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$	53,426
Special Education		2,258
Student and Instruction Related Services		2,594
General Administration		3,198
School Administration		951
Operations and Maintenance of Plant		1,732
Central Services		4,169
		<hr/>
	\$	<u>68,328</u>

NOTE 6: TRANSFERS TO CAPITAL OUTLAY

During the year ended June 30, 2011, the District transferred a total of \$74,470 to the capital outlay accounts. \$4,470 of the total amount transferred was for equipment and did not require County Superintendent approval. The District obtained the required County Superintendent approval for the remaining \$70,000 transfer.

NOTE 7. LONG TERM LIABILITIES

During the fiscal year ended June 30, 2011, the following changes occurred in liabilities reported in the district-wide financial statements:

	<u>Balance</u> <u>6/30/2010</u>	<u>Accrued</u>	<u>Retired</u>	<u>Balance</u> <u>6/30/2011</u>
Compensated Absences Payable	\$ 122,855	\$ 2,392	\$ 20,320	\$ 104,927
Bonds Payable	398,000		75,000	323,000
Loans Payable	26,794		6,360	20,434
	<hr/>		<hr/>	<hr/>
	\$ 547,649	\$ 2,392	\$ 101,680	\$ 448,361

A. Bonds and Loans 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 general obligation bonds.

OGDENSBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

NOTE 7. LONG TERM LIABILITIES (Cont'd)

A. Bonds and Loans Payable: (Cont'd)

The District had bonds outstanding as of June 30, 2011 as follows:

<u>Final Maturity</u> <u>Date</u>	<u>Serial Bonds</u>		<u>Amount</u>
		<u>Interest</u> <u>Rate</u>	
8/15/12		3.85%	\$ 98,000
7/15/16		4.30%	225,000
			<u>\$ 323,000</u>

The District had loans outstanding as of June 30, 2011 as follows:

<u>Final Maturity</u> <u>Date</u>	<u>Loans Payable</u>		<u>Amount</u>
		<u>Interest</u> <u>Rate</u>	
7/15/13		5.288%	\$ 16,384
7/15/13		1.500%	4,050
			<u>\$ 20,434</u>

Principal and interest due on serial bonds and loans outstanding are as follows:

<u>Year Ending June 30,</u>	<u>Bonds</u>		<u>Loans</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2012	\$ 78,000	\$ 11,184	\$ 6,576	\$ 748	\$ 96,508
2013	73,000	8,858	13,858	667	96,383
2014	45,000	6,429			51,429
2015	45,000	4,494			49,494
2016	42,000	2,623			44,623
2017	40,000	860			40,860
	<u>\$ 323,000</u>	<u>\$ 34,448</u>	<u>\$ 20,434</u>	<u>\$ 1,415</u>	<u>\$ 379,297</u>

B. Bonds Authorized But Not Issued:

As of June 30, 2011, the District has no bonds authorized but not issued.

C. Capital Leases Payable:

As of June 30, 2011, the District had no capital leases payable.

OGDENSBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

NOTE 7. LONG TERM LIABILITIES (Cont'd)

D. Compensated Absences Payable:

The liability for compensated absences of the governmental fund types is recorded in the current and long-term liabilities. There is no current portion of the compensated absences liability at June 30, 2011. Thus, the entire balance of compensated absences of \$104,927 is a long-term liability.

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, 2011, no liability existed for compensated absences in the Food Service Fund.

The General Fund will be used to liquidate Compensated Absences Payable. The Debt Service Fund will be used to liquidate the Serial Bonds and Loans Payable.

NOTE 8. BOND ANTICIPATION NOTES

At June 30, 2011, the District had no bond anticipation notes outstanding.

NOTE 9. OPERATING LEASES

The District has commitments to lease copying equipment under operating leases which expire in 2012 through 2013. Total operating lease payments made during the year ended June 30, 2011 were \$6,114. Future minimum lease payments are as follows:

<u>Year</u>	<u>Amount</u>
2012	\$ 6,114
2013	<u>6,114</u>
Total Future Minimum Lease Payments	<u>\$ 12,228</u>

NOTE 10. PENSION PLANS

Substantially all of the Board's employees participate in one of the three contributory, defined benefit public employee retirement systems: the Teachers' Pension and Annuity Fund (TPAF), the Defined Contribution Retirement Program (DCRP), or the Public Employee's Retirement System (PERS) of New Jersey. The TPAF and the PERS are sponsored and administered by the State of New Jersey. The TPAF 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 Board and the system's other non-contribution employers. The PERS is also considered a cost-sharing, multiple-employer plan. Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. As a general rule, all full-time employees are eligible to join the TPAF or the PERS. However, if an employee is ineligible to enroll in the TPAF or the PERS, the employee may be eligible to enroll in the DCRP.

OGDENSBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

Employees who are members of TPAF or PERS and retire at or after age 55 are entitled to a retirement benefit based upon a formula which takes 1/55th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service. Vesting occurs after 8 to 10 years of service. The DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of each of the above systems. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625-0295.

The contribution policy is set by New Jersey State Statutes and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey regulation. Employee contributions are based on percentages of 5.50% for TPAF and 5.50% for PERS and DCRP of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate.

The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits, and post-retirement medical premiums. Under current statute, the District is a noncontributing employer of the TPAF. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

District Contributions to PERS amounted to \$48,285, \$36,963 and \$30,731 for the fiscal years ended June 30, 2011, 2010 and 2009, respectively.

District and employee contributions to DCRP amounted to \$792 and \$1,392 for the fiscal year ended June 30, 2011. There were no contributions in 2009 or 2010.

During the fiscal years ended June 30, 2011, 2010 and 2009 the State of New Jersey contributed \$-0-, \$-0- and \$-0-, respectively, to the TPAF for normal pension benefits on-behalf of the District.

NOTE 11. POST-RETIREMENT BENEFITS

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required TPAF and 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. Chapter 103 of Public Law amended the law to eliminate the funding of post-retirement medical benefits through 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, 2010, there were 87,288 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with Chapter 62, P.L. 1994. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in fiscal year 1994.

OGDENSBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

NOTE 11. POST-RETIREMENT BENEFITS (Cont'd)

The State is also responsible for the cost attributable to Chapter 126, 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 \$126.3 million toward Chapter 126 benefits for 14,050 eligible retired members in Fiscal Year 2010.

The State's on behalf Post Retirement Medical Contributions to TPAF for the District amounted to \$146,802, \$145,773 and \$145,358 for 2011, 2010 and 2009, respectively.

NOTE 12. DEFERRED COMPENSATION

The Board offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency.

The plan administrators are as follows:

AXA Equivest
Valic

Equitable
MetLife

Equitable Life Assurance and MetLife are the plan administrators for the District's Internal Revenue Code 457 plan.

NOTE 13. 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. The District obtains their health benefit coverage through Horizon Blue Cross/Blue Shield of New Jersey.

Property, Liability and Health Benefits

The Board is a member of the School Alliance Insurance Fund ("SAIF). The SAIF provides its members with Workers' Compensation, Comprehensive General Liability and Automobile Liability, Property, Boiler and Machinery, and School Board Legal Liability Insurance. A complete schedule of insurance coverage can be found in the statistical section of this Comprehensive Annual Financial Report. The SAIF is a risk-sharing fund that is both an insured and self-administered group of school districts established for the purpose of providing low-cost insurance coverage for their members in order to keep local property taxes at a minimum. Each member appoints an official to represent their respective district for the purpose of creating a governing body from which officers for the SAIF are elected.

As a member of the SAIF, the District could be subject to supplemental assessments in the event of deficiencies. If the assets of the SAIF were to be exhausted, members would become responsible for their respective shares of the SAIF's liabilities.

OGDENSBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
 (Continued)

NOTE 13. RISK MANAGEMENT (Cont'd)

The SAIF can declare and distribute dividends to members upon approval of the State of New Jersey Department of Insurance. These distributions are divided amongst the members in the same ratio as their individual assessment relates to the total assessment of the membership body. In accordance with Statement No. 10 of the Government Accounting Standards Board, these distributions are used to reduce the amount recorded for membership expense in the year in which the distribution was declared.

The June 30, 2011 audit report is not available as of the date of this report. Selected financial information for the SAIF as of June 30, 2010 is as follows:

	<u>School Alliance</u> <u>Insurance Fund</u>
Total Assets	\$ 34,204,943
Net Assets	\$ 12,737,759
Total Revenue	\$ 29,467,938
Total Expenses	\$ 29,997,505
Change in Net Assets	\$ (529,567)
Net Assets Distribution to Participating Members	\$ 1,150,000

Financial statements for the Fund are available at the Fund's Executive Director's Office:

Public Entity Group Administrative Services
 51 Everett Drive
 Suite B-40
 West Windsor, NJ 08550

New Jersey Unemployment Compensation Insurance

The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State.

The following is a summary of the District's contributions, employee contributions, interest earnings, reimbursements to the State for benefits paid and the ending balance of the District's Unemployment Trust Fiduciary Fund for the current and previous two years:

OGDENSBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

NOTE 14. ECONOMIC DEPENDENCY

The Board of Education 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 Board of Education's programs and activities.

NOTE 15. INTERFUND RECEIVABLES AND PAYABLES

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 1,843	\$ 108,959
Special Revenue Fund		743
Capital Projects Fund	108,959	
Agency Fund - Student Activities	100	
Agency Fund - Net Payroll		1,200
	<u>\$ 110,902</u>	<u>\$ 110,902</u>

The interfund receivable in the General Fund is comprised of \$643 due from the Special Revenue Fund for the deficit in the cash balance in the Special Revenue Fund and \$1,200 due from the Agency Fund – Net Payroll for the unallocated balance in the Agency Fund – Net Payroll. The interfund receivable in the Capital Projects Fund is due from the General Fund for the local share of the Boiler Project. The interfund receivable in the Agency Fund - Student Activities is due from the Special Revenue Fund for expenses paid by the Student Activities account related to a local grant.

NOTE 16. TAX CALENDAR

Property taxes are levied as of January 1 on property values assessed as of the previous calendar year. The tax levy is divided into two billings. The first billing is an estimate of the current year's levy based on the prior year's taxes. The second billing reflects adjustments to the current year's actual levy. The final tax bill is usually mailed on or before June 14th, along with the first half estimated tax bills for the subsequent year. The first half estimated taxes are divided into two due dates, February 1 and May 1. The final tax bills are also divided into two due dates, August 1 and November 1. A ten-day grace period is usually granted before the taxes are considered delinquent and there is an imposition of interest charges. A penalty may be assessed for any unpaid taxes in excess of \$10,000 at December 31 of the current year. Unpaid taxes of the current and prior year may be placed in lien at a tax sale held after December 10.

Taxes are collected by the constituent municipality and are remitted to the local school district on a predetermined, agreed-upon schedule.

OGDENSBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

NOTE 17. CONTINGENT LIABILITIES

Grant Programs

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

Litigation

The District is periodically involved in various lawsuits. The District estimates that the potential claims against it resulting from any such litigation and not covered by insurance would not materially affect the financial statements of the District.

Encumbrances

At June 30, 2011, there were encumbrances in the General Fund of \$28,750 reported on Schedule C-1, Budgetary Comparison Schedule – General Fund, which were not reported on Schedule B-1, Balance Sheet for the Governmental Funds, due to the final two state aid payments not being recognized on a GAAP basis.

NOTE 18. ACCOUNTS PAYABLE

Payables as of June 30, 2011, were:

	<u>Governmental Funds</u>		
	<u>General</u>	<u>Special</u>	<u>Total</u>
	<u>Fund</u>	<u>Revenue</u>	<u>Governmental</u>
		<u>Fund</u>	<u>Funds</u>
Vendors	\$ 5,345	\$ 2,438	\$ 7,783
Salaries and Wages	17,493		17,493
	<u>\$ 22,838</u>	<u>\$ 2,438</u>	<u>\$ 25,276</u>

BUDGETARY COMPARISON SCHEDULES

OGDENSBURG BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 2,135,868		\$ 2,135,868	\$ 2,135,868	
Unrestricted Miscellaneous Revenues	2,000		2,000	4,535	\$ 2,535
Total - Local Sources	<u>2,137,868</u>		<u>2,137,868</u>	<u>2,140,403</u>	<u>2,535</u>
State Sources:					
Categorical Special Education Aid	144,731		144,731	144,731	
Equalization Aid	1,201,237		1,201,237	1,201,237	
Categorical Security Aid	24,379		24,379	24,379	
Adjustment Aid	529,943		529,943	529,943	
Categorical Transportation Aid	17,207		17,207	17,207	
Additional Non-Public Transportation Aid				1,056	1,056
TPAF Non-Contributory Insurance (On-Behalf - Non-Budgeted)				6,912	6,912
TPAF Post Retirement Contributions (On-Behalf - Non-Budgeted)				146,802	146,802
Reimbursed TPAF Social Security Contributions (non-budgeted)				152,063	152,063
Total State Sources	<u>1,917,497</u>		<u>1,917,497</u>	<u>2,224,330</u>	<u>306,833</u>
TOTAL REVENUES	<u>4,055,365</u>		<u>4,055,365</u>	<u>4,364,733</u>	<u>309,368</u>
EXPENDITURES:					
CURRENT EXPENSE					
Regular Programs - Instruction:					
Kindergarten - Salaries of Teachers	45,275		45,275	45,080	195
Grades 1-5 - Salaries of Teachers	604,954	\$ 55,364	660,318	660,092	226
Grades 6-8 - Salaries of Teachers	433,881	(17,800)	416,081	415,894	187
Regular Programs - Home Instruction:					
Salaries of Teachers		3,100	3,100	3,094	6
Regular Programs - Undistributed Instruction:					
Other Purchased Services	500	(500)			
General Supplies	61,172	4,162	65,334	63,618	1,716
Textbooks	1,000	14,925	15,925	1,025	14,900
Other Objects	300	(70)	230	230	
Total Regular Programs - Instruction	<u>1,147,082</u>	<u>59,181</u>	<u>1,206,263</u>	<u>1,189,033</u>	<u>17,230</u>

OGDENSBURG BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Special Education - Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	\$ 76,150	\$ (76,150)			
Other Salaries for Instruction	20,256	(20,256)			
General Supplies	2,000	(2,000)			
Total Learning and/or Language Disabilities	<u>98,406</u>	<u>(98,406)</u>			
Multiple Disabilities:					
Salaries of Teachers	56,430	(56,430)			
Other Salaries for Instruction	23,302	(23,302)			
General Supplies	2,000	(2,000)			
Total Multiple Disabilities	<u>81,732</u>	<u>(81,732)</u>			
Resource Room/Resource Center:					
Salaries of Teachers	161,450	108,980	\$ 270,430	\$ 270,396	\$ 34
Other Salaries for Instruction	67,116	57,687	124,803	124,803	
General Supplies	2,000	3,840	5,840	5,834	6
Total Resource Room/Resource Center	<u>230,566</u>	<u>170,507</u>	<u>401,073</u>	<u>401,033</u>	<u>40</u>
Preschool Disabilities - Part Time:					
Salaries of Teachers	52,500	(23,100)	29,400	29,400	
Other Salaries for Instruction	20,066	(9,537)	10,529	10,527	2
General Supplies	1,500	125	1,625	1,611	14
Total Preschool Disabilities - Part Time	<u>74,066</u>	<u>(32,512)</u>	<u>41,554</u>	<u>41,538</u>	<u>16</u>
Total Special Education Instruction	<u>484,770</u>	<u>(42,143)</u>	<u>442,627</u>	<u>442,571</u>	<u>56</u>
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	55,895	6,325	62,220	62,220	
General Supplies	450	(210)	240	240	
Total Basic Skills/Remedial - Instruction	<u>56,345</u>	<u>6,115</u>	<u>62,460</u>	<u>62,460</u>	

OGDENSBURG BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
School-Sponsored Cocurricular Activities - Instruction:					
Salaries	\$ 7,200	\$ 450	\$ 7,650	\$ 7,650	
Supplies and Materials		1,900	1,900	1,844	\$ 56
Total School-Sponsored Cocurricular Activities - Instruction	7,200	2,350	9,550	9,494	56
School-Sponsored Athletics - Instruction:					
Salaries	19,020	(266)	18,754	18,754	
Supplies and Materials	500		500	457	43
Transfer to Cover Deficit (Agency Funds)	3,000		3,000	3,000	
Total School-Sponsored Athletics - Instruction	22,520	(266)	22,254	22,211	43
Summer School - Instruction:					
Salaries of Teachers	8,400	(478)	7,922	7,921	1
Other Salaries for Instruction	5,300	(2,892)	2,408	2,407	1
Purchased Professional and Technical Services	10,500	(6,080)	4,420	4,420	
General Supplies	1,000	(1,000)			
Total Summer School - Instruction	25,200	(10,450)	14,750	14,748	2
Summer School - Support Services:					
Salaries	2,175	3,660	5,835	5,832	3
Total Summer School - Support Services	2,175	3,660	5,835	5,832	3
Total Instruction	1,745,292	18,447	1,763,739	1,746,349	17,390
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEA's - Special Education		8,700	8,700	8,666	34
Tuition to Private Schools for the Handicapped - Within State	98,815	(7,600)	91,215	91,180	35
Total Undistributed Expenditures - Instruction	98,815	1,100	99,915	99,846	69

OGDENSBURG BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Health Services:					
Salaries	\$ 51,600	\$ 800	\$ 52,400	\$ 52,340	\$ 60
Purchased Professional and Technical Services	5,500	(1,300)	4,200	4,200	
Other Purchased Services (400-500 Series)	346	(100)	246	210	36
Supplies and Materials	2,141	(98)	2,043	1,996	47
Other Objects	175		175	169	6
Total Health Services	59,762	(698)	59,064	58,915	149
Other Support Services - Speech, OT, PT and Other Related Services:					
Salaries	76,395	250	76,645	76,645	
Purchased Professional- Educational Services	34,000	(5,480)	28,520	28,516	4
Supplies and Materials	725		725	598	127
Total Other Support Services - Speech, OT, PT and Other Related Services	111,120	(5,230)	105,890	105,759	131
Other Support Services - Students - Guidance:					
Salaries of Other Professional Staff	6,050	5,198	11,248	11,248	
Total Other Support Services - Students - Guidance	6,050	5,198	11,248	11,248	
Other Support Services - Students - Child Study Teams:					
Salaries of Other Professional Staff	210,443	7,225	217,668	217,668	
Salaries of Secretarial and Clerical Assistants	12,120	5,086	17,206	17,206	
Purchased Professional Educational Services	2,000	(1,376)	624	624	
Other Purchased Professional and Technical Services	2,000	(2,000)			
Miscellaneous Purchased Services (400-500 series)	1,000	(650)	350	333	17
Supplies and Materials	975		975	858	117
Other Objects	280		280	275	5
Total Other Support Services - Students - Child Study Teams	228,818	8,285	237,103	236,964	139
Improvement of Instructional Services:					
Salaries of Supervisor of Instruction	4,050		4,050	3,625	425
Total Improvement of Instructional Services	4,050		4,050	3,625	425

OGDENSBURG BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Educational Media Services/School Library:					
Salaries	\$ 37,950	\$ (13,700)	\$ 24,250	\$ 24,250	
Purchased Professional and Technical Services	23,660	2,100	25,760	22,735	\$ 3,025
Supplies and Materials	420		420	327	93
Total Educational Media Services/School Library	<u>62,030</u>	<u>(11,600)</u>	<u>50,430</u>	<u>47,312</u>	<u>3,118</u>
Instructional Staff Training Services:					
Purchased Professional - Educational Services		1,000	1,000	580	420
Other Purchased Services (400-500 Series)	5,800	(1,900)	3,900	3,315	585
Other Objects	100		100		100
Total Instructional Staff Training Services	<u>5,900</u>	<u>(900)</u>	<u>5,000</u>	<u>3,895</u>	<u>1,105</u>
Support Services - General Administration:					
Salaries	73,116	1	73,117	73,025	92
Legal Services	21,305	500	21,805	21,509	296
Audit Fees	20,000	(425)	19,575	19,567	8
Other Purchased Professional Services	11,048	(500)	10,548	10,404	144
Communications/Telephone	9,000	4,850	13,850	13,484	366
BOE Other Purchased Services	750	(200)	550	337	213
Other Purchased Services	4,300	500	4,800	4,603	197
General Supplies	9,259	(2,500)	6,759	6,362	397
Miscellaneous Expenditures	1,420	200	1,620	1,567	53
BOE Memberships and Dues	3,300	(166)	3,134	3,133	1
Total Support Services - General Administration	<u>153,498</u>	<u>2,260</u>	<u>155,758</u>	<u>153,991</u>	<u>1,767</u>
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	92,500	5,000	97,500	97,468	32
Salaries of Secretarial and Clerical Assistants	20,750	2,200	22,950	22,936	14
Purchased Professional and Technical Services	1,300	200	1,500	1,500	
Other Purchased Services (400-500 Series)	500	(500)			
Supplies and Materials	1,270	(586)	684	420	264
Other Objects	875	125	1,000	1,000	
Total Support Services - School Administration	<u>117,195</u>	<u>6,439</u>	<u>123,634</u>	<u>123,324</u>	<u>310</u>

OGDENSBURG BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Central Services:					
Salaries	\$ 118,314		\$ 118,314	\$ 118,314	
Purchased Professional Services	9,012		9,012	8,786	\$ 226
Miscellaneous Purchased Services (400-500 Series)	500		500	307	193
Supplies and Materials	2,728	\$ (824)	1,904	1,903	1
Miscellaneous Expenditures	1,075		1,075	1,072	3
Total Central Services	<u>131,629</u>	<u>(824)</u>	<u>130,805</u>	<u>130,382</u>	<u>423</u>
Administration Information Technology:					
Salaries	10,000	(10,000)			
Purchased Technical Services		14,000	14,000	13,955	45
Other Purchased Services (400-500 Series)	4,355	2,000	6,355	6,272	83
Supplies and Materials	4,927	(1,577)	3,350	2,988	362
Total Administration Information Technology	<u>19,282</u>	<u>4,423</u>	<u>23,705</u>	<u>23,215</u>	<u>490</u>
Required Maintenance of School Facilities:					
Salaries	13,682	1	13,683	13,682	1
Cleaning, Repair and Maintenance Services	19,400	(875)	18,525	18,325	200
General Supplies	4,275	(2,500)	1,775	1,760	15
Total Required Maintenance of School Facilities	<u>37,357</u>	<u>(3,374)</u>	<u>33,983</u>	<u>33,767</u>	<u>216</u>
Custodial Services:					
Salaries	158,090	(1,170)	156,920	156,881	39
Salaries of Non-Instructional Aides	5,000	1,350	6,350	6,089	261
Purchased Professional and Technical Services	4,248	(1,900)	2,348	2,340	8
Cleaning, Repair and Maintenance Services	22,450	(2,400)	20,050	19,067	983
Other Purchased Property Services	38,500	(28,333)	10,167	10,040	127
Insurance	25,335	(5,967)	19,368	19,368	
Miscellaneous Purchased Services	500		500	438	62
General Supplies	10,000	5,600	15,600	12,990	2,610
Other Objects	250		250	205	45
Energy (Natural Gas)	4,000	(1,700)	2,300	2,282	18

OGDENSBURG BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Custodial Services (Cont'd):					
Energy (Electricity)	\$ 52,000	\$ (3,000)	\$ 49,000	\$ 48,947	\$ 53
Energy (Oil)	60,000	(2,400)	57,600	57,595	5
Total Custodial Services	<u>380,373</u>	<u>(39,920)</u>	<u>340,453</u>	<u>336,242</u>	<u>4,211</u>
Care and Upkeep of Grounds:					
Salaries	21,686	(600)	21,086	20,653	433
General Supplies	1,900	2,000	3,900	3,847	53
Total Care and Upkeep of Grounds	<u>23,586</u>	<u>1,400</u>	<u>24,986</u>	<u>24,500</u>	<u>486</u>
Security:					
Purchased Professional and Technical Services	2,500	(1,000)	1,500	1,500	
Cleaning, Repair and Maintenance Services	2,500	(400)	2,100	2,082	18
General Supplies	500	(500)			
Total Security	<u>5,500</u>	<u>(1,900)</u>	<u>3,600</u>	<u>3,582</u>	<u>18</u>
Student Transportation Services:					
Management Fee - ESC Transportation Programs	4,700	(2,100)	2,600	193	2,407
Contracted Services:					
Other Between Home and School - Vendors	3,000	500	3,500	3,479	21
Between Home and School - Joint Agreements		5,500	5,500	5,500	
Special Education Students - Vendors	50,000	1,100	51,100	51,082	18
Regular Students - ESC & CTSA	6,000	1,583	7,583	7,433	150
Aid in Lieu Payments - Nonpublic School Students	6,000	(4,232)	1,768	1,768	
Total Student Transportation Services	<u>69,700</u>	<u>2,351</u>	<u>72,051</u>	<u>69,455</u>	<u>2,596</u>
Unallocated Benefits:					
Social Security Contributions	32,000	16,000	48,000	47,829	171
Other Retirement Contributions	38,500	10,750	49,250	49,077	173
Unemployment Compensation	53,871	(34,683)	19,188	19,122	66
Workmen's Compensation	39,681	(200)	39,481	39,449	32
Health Benefits	621,330	(60,460)	560,870	560,821	49
Tuition Reimbursement	18,000	(13,000)	5,000	4,913	87
Other Employee Benefits		11,423	11,423	11,423	
Total Unallocated Benefits	<u>803,382</u>	<u>(70,170)</u>	<u>733,212</u>	<u>732,634</u>	<u>578</u>

OGDENSBURG BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
TPAF Non-Contributory Insurance (On-Behalf - Non-Budgeted)				\$ 6,912	\$ (6,912)
TPAF Post Retirement Contributions (On-Behalf - Non-Budgeted)				146,802	(146,802)
Reimbursed TPAF Social Security Contributions (non-budgeted)				152,063	(152,063)
Total Personal Services - Employee Benefits				305,777	(305,777)
Total Undistributed Expenses	\$ 2,318,047	\$ (103,160)	\$ 2,214,887	2,504,433	(289,546)
TOTAL GENERAL CURRENT EXPENSE	4,063,339	(84,713)	3,978,626	4,250,782	(272,156)
CAPITAL OUTLAY:					
Equipment:					
Undistributed Expenditures - Instruction	21,553		21,553	21,553	
Custodial Services	2,700		2,700	2,700	
Care and Upkeep of Grounds		4,470	4,470		4,470
Total Equipment	24,253	4,470	28,723	24,253	4,470
Facilities Acquisition and Constuction Services:					
Other Objects	3,910		3,910	3,910	
Total Facilities Acquisition and Constuction Services	3,910		3,910	3,910	
TOTAL CAPITAL OUTLAY	28,163	4,470	32,633	28,163	4,470
Transfer of Funds to Charter Schools	42,799	10,243	53,042	53,042	
TOTAL EXPENDITURES	4,134,301	(70,000)	4,064,301	4,331,987	(267,686)
Excess (Deficit) of Revenues Over/(Under) Expenditures	(78,936)	70,000	(8,936)	32,746	41,682
Other Financing Uses:					
Capital Reserve Fund - Transfer to Capital Projects Fund		(14,955)	(14,955)	(14,955)	
Capital Outlay - Transfer to Capital Projects Fund	(104,955)	(55,045)	(160,000)	(125,000)	35,000
Total Other Financing Uses	(104,955)	(70,000)	(174,955)	(139,955)	35,000

OGDENSBURG BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Excess (Deficit) of Revenues Over/(Under) Expenditures and Other Financing Uses	\$ (183,891)		\$ (183,891)	\$ (107,209)	\$ 76,682
Fund Balance, July 1	307,191		307,191	307,191	
Fund Balance, June 30	\$ 123,300	\$ -0-	\$ 123,300	\$ 199,982	\$ 76,682
<u>Recapitulation:</u>					
Restricted:					
Capital Reserve				\$ 35,129	
Assigned:					
Year-End Encumbrances				28,750	
Designated for Subsequent Year's Expenditures				10,000	
Unassigned				126,103	
				199,982	
Reconciliation to Governmental Funds Statements (GAAP):					
Last Two State Aid Payments not Recognized on GAAP Basis				(191,365)	
Fund Balance per Governmental Funds (GAAP)				\$ 8,617	

OGDENSBURG BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual
Revenue:				
Local Sources		\$ 3,497	\$ 3,497	\$ 3,497
Federal Sources	\$ 126,865	(7,009)	119,856	119,856
Total Revenue	126,865	(3,512)	123,353	123,353
Expenditures:				
Instruction:				
Salaries of Teachers	27,069	(10,421)	16,648	16,648
Tuition	85,273	(4,321)	80,952	80,952
Purchased Professional - Educational Services		3,562	3,562	3,562
Other Purchased Services		887	887	887
General Supplies	775	2,041	2,816	2,816
Total Instruction	113,117	(8,252)	104,865	104,865
Support Services:				
Salaries				
Personal Services - Employee Benefits		2,438	2,438	2,438
Purchased Professional - Educational Services	13,748	(2,247)	11,501	11,501
Other Purchased Professional Services		3,649	3,649	3,649
Supplies and Materials		900	900	900
Total Support Services	13,748	4,740	18,488	18,488
Total Expenditures	\$ 126,865	\$ (3,512)	\$ 123,353	\$ 123,353

OGDENSBURG BOROUGH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 4,364,733	\$ 123,353
Differences - Budget to GAAP:		
Prior Year State Aid Payments Recognized for GAAP Statements	213,050	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(191,365)	
 Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	 \$ 4,386,418	 \$ 123,353
 Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 4,331,987	\$ 123,353
 Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	 \$ 4,331,987	 \$ 123,353

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 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. 6:20-2A.2(m)l. All budget amendments/transfers must be made by School Board resolution. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions or the annual budgets during the year).

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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

The general fund budgetary revenue differs from GAAP revenue due to a difference in recognition of the last two state aid payments for the current year. Since the State is recording the last two state aid payments in the subsequent fiscal year, the District cannot recognize these payments on the GAAP financial statements.

SCHOOL LEVEL SCHEDULES
(NOT APPLICABLE)

SPECIAL REVENUE FUND

OGDENSBURG BOROUGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>No Child Left Behind</u>			<u>IDEA Part B</u>	
	<u>Title I</u>	<u>Title II Part A</u>	<u>Title II Part D</u>	<u>Basic</u>	<u>Preschool</u>
REVENUE:					
Local Sources					
Federal Sources	\$ 21,887	\$ 13,406	\$ 49	\$ 80,952	\$ 3,562
Total Revenue	<u>21,887</u>	<u>13,406</u>	<u>49</u>	<u>80,952</u>	<u>3,562</u>
EXPENDITURES:					
Instruction:					
Salaries of Teachers	16,648				
Tuition				80,952	
Purchased Professional - Educational Services					3,562
Other Purchased Services	887				
General Supplies	819				
Total Instruction	<u>18,354</u>			<u>80,952</u>	<u>3,562</u>
Support Services:					
Personal Services - Employee Benefits	2,438				
Purchased Professional - Educational Services	1,095	10,406			
Other Purchased Professional Services		2,100	49		
Supplies and Materials		900			
Total Support Services	<u>3,533</u>	<u>13,406</u>	<u>49</u>		
Total Expenditures	<u>\$ 21,887</u>	<u>\$ 13,406</u>	<u>\$ 49</u>	<u>\$ 80,952</u>	<u>\$ 3,562</u>

OGDENSBURG BOROUGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	AAA Reading Program	PRISM Outdoor Grant	Totals
REVENUE:			
Local Sources	\$ 1,000	\$ 2,497	\$ 3,497
Federal Sources			119,856
Total Revenue	<u>1,000</u>	<u>2,497</u>	<u>123,353</u>
EXPENDITURES:			
Instruction:			
Salaries of Teachers			16,648
Tuition			80,952
Purchased Professional - Educational Services			3,562
Other Purchased Services			887
General Supplies	<u>1,000</u>	<u>997</u>	<u>2,816</u>
Total Instruction	<u>1,000</u>	<u>997</u>	<u>104,865</u>
Support Services:			
Personal Services - Employee Benefits			2,438
Purchased Professional - Educational Services			11,501
Other Purchased Professional Services		1,500	3,649
Supplies and Materials			900
Total Support Services		<u>1,500</u>	<u>18,488</u>
Total Expenditures	<u>\$ 1,000</u>	<u>\$ 2,497</u>	<u>\$ 123,353</u>

CAPITAL PROJECTS FUND

Exhibit F-1

OGDENSBURG BOROUGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Revenue and Other Financing Sources	
State Sources - SDA Grant	\$ 172,824
Transfer from Capital Outlay	125,000
Transfer from Capital Reserve Funds	<u>14,955</u>
Total Revenue and Other Financing Sources	<u>312,779</u>
Expenditures:	
Purchased Professional Services	<u>30,996</u>
Total Expenditures	<u>30,996</u>
Excess of Revenue and Other Financing Sources Over Expenditures	281,783
Fund Balance - Beginning of Year	<u>-0-</u>
Fund Balance - End of Year	<u>\$ 281,783</u>
<u>Recapitulation:</u>	
Fund Balance per Governmental Funds (Budgetary Basis)	<u>\$ 281,783</u>
	281,783
Reconciliation to Governmental Funds Statement (GAAP):	
SDA Grants not Recognized on GAAP Basis	<u>(172,824)</u>
Fund Balance per Governmental Funds (GAAP)	<u>\$ 108,959</u>

OGDENSBURG BOROUGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -
BUDGETARY BASIS
INSTALLATION OF BOILER, REPLACEMENT OF EXTERIOR DOORS AND REPLACEMENT OF PLATFORM
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
State Sources - SDA Grant		\$ 172,824	\$ 172,824	\$ 172,824
Transfer from Capital Outlay		125,000	125,000	125,000
Transfer from Capital Reserve		14,955	14,955	14,955
Lease-Purchase Agreement				103,475
				<u>103,475</u>
Total Revenue and Other Financing Sources		<u>312,779</u>	<u>312,779</u>	<u>416,254</u>
Expenditures:				
Purchased Professional Services		30,996	30,996	77,619
Construction Services				338,635
				<u>338,635</u>
Total Expenditures		<u>30,996</u>	<u>30,996</u>	<u>416,254</u>
Excess of Revenue and Other Financing Sources Over Expenditures	<u>\$ -0-</u>	<u>\$ 281,783</u>	<u>\$ 281,783</u>	<u>\$ -0-</u>

Additional Project Information:

Project Numbers	3840-050-10-1001
Grant Date	9/8/2010
Original Authorized Cost	\$ 416,254
Additional Authorized Cost	-0-
Revised Authorized Cost	<u>\$ 416,254</u>
Percentage Completion	7.45%
Original Target Completion Date	8/31/2011

PROPRIETARY FUNDS

OGDENSBURG BOROUGH SCHOOL DISTRICT
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF NET ASSETS
AS OF JUNE 30, 2011

ASSETS:

Current Assets:

Cash and Cash Equivalents	\$ 7,335
Intergovernmental Accounts Receivable:	
State	59
Inventories	2,545
	<hr/>
Total Current Assets	9,939

Non-Current Assets:

Capital Assets	50,505
Less: Accumulated Depreciation	(42,634)
	<hr/>
Total Non-Current Assets	7,871

Total Assets	<hr/> 17,810 <hr/>
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LIABILITIES:

Current Liabilities:

Deferred Revenue	1,100
	<hr/>
Total Current Liabilities	1,100

NET ASSETS:

Investment in Capital Assets Net of Related Debt	7,871
Unrestricted	8,839
	<hr/>
Total Net Assets	\$ 16,710

OGDENSBURG BOROUGH SCHOOL DISTRICT
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF REVENUE, EXPENSES
AND CHANGES IN FUND NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Operating Revenue:	
Local Sources:	
Daily Sales - Reimbursable Programs	\$ 43,909
Daily Sales - Non-Reimbursable Programs	14,473
Other Income	20
	<hr/>
Total Operating Revenue	58,402
	<hr/>
Operating Expenses:	
Cost of Sales	43,167
Salaries, Benefits & Payroll Taxes	30,152
Supplies, Insurance & Other Costs	1,777
Management Fee	7,000
Depreciation Expense	1,134
	<hr/>
Total Operating Expenses	83,230
	<hr/>
Operating Loss	(24,828)
Non-Operating Income:	
Local Sources:	
Interest Income	32
State Sources:	
State School Lunch Program	1,142
Federal Sources:	
National School Lunch Program	18,220
Food Distribution Program	5,023
	<hr/>
Total Non-Operating Income	24,417
	<hr/>
Change in Net Assets	(411)
Net Assets - Beginning of Year	17,121
	<hr/>
Net Assets - End of Year	\$ 16,710
	<hr/> <hr/>

OGDENSBURG BOROUGH SCHOOL DISTRICT
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Cash Flows from Operating Activities:	
Receipts from Customers	\$ 58,402
Payments to Food Service Contractor	<u>(77,177)</u>
Net Cash Used for Operating Activities	<u>(18,775)</u>
Cash Flows by Investing Activities:	
Local Sources:	
Interest Income	<u>32</u>
Net Cash Provided by Investing Activities	<u>32</u>
Cash Flows from Noncapital Financing Activities:	
State Sources:	
State School Lunch Program- Received in Food Service Fund	1,197
Federal Sources:	
National School Lunch Program - Received in Food Service Fund	<u>19,770</u>
Net Cash Provided by Noncapital Financing Activities	<u>20,967</u>
Net Increase in Cash and Cash Equivalents	2,224
Cash and Cash Equivalents, July 1	<u>5,111</u>
Cash and Cash Equivalents, June 30	<u>\$ 7,335</u>
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:	
Operating Loss	\$ (24,828)
Adjustment to Reconcile Operating Loss to Cash Used for Operating Activities:	
Depreciation	1,134
Food Distribution Program	5,023
Changes in Assets and Liabilities:	
Decrease in Inventory	190
(Decrease) in Deferred Revenue	<u>(294)</u>
Net Cash Used for Operating Activities	<u>\$ (18,775)</u>

Noncash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received U.S.D.A. Commodities through the Food Distribution Program valued at \$4,729 and utilized U.S.D.A. Commodities valued at \$5,023.

FIDUCIARY FUNDS

OGDENSBURG BOROUGH SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF NET ASSETS
JUNE 30, 2011

				Trust	
	Student Activity Fund	Agency Payroll Agency Fund	Total Agency Funds	Unemployment Compensation Trust	Private Purpose Scholarship Trust
ASSETS:					
Cash and Cash Equivalents	\$ 10,875	\$ 1,201	\$ 12,076	\$ 34,186	\$ 5,501
Interfund Receivable:					
Special Revenue Fund	100		100		
Investments				35,107	
Total Assets	\$ 10,975	\$ 1,201	\$ 12,176	\$ 69,293	\$ 5,501
LIABILITIES:					
Interfund Payable:					
General Fund		\$ 1,200	\$ 1,200		
Payroll Deductions and Withholdings		1	1		
Due to Athletics Account	\$ 626		626		
Due to Student Groups	10,349		10,349		
Total Liabilities	10,975	1,201	12,176		
NET ASSETS:					
Held in Trust for Unemployment Claims				\$ 69,293	
Reserved for Scholarships					\$ 5,501
Total Net Assets	\$ -0-	\$ -0-	\$ -0-	\$ 69,293	\$ 5,501

OGDENSBURG BOROUGH SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Unemployment Compensation Trust	Private Purpose Scholarship Trust
Additions:		
Contributions:		
Plan Member Contributions	\$ 4,331	
Board Contribution	19,000	
Donations		\$ 725
Total Contributions	23,331	725
Investment Earnings:		
Interest	178	6
Net Investment Earnings	178	6
Total Additions	23,509	731
Deductions:		
Unemployment Compensation Claims	18,746	
Scholarships Awarded		850
Total Deductions	18,746	850
Change in Net Assets	4,763	(119)
Net Assets - Beginning of the Year	64,530	5,621
Net Assets - End of the Year	\$ 69,293	\$ 5,501

OGDENSBURG BOROUGH SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS

	<u>Balance</u> <u>July 1, 2010</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>June 30, 2011</u>
<u>ASSETS:</u>				
Cash and Cash Equivalents	\$ 10,578	\$ 26,913	\$ 26,516	\$ 10,975
Interfund Receivable:				
Special Revenue Fund		100		100
Total Assets	<u>\$ 10,578</u>	<u>\$ 27,013</u>	<u>\$ 26,516</u>	<u>\$ 11,075</u>
<u>LIABILITIES:</u>				
Due to Athletics Account		\$ 3,006	\$ 2,380	\$ 626
Due to Student Groups	\$ 10,578	23,907	24,136	10,349
Total Liabilities	<u>\$ 10,578</u>	<u>\$ 26,913</u>	<u>\$ 26,516</u>	<u>\$ 10,975</u>

OGDENSBURG BOROUGH SCHOOL DISTRICT
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Balance</u> <u>July 1, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2011</u>
<u>ASSETS:</u>				
Cash and Cash Equivalents		\$ 3,377,481	\$ 3,376,281	\$ 1,201
Total Assets	\$ -0-	\$ 3,377,481	\$ 3,376,281	\$ 1,201
<u>LIABILITIES:</u>				
Interfund Payable:				
General Fund		\$ 1,200		\$ 1,200
Payroll Deductions and Withholdings		3,376,281	\$ 3,376,281	1
Total Liabilities	\$ -0-	\$ 3,377,481	\$ 3,376,281	\$ 1,201

LONG-TERM DEBT

OGDENSBURG BOROUGH SCHOOL DISTRICT
GENERAL LONG-TERM DEBT ACCOUNT GROUP
STATEMENT OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Purpose	Date of Issue	Original Issue	Annual Maturities		Interest Rate	Balance July 1, 2010	Retired or Matured	Balance June 30, 2011
			Date	Amount				
Roof Repairs, Removal of Underground Storage Tanks and Repaving of Parking Lot	08/15/02	\$ 403,000	8/15/11	\$ 50,000	3.85%	\$ 148,000	\$ 50,000	\$ 98,000
			8/15/12	48,000	3.85%			
Americans with Disabilities Upgrade, Replacement of Windows, Removal of Existing Playground and Installation of a New Playground	07/15/08	275,000	7/15/11	28,000	4.30%	250,000	25,000	225,000
			7/15/12	25,000	4.30%			
			7/15/13-14	45,000	4.30%			
			7/15/15	42,000	4.30%			
			7/15/16	40,000	4.30%			
						<u>\$ 398,000</u>	<u>\$ 75,000</u>	<u>\$ 323,000</u>

OGDENSBURG BOROUGH SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

NOT APPLICABLE

OGDENSBURG BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUE:					
Local Sources:					
Local Tax Levy	\$ 73,124		\$ 73,124	\$ 73,124	
State Sources:					
Debt Service Aid Type II	24,255		24,255	24,255	
Total Revenue	<u>97,379</u>		<u>97,379</u>	<u>97,379</u>	
EXPENDITURES:					
Regular Debt Service:					
Interest	16,018		16,018	16,018	
Redemption of Principal	81,361		81,361	81,360	\$ 1
Total Regular Debt Service	<u>97,379</u>		<u>97,379</u>	<u>97,378</u>	1
Total Expenditures	<u>97,379</u>		<u>97,379</u>	<u>97,378</u>	1
Excess of Revenues Over Expenditures				1	1
Fund Balance, July 1	2		2	2	
Fund Balance, June 30	<u>\$ 2</u>	<u>\$ -0-</u>	<u>\$ 2</u>	<u>\$ 3</u>	<u>\$ 1</u>
<u>Recapitulation:</u>					
Restricted (Designated for Subsequent Year's Expenditures)				\$ 2	
Restricted				1	
				<u>\$ 3</u>	

OGDENSBURG BOROUGH SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF LOANS PAYABLE

<u>Loan</u>	<u>Interest Rate</u>	<u>Amount of Original Loan</u>	<u>Balance July 1, 2010</u>	<u>Retired or Matured</u>	<u>Balance June 30, 2011</u>
Small Project	5.288%	\$ 76,950	\$ 21,394	\$ 5,010	\$ 16,384
Safe Program	1.500%	25,650	<u>5,400</u>	<u>1,350</u>	<u>4,050</u>
			<u>\$ 26,794</u>	<u>\$ 6,360</u>	<u>\$ 20,434</u>

STATISTICAL SECTION

This part of the District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the District's overall financial health.

Contents

	<u>Exhibit</u>
<p>Financial Trends</p> <p>These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.</p>	J-1 thru J-5
<p>Revenue Capacity</p> <p>These schedules contain information to help the reader assess the factors affecting the District's ability to generate its property taxes.</p>	J-6 thru J-9
<p>Debt Capacity</p> <p>These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.</p>	J-10 thru J-13
<p>Demographic and Economic Information</p> <p>These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place and to help make comparisons over time and with other governments.</p>	J-14 thru J-15
<p>Operating Information</p> <p>These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.</p>	J-16 thru J-20

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year. The District implemented Statement 34 in a previous fiscal year. Schedules presenting government-wide information include information beginning in the fiscal year ended June 30, 2005.

OGDENSBURG BOROUGH SCHOOL DISTRICT
NET ASSETS BY COMPONENT,
LAST SEVEN FISCAL YEARS
UNAUDITED
 (accrual basis of accounting)

	Fiscal Year Ending June 30,						
	2005	2006	2007	2008	2009	2010	2011
Governmental Activities							
Invested in Capital Assets, Net of Related Debt	\$ 362,315	\$ 675,143	\$ 762,698	\$ 794,077	\$ 502,738	\$ 522,473	\$ 550,367
Restricted/(Deficit)	20,089	185,503	55,569	(255,502)	51,896	59,022	172,841
Unrestricted/(Deficit)	502,807	(181,099)	(36,098)	4,741	(84,375)	(95,353)	(166,464)
Total Governmental Activities Net Assets	\$ 885,211	\$ 679,547	\$ 782,169	\$ 543,316	\$ 470,259	\$ 486,142	\$ 556,744
Business-Type Activities							
Invested in Capital Assets, Net of Related Debt	\$ 9,647	\$ 9,179	\$ 8,284	\$ 11,140	\$ 10,139	\$ 9,005	\$ 7,871
Unrestricted	1,523	246	2,491	5,974	6,033	8,116	8,839
Total Business-Type Activities Net Assets	\$ 11,170	\$ 9,425	\$ 10,775	\$ 17,114	\$ 16,172	\$ 17,121	\$ 16,710
District-Wide							
Invested in Capital Assets, Net of Related Debt	\$ 371,962	\$ 684,322	\$ 770,982	\$ 805,217	\$ 512,877	\$ 531,478	\$ 558,238
Restricted/(Deficit)	20,089	185,503	55,569	(255,502)	51,896	59,022	172,841
Unrestricted/(Deficit)	504,330	(180,853)	(33,607)	10,715	(78,342)	(87,237)	(157,625)
Total District Net Assets	\$ 896,381	\$ 688,972	\$ 792,944	\$ 560,430	\$ 486,431	\$ 503,263	\$ 573,454

This schedule does not contain ten years of information as GASB #44 was implemented during this fiscal year ending June 30, 2006.

Source: School District Financial Reports

OGDENSBURG BOROUGH SCHOOL DISTRICT
CHANGES IN NET ASSETS, LAST SEVEN FISCAL YEARS
UNAUDITED
(accrual basis of accounting)

	Fiscal Year Ending June 30,						
	2005	2006	2007	2008	2009	2010	2011
Expenses:							
Governmental activities:							
Instruction:							
Regular	\$ 1,892,850	\$ 2,145,231	\$ 1,994,863	\$ 2,021,270	\$ 1,949,580	\$ 1,925,261	\$ 1,793,060
Special Education	751,259	742,429	744,483	824,628	847,685	849,772	721,931
Other Special Instruction	39,920	76,263	121,247	116,718	42,841	77,103	111,445
School Sponsored/Other Instruction	45,909	35,934	48,216	50,423	50,007	59,265	48,334
Support Services:							
Tuition		63,268	108,895	95,995	59,839	63,665	99,846
Student & Instruction Related Services	557,108	562,083	643,418	679,253	563,354	674,800	595,834
General Administrative Services	217,866	255,684	231,570	243,619	224,207	210,098	177,700
School Administrative Services	187,638	209,472	122,475	204,309	170,961	197,756	174,094
Central Services	115,238	139,275	158,975	167,328	152,650	161,712	167,781
Administrative Information Technology			16,103	43,499	21,322	17,569	23,215
Plant Operations And Maintenance	399,588	395,353	384,094	433,849	423,803	463,204	455,141
Pupil Transportation	87,676	42,888	88,571	128,439	107,776	96,174	69,455
Capital Outlay		16,041		14,467		8,200	30,996
Charter Schools	35,000	17,276	17,910	9,311		22,753	53,042
Interest On Long-Term Debt	20,552	19,906	25,284	26,348	31,930	17,933	14,674
Total Governmental Activities Expenses	<u>4,350,604</u>	<u>4,721,103</u>	<u>4,706,104</u>	<u>5,059,456</u>	<u>4,645,955</u>	<u>4,845,265</u>	<u>4,536,548</u>
Business-type activities:							
Food Service	131,627	130,855	81,959	84,238	84,423	88,407	83,230
Total Business-Type Activities Expense	<u>131,627</u>	<u>130,855</u>	<u>81,959</u>	<u>84,238</u>	<u>84,423</u>	<u>88,407</u>	<u>83,230</u>
Total District Expenses	<u>\$ 4,482,231</u>	<u>\$ 4,851,958</u>	<u>\$ 4,788,063</u>	<u>\$ 5,143,694</u>	<u>\$ 4,730,378</u>	<u>\$ 4,933,672</u>	<u>\$ 4,619,778</u>

OGDENSBURG BOROUGH SCHOOL DISTRICT
CHANGES IN NET ASSETS, LAST SEVEN FISCAL YEARS
UNAUDITED
(accrual basis of accounting)

	Fiscal Year Ending June 30,						
	2005	2006	2007	2008	2009	2010	2011
Program Revenues:							
Governmental Activities:							
Charges For Services:							
Special Education	\$ 60,368						
Operating Grants and Contributions	929,718	\$ 1,000,481	\$ 1,157,695	\$ 1,159,312	\$ 610,499	\$ 697,375	\$ 592,341
Capital Grants and Contributions	342,215						
Total Governmental Activities Program Revenues	<u>1,332,301</u>	<u>1,000,481</u>	<u>1,157,695</u>	<u>1,159,312</u>	<u>610,499</u>	<u>697,375</u>	<u>592,341</u>
Business-Type Activities:							
Charges for Services:							
Food Service	\$ 71,863	\$ 73,823	\$ 52,808	\$ 60,163	\$ 59,116	\$ 60,749	\$ 58,402
Operating Grants and Contributions	31,288	31,067	25,319	26,322	24,307	28,544	24,385
Total Business Type Activities Program Revenues	<u>103,151</u>	<u>104,890</u>	<u>78,127</u>	<u>86,485</u>	<u>83,423</u>	<u>89,293</u>	<u>82,787</u>
Total District Program Revenues	<u>\$ 1,435,452</u>	<u>\$ 1,105,371</u>	<u>\$ 1,235,822</u>	<u>\$ 1,245,797</u>	<u>\$ 693,922</u>	<u>\$ 786,668</u>	<u>\$ 675,128</u>
Net (Expense)/Revenue:							
Governmental Activities	\$ (3,018,303)	\$ (3,720,622)	\$ (3,548,409)	\$ (3,900,144)	\$ (4,035,456)	\$ (4,147,890)	\$ (3,944,207)
Business-Type Activities	(28,476)	(25,965)	(3,832)	2,247	(1,000)	886	(443)
Total District-Wide Net (Expense)/Revenue	<u>\$ (3,046,779)</u>	<u>\$ (3,746,587)</u>	<u>\$ (3,552,241)</u>	<u>\$ (3,897,897)</u>	<u>\$ (4,036,456)</u>	<u>\$ (4,147,004)</u>	<u>\$ (3,944,650)</u>

OGDENSBURG BOROUGH SCHOOL DISTRICT
CHANGES IN NET ASSETS, LAST SEVEN FISCAL YEARS
UNAUDITED
(accrual basis of accounting)

	Fiscal Year Ending June 30,						
	2005	2006	2007	2008	2009	2010	2011
General Revenues and Other Changes in Net Assets							
Governmental Activities:							
Property Taxes Levied for General Purposes, Net	\$ 1,728,792	\$ 1,824,627	\$ 1,966,856	\$ 1,933,090	\$ 2,010,414	\$ 2,097,918	\$ 2,135,868
Taxes Levied for Debt Service	38,945	49,686	41,561	57,714	66,037	67,556	73,124
Tuition		40,973	12,421	2,572	3,464		
Unrestricted Grants and Contributions	1,608,098	1,591,044	1,598,634	1,654,757	1,873,677	1,988,256	1,801,282
Investment Earnings	17,030	1,117	29	7	136	128	
Miscellaneous Income	20,257	10,011	36,530	17,141	8,671	9,915	4,535
Accrued Interest on Notes	4,818						
Transfers	(24,500)	(2,500)	(5,000)	(3,990)			
Total Governmental Activities	3,393,440	3,514,958	3,651,031	3,661,291	3,962,399	4,163,773	4,014,809
Business-Type Activities:							
Investment Earnings	277	317	182	102	58	63	32
Capital Contribution		21,403		3,990			
Transfers	24,500	2,500	5,000				
Total Business-Type Activities	24,777	24,220	5,182	4,092	58	63	32
Total District-Wide	\$ 3,418,217	\$ 3,539,178	\$ 3,656,213	\$ 3,665,383	\$ 3,962,457	\$ 4,163,836	\$ 4,014,841
Change in Net Assets:							
Governmental Activities	\$ 375,137	\$ (205,664)	\$ 102,622	\$ (238,853)	\$ (73,057)	\$ 15,883	\$ 70,602
Business-Type Activities	(3,699)	(1,745)	1,350	6,339	(942)	949	(411)
Total District	\$ 371,438	\$ (207,409)	\$ 103,972	\$ (232,514)	\$ (73,999)	\$ 16,832	\$ 70,191

This schedule does not contain ten years of information as GASB #44 was implemented during this fiscal year ending June 30, 2006.

Source: School District Financial Reports

OGDENSBURG BOROUGH SCHOOL DISTRICT
FUND BALANCES, GOVERNMENTAL FUNDS,
LAST SEVEN FISCAL YEARS
UNAUDITED
(modified accrual basis of accounting)

	Fiscal Year Ending June 30,						
	2005	2006	2007	2008	2009	2010	2011
General Fund							
Reserved/Restricted	\$ 541,294	\$ 466,951	\$ 354,128	\$ 34,474	\$ 51,208	\$ 59,020	\$ 35,129
Unassigned/(Deficit)							(26,512)
Unreserved	<u>27,651</u>	<u>8,049</u>	<u>123,891</u>	<u>142,645</u>	<u>45,953</u>	<u>35,121</u>	
Total General Fund	<u>\$ 568,945</u>	<u>\$ 475,000</u>	<u>\$ 478,019</u>	<u>\$ 177,119</u>	<u>\$ 97,161</u>	<u>\$ 94,141</u>	<u>\$ 8,617</u>
All Other Governmental Funds							
Restricted							\$ 3
Committed							108,959
Unreserved(Deficit), Reported In:							
Capital Projects Fund	\$ (291,602)	\$ (305,275)	\$ (310,727)	\$ (293,419)			
Debt Service Fund	<u>17,255</u>	<u>23,827</u>	<u>12,168</u>	<u>3,443</u>	\$ 688	\$ 2	
Total All Other Governmental Funds	<u>\$ (274,347)</u>	<u>\$ (281,448)</u>	<u>\$ (298,559)</u>	<u>\$ (289,976)</u>	<u>\$ 688</u>	<u>\$ 2</u>	<u>\$ 108,962</u>
Total Governmental Funds:							
Reserved/Restricted	\$ 541,294	\$ 466,951	\$ 354,128	\$ 34,474	\$ 51,208	\$ 59,020	\$ 35,132
Committed							108,959
Unassigned/(Deficit)							(26,512)
Unreserved/(Deficit)	<u>(246,696)</u>	<u>(273,399)</u>	<u>(174,668)</u>	<u>(147,331)</u>	<u>46,641</u>	<u>35,123</u>	
Total Governmental Funds/(Deficit)	<u>\$ 294,598</u>	<u>\$ 193,552</u>	<u>\$ 179,460</u>	<u>\$ (112,857)</u>	<u>\$ 97,849</u>	<u>\$ 94,143</u>	<u>\$ 117,579</u>

This schedule does not contain ten years of information as GASB #44 was implemented during this fiscal year ending June 30, 2006.

Source: School District Financial Reports

OGDENSBURG BOROUGH SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,
LAST SEVEN FISCAL YEARS
UNAUDITED
(modified accrual basis of accounting)

	Fiscal Year Ending June 30,						
	2005	2006	2007	2008	2009	2010	2011
Revenue:							
Tax Levy	\$ 1,767,737	\$ 1,874,313	\$ 2,008,417	\$ 1,990,804	\$ 2,076,451	\$ 2,165,474	\$ 2,208,992
Tuition Charges	60,368	40,973	12,421	2,572	3,464		
Interest Earnings	17,030	1,117	29	7	136	128	
Miscellaneous	20,257	10,011	36,530	21,831	9,476	9,915	8,032
State Sources	2,749,914	2,452,902	2,603,999	2,681,642	2,359,084	2,237,703	2,270,270
Federal Sources	130,117	138,623	152,330	127,737	124,287	447,928	119,856
Total Revenue	4,745,423	4,517,939	4,813,726	4,824,593	4,572,898	4,861,148	4,607,150
Expenditures:							
Instruction:							
Regular Instruction	1,859,301	1,495,077	1,366,061	1,334,853	1,360,376	1,329,201	1,227,872
Special Education Instruction	748,181	563,128	538,904	603,956	629,143	639,442	527,085
Other Special Instruction	52,165	46,024	81,684	76,136	40,114	53,686	83,040
School Sponsored/Other Instruction	45,909	29,274	39,831	41,084	36,853	57,571	31,705
Support Services:							
Tuition	10,074	17,604	64,047	95,995	59,839	63,665	99,846
Student & Instruction Related Services	548,502	451,076	491,238	507,448	448,313	524,261	467,718
General Administrative Services	217,126	221,252	204,874	194,250	196,173	186,411	153,991
School Administrative Services	184,751	148,878	85,388	134,226	123,430	138,095	123,324
Central Services	114,649	105,383	120,292	117,188	124,107	129,273	130,382
Administrative Information Technology			16,103	43,499	21,322	17,569	23,215
Plant Operations And Maintenance	399,168	356,266	356,382	386,323	372,283	404,642	398,091
Pupil Transportation	87,676	42,888	88,571	128,439	107,776	96,174	69,455
Unallocated Benefits		1,021,554	1,208,685	1,268,122	1,032,936	1,076,432	1,038,411
Charter Schools	35,000	17,276	17,910	9,311		22,753	53,042
Capital Outlay	558,417	48,753	66,191	94,186	6,208	30,323	59,159
Debt Service:							
Redemption of Principal	50,275	50,431	59,301	68,086	69,384	76,155	81,360
Interest And Other Charges	21,539	20,802	26,056	27,126	27,354	19,201	16,018
Total Expenditures	4,932,733	4,635,666	4,831,518	5,130,228	4,655,611	4,864,854	4,583,714

OGDENSBURG BOROUGH SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,
LAST SEVEN FISCAL YEARS
UNAUDITED
(modified accrual basis of accounting)

	Fiscal Year Ending June 30,						
	2005	2006	2007	2008	2009	2010	2011
Deficit of Revenues Under Expenditures	\$ (187,310)	\$ (117,727)	\$ (17,792)	\$ (305,635)	\$ (82,713)	\$ (3,706)	\$ 23,436
Other Financing Sources/(Uses)							
Accrued Interest on Notes	4,818						
Capital Leases (non-budgeted)		19,181					
Budget Appropriations			8,700	17,308	18,419		
Bond Proceeds					275,000		
Transfers In	38,410	834					139,955
Transfers Out	(62,910)	(3,334)	(5,000)	(3,990)			(139,955)
Total Other Financing Sources/(Uses)	(19,682)	16,681	3,700	13,318	293,419		
Net Change In Fund Balances	<u>\$ (206,992)</u>	<u>\$ (101,046)</u>	<u>\$ (14,092)</u>	<u>\$ (292,317)</u>	<u>\$ 210,706</u>	<u>\$ (3,706)</u>	<u>\$ 23,436</u>
Debt Service As A Percentage Of Noncapital Expenditures	<u>1.64%</u>	<u>1.55%</u>	<u>1.79%</u>	<u>1.89%</u>	<u>2.08%</u>	<u>1.97%</u>	<u>2.15%</u>

This schedule does not contain ten years of information as GASB #44 was implemented during this fiscal year ending June 30, 2006.

Source: School District Financial Reports

OGDENSBURG BOROUGH SCHOOL DISTRICT
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
UNAUDITED
(modified accrual basis of accounting)

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Refunds</u>	<u>Donations</u>	<u>Tuition</u>	<u>Miscellaneous</u>	<u>Total</u>
2002	\$ 16,587	\$ 13,924		\$ 8,140	\$ 3,361	\$ 42,012
2003	11,020			9,722	1,000	21,742
2004	14,854		\$ 9,160	34,205	2,652	60,871
2005	13,322			60,368	16,332	90,022
2006	283			40,973	10,011	51,267
2007	26,201	4,376		12,421	5,982	48,980
2008	16,807			2,572	341	19,720
2009	2,483	107		3,464	9	6,063
2010	2,635	5,868			1,540	10,043
2011		1,580			2,955	4,535

Source: Ogdensburg Borough School District records

OGDENSBURG BOROUGH SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS
UNAUDITED

Year Ended December 31,	Vacant Land	Residential	Farm Regular	Farm Qualified	Commercial	Industrial	Apartment	Total Assessed Value	Tax-Exempt Property	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
2001	\$ 3,863,200	\$ 102,519,950	\$ 452,400	\$ 15,100	\$ 5,986,720	\$ 2,046,200	\$ 964,300	\$ 115,847,870	\$ 10,726,700	\$ 458,541	\$ 116,306,411	\$ 1.333	\$ 120,744,592
2002	3,517,400	102,945,450	624,600	21,100	5,797,700	2,046,200	964,300	115,916,750	10,945,700	463,607	116,380,357	1.371	127,037,377
2003	3,501,100	101,294,750	624,600	21,100	7,348,300	2,046,200	964,300	115,800,350	11,024,800	437,243	116,237,593	1.457	137,537,529
2004	3,200,300	101,766,500	624,600	21,100	6,947,400	1,846,200	785,600	115,191,700	11,027,100	375,251	115,566,951	1.509	159,792,016
2005	3,180,300	101,795,750	624,600	21,100	7,047,600	1,646,200	734,000	115,049,550	11,317,600	331,769	115,381,319	1.625	178,553,219
2006	3,044,800	102,175,450	624,600	21,100	7,047,600	1,646,200	734,000	115,293,750	11,317,600	269,406	115,563,156	1.630	197,250,371
2007	3,253,000	103,237,950	624,600	21,100	7,386,800	1,646,200	734,700	116,904,350	11,317,600	217,714	117,122,064	1.708	231,156,302
2008	2,992,800	103,189,750	624,600	21,100	7,241,600	1,446,200	734,700	116,250,750	11,523,300	189,815	116,440,565	1.746	245,758,896
2009	* 5,102,800	215,463,800	317,600	10,100	15,103,400	3,462,500	2,788,100	242,248,300	20,829,900	256,190	242,504,490	0.875	248,778,902
2010	4,471,000	215,264,100	317,600	15,900	15,285,900	3,462,500	2,788,100	241,605,100	21,334,400	376,515	241,981,615	0.904	246,933,065

* - Revaluation Year

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation. Reassessment occurs when ordered by the County Board of Taxation.

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

b Tax rates are per \$100 of assessed value.

Source: Municipal Tax Assessor

OGDENSBURG BOROUGH SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN YEARS
UNAUDITED
(rate per \$100 of assessed value)

Year Ended December 31,	Ogdensburg Borough School District Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Walkill Valley Regional	Borough of Ogdensburg	Sussex County	
2001	\$ 1.300	\$ 0.030	\$ 1.333	\$ 0.579	\$ 0.990	\$ 0.570	\$ 3.472
2002	1.340	0.030	1.371	0.625	1.023	0.541	3.560
2003	1.430	0.030	1.457	0.670	1.022	0.620	3.769
2004	1.480	0.030	1.509	0.658	1.131	0.660	3.958
2005	1.590	0.040	1.625	0.668	1.393	0.680	4.366
2006	1.600	0.030	1.630	0.704	1.437	0.725	4.496
2007	1.670	0.040	1.708	0.740	1.479	0.803	4.730
2008	1.691	0.055	1.746	0.753	1.563	0.809	4.871
2009	* 0.848	0.027	0.875	0.335	0.787	0.390	2.387
2010	0.874	0.030	0.904	0.323	0.869	0.412	2.508

* - Revaluation Year

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

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

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

Source: Municipal Tax Collector and School Business Administrator

OGDENSBURG BOROUGH SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS,
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

2011			2002		
Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value	Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value
Jimmy Dobbins PL. C/O McGovern/Roseman	\$ 3,378,500	1.40%	Estate of John Dobbins	\$ 1,603,400	1.38%
Ogdensburg Associates	1,850,000	0.76%	Ogdensburg Associates	1,500,000	1.29%
AA-7 Self Storage, LLC	1,597,400	0.66%	Deluxe Lab Film Storage	788,400	0.68%
Sterling Hill Mining Museum	794,300	0.33%	Madusa Minerals	435,000	0.37%
Individual Taxpayer #1	742,100	0.31%	Sussex Park LMTD Partnership	405,600	0.35%
Individual Taxpayer #2	627,000	0.26%	Individual Taxpayer #1	381,400	0.33%
Individual Taxpayer #3	622,300	0.26%	JBL-RAL Associates	350,000	0.30%
Barrett Property Management, LLC	595,300	0.25%	Individual Taxpayer #2	320,900	0.28%
83 Main St, LLC	582,900	0.24%	Individual Taxpayer #3	308,700	0.27%
Individual Taxpayer #4	560,500	0.23%	Art Tyler Inc.	307,800	0.26%
Total	\$ 11,350,300	4.69%		\$ 6,401,200	5.51%

Note: Individual Taxpayers may be different in 2011 and 2002.

Source: Ogdensburg Borough Tax Assessor

OGDENSBURG BOROUGH SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS,
LAST TEN FISCAL YEARS
UNAUDITED

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Taxes Levied</u> <u>for the</u> <u>Fiscal Year</u>	<u>Collected within the Fiscal</u> <u>Year of the Levy^a</u>		<u>Collections in</u> <u>Subsequent</u> <u>Years</u>
		<u>Amount</u>	<u>Percentage</u> <u>of Levy</u>	
2002	\$ 1,572,890	\$ 1,572,890	100.00%	-0-
2003	1,627,693	1,627,693	100.00%	-0-
2004	1,744,915	1,744,915	100.00%	-0-
2005	1,767,737	1,623,671	91.85%	\$ 144,066
2006	1,874,313	1,874,313	100.00%	-0-
2007	2,008,417	2,008,417	100.00%	-0-
2008	1,990,804	1,990,804	100.00%	-0-
2009	2,076,451	2,076,451	100.00%	-0-
2010	2,165,474	2,165,474	100.00%	-0-
2011	2,208,992	2,208,992	100.00%	-0-

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

OGDENSBURG BOROUGH SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST SEVEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	Governmental Activities				Bond Anticipation Notes (BANs)	Business-Type	Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Loans	Capital Leases	Capital Leases		Activities			
2005	\$ 373,000	\$ 55,724	-0-	\$ 675,000	-0-	\$ 1,103,724	1.03%	\$ 422.24	
2006	328,000	50,293	\$ 19,181	400,000	-0-	797,474	0.72%	307.43	
2007	283,000	44,692	-0-	391,300	-0-	718,992	0.61%	277.39	
2008	238,000	38,914	-0-	293,419	-0-	570,333	0.46%	221.23	
2009	468,000	32,949	-0-	-0-	-0-	500,949	0.40%	195.53	
2010	398,000	26,794	-0-	-0-	-0-	424,794	0.35%	166.46	
2011	323,000	20,434	-0-	-0-	-0-	343,434	0.28%	134.57	

This schedule does not contain ten years of information as GASB #44 was implemented during this fiscal year ending June 30, 2006.

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

- a See Exhibit J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

Source: School District Financial Reports

OGDENSBURG BOROUGH SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST SEVEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Net Valuation ^a Taxable	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2005	\$ 373,000	-0-	\$ 373,000	0.32%	\$ 142.69
2006	328,000	-0-	328,000	0.28%	126.45
2007	283,000	-0-	283,000	0.24%	109.18
2008	238,000	-0-	238,000	0.20%	92.32
2009	468,000	-0-	468,000	0.40%	182.67
2010	398,000	-0-	398,000	0.16%	155.96
2011	323,000	-0-	323,000	0.13%	126.57

This schedule does not contain ten years of information as GASB #44 was implemented during this fiscal year ending June 30, 2006.

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

a See Exhibit J-6 for property tax data. This ratio is calculated using valuation data for the prior calendar year.

b See Exhibit J-14 for population data. This ratio is calculated using population for the prior calendar year.

Source: School District Financial Reports

OGDENSBURG BOROUGH SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
UNAUDITED
AS OF DECEMBER 31, 2010

<u>Governmental Unit</u>	<u>Debt</u> <u>Outstanding</u>	<u>Estimated</u> <u>Percentage</u> <u>Applicable ^a</u>	<u>Estimated</u> <u>Share of</u> <u>Overlapping</u> <u>Debt</u>
Debt Repaid With Property Taxes			
Wallkill Valley Regional School District	\$ 2,585,000	10.03%	\$ 259,317
Borough of Ogdensburg	791,349	100.00%	791,349
Sussex County General Obligation Debt	74,528,115	1.37%	<u>1,017,931</u>
Subtotal, Overlapping Debt			2,068,597
Ogdensburg Borough Board of Education School District Direct Debt			<u>343,434</u>
Total Direct And Overlapping Debt			<u>\$ 2,412,031</u>

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 that is borne by the residents and businesses of Ogdensburg. This process recognizes that, when considering the District's ability to issue and repay long-term, 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 unit.

^a For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable equalized property values. Applicable percentages were estimated by determining the portion of Ogdensburg Borough's equalized property value that is within the Sussex County's boundaries and dividing it by Sussex County's total equalized property value.

Sources: Assessed value data used to estimate applicable percentages provided by the Sussex County Board of Taxation; debt outstanding data provided by each governmental unit.

OGDENSBURG BOROUGH SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
UNAUDITED

Legal Debt Margin Calculation for Fiscal Year 2011

Equalized valuation basis	
2010	\$ 240,810,426
2009	244,300,424
2008	245,358,274
	<u>\$ 730,469,124</u>
Average Equalized Valuation of Taxable Property	\$ 243,489,708
Debt Limit (3% of average equalization value)	a 7,304,691
Net Bonded School Debt	323,000
Legal Debt Margin	<u>\$ 6,981,691</u>

	<u>Fiscal Year</u>				
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Debt Limit	\$ 5,954,831	\$ 6,638,199	\$ 7,150,017	\$ 7,340,751	\$ 7,304,691
Total Net Debt Applicable to Limit	<u>674,300</u>	<u>531,419</u>	<u>468,000</u>	<u>398,000</u>	<u>323,000</u>
Legal Debt Margin	<u>\$ 5,280,531</u>	<u>\$ 6,106,780</u>	<u>\$ 6,682,017</u>	<u>\$ 6,942,751</u>	<u>\$ 6,981,691</u>
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	11.32%	8.01%	6.55%	5.42%	4.42%

	<u>Fiscal Year</u>				
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Debt Limit	\$ 3,564,272	\$ 3,776,175	\$ 4,178,311	\$ 4,694,233	\$ 5,283,884
Total Net Debt Applicable to Limit	<u>554,307</u>	<u>866,585</u>	<u>797,983</u>	<u>1,048,000</u>	<u>728,000</u>
Legal Debt Margin	<u>\$ 3,009,965</u>	<u>\$ 2,909,590</u>	<u>\$ 3,380,328</u>	<u>\$ 3,646,233</u>	<u>\$ 4,555,884</u>
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	15.55%	22.95%	19.10%	22.33%	13.78%

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

Source: Equalized valuation bases were obtained from the Annual Report of the State of New Jersey,
Department of Treasury, Division of Taxation

OGDENSBURG BOROUGH SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

<u>Year</u>	<u>Population ^a</u>	<u>Borough Personal Income ^b</u>	<u>Sussex County Per Capita Personal Income ^c</u>	<u>Unemployment Rate ^d</u>
2002	2,628	\$ 101,764,044	\$ 38,723	4.00%
2003	2,626	103,296,336	39,336	4.20%
2004	2,614	106,700,866	40,819	3.40%
2005	2,594	110,115,300	42,450	3.40%
2006	2,592	117,801,216	45,448	3.70%
2007	2,578	124,965,972	48,474	3.50%
2008	2,562	125,097,336	48,828	4.50%
2009	2,552	121,212,344	47,497	7.60%
2010	2,552 **	121,212,344 ***	47,497 *	8.10%
2011	2,552 **	121,212,344 ***	47,497 *	N/A

* - Latest Sussex County per capita personal income available (2009) was used for calculation purposes.

** - Latest population data available (2009) was used for calculation purposes.

*** - Latest Borough personal income available (2009) was used for calculation purposes.

N/A - Information Unavailable

Sources:

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

^b Personal income has been estimated based upon the municipal population and per capita personal income presented

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

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

OGDENSBURG BOROUGH SCHOOL DISTRICT
PRINCIPAL EMPLOYERS - COUNTY OF SUSSEX,
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

<u>Employer</u>	2011	
	<u>Employees</u>	<u>Percentage of Total Employment</u>
Crystal Springs Golf and Spa Resort	2,000	5.05%
Newton Memorial Hospital	1,490	3.76%
Selective Insurance	900	2.27%
County of Sussex	830	2.10%
Mountain Creek Resort	800	2.02%
Shop Rite (Ronetco)	697	1.76%
Ames Rubber Corp	445	1.12%
Walmart	412	1.04%
Andover Subacute and Rehab Center	300	0.76%
Sussex County Community College	300	0.76%
Raider Express	250	0.63%
	<u>8,424</u>	<u>21.27%</u>

<u>Employer</u>	2002	
	<u>Employees</u>	<u>Percentage of Total Employment</u>
Selective Insurance	954	2.41%
Andover Subacute and Rehab Center	906	2.29%
County of Sussex	815	2.06%
Mountain Creek Resort	800	2.02%
Newton Memorial Hospital	757	1.91%
Ronetco Supermarkets	711	1.80%
Vernon Township Bd. of Education	629	1.59%
F.O. Phoenix, Inc.	600	1.52%
Hopatcong Board of Education	450	1.14%
Walmart	380	0.96%
	<u>7,002</u>	<u>17.68%</u>

Source: County of Sussex

OGDENSBURG BOROUGH SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM,
LAST SEVEN FISCAL YEARS
UNAUDITED

<u>Function/Program</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Instruction							
Regular	31	32	28	31	32.5	24.5	23.8
Special Education	4	4	7	7	3.5	5	5
Other Special Education	1	1	3	4		7.5	6.5
Nonpublic School Programs	1	1					
Support Services:							
Instructional Support Staff						2.2	2.2
School Administrative Services	2	2	2	2	4	4	3.2
General and Business Administrative Services	4	4	3	2	3	3	3
Plant Operations and Maintenance	4	4	3.5	3.5	3.5	3.5	2.5
Total	<u>47</u>	<u>48</u>	<u>46.5</u>	<u>49.5</u>	<u>46.5</u>	<u>49.7</u>	<u>46.2</u>

This schedule does not contain ten years of information as GASB #44 was implemented during this fiscal year ending June 30, 2006.

Source: District Personnel Records

OGDENSBURG BOROUGH SCHOOL DISTRICT
OPERATING STATISTICS,
LAST SEVEN FISCAL YEARS
UNAUDITED

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil ^d	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio Elementary	Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
2005	375.1	\$ 4,302,502	\$ 11,470.28	12.48%	44.0	1:9.6	375.1	361.4	5.75%	96.35%
2006	345.0	4,515,680	13,088.93	16.13%	40.0	1:8.6	345.0	329.5	-8.02%	95.51%
2007	321.0	4,679,970	14,579.35	11.39%	35.5	1:9.0	321.0	308.6	-6.96%	96.14%
2008	310.0	4,940,830	15,938.16	9.32%	37.2	1:8.3	309.4	295.7	-3.61%	95.57%
2009	324.0	4,552,665	14,051.44	-11.84%	36.0	1:9.0	324.0	308.8	4.72%	95.31%
2010	312.0	4,739,175	15,189.66	8.10%	32.0	1:9.8	312.0	299.6	-3.70%	96.03%
2011	287.0	4,427,177	15,425.70	1.55%	31.0	1:9.2	286.5	273.2	-8.17%	95.36%

Note: Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay.
- 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).
- d The Cost Per Pupil calculated above is the sum of the operating expenditures divided by enrollment. This Cost Per Pupil may be different from other Cost Per Pupil calculations.

This schedule does not contain ten years of information as GASB #44 was implemented during this fiscal year ending June 30, 2006.

Source: Ogdensburg Borough School District records

OGDENSBURG BOROUGH SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST SEVEN FISCAL YEARS
UNAUDITED

<u>District Buildings</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<u>Elementary</u>							
Ogdensburg Elementary School							
Square Feet (1927); Addition - 1967	60,050	60,050	60,050	60,050	60,050	60,050	60,050
Capacity (students)	347	347	347	347	347	347	347
Enrollment	375	345	321	310	324	312	287

Number of Schools at June 30, 2011
 Elementary = 1

This schedule does not contain ten years of information as GASB #44 was implemented during this fiscal year ending June 30, 2006.

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

Source: Ogdensburg Borough School District Facilities Office

OGDENSBURG BOROUGH SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE
LAST TEN FISCAL YEARS
UNAUDITED

Undistributed Expenditures - Required
Maintenance For School Facilities
11-000-261-xxx

Fiscal Year Ended June 30,	Ogdensburg Public School
2002	\$ 42,577
2003	60,332
2004	43,179
2005	40,849
2006	63,534
2007	33,147
2008	31,794
2009	33,713
2010	36,250
2011	33,767

* School facilities as defined under EFCFA.
(N.J.A.C. 6A:26-1.2 and N.J.A.C. 6A:26A-1.3)

Source: Ogdensburg Borough School District records

ODGENSBURG BOROUGH SCHOOL DISTRICT
INSURANCE SCHEDULE
AS OF JUNE 30, 2011
UNAUDITED

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - School Alliance Insurance Fund		
Building & Personal Property	\$ 250,000,000	\$ 1,000
Inland Marine - Auto Physical Damage		
General Liability including Auto, Employee Benefits	5,000,000	
Each Occurance		
General Aggregate	50,000,000	Fund Aggregate
Product Completed Ops		
Personal Injury		
Fire Damage	2,500,000	
Medical Expenses	10,000	
(Excluding Students Taking Part in Athletics)		
Automobile Coverage		
Combined Single Limit		
Hired/Non Owned		
Environmental Impairment Liability	1,000,000/25,000,000	Fund Aggregate 5,000
Crime Coverage	50,000	Inside/Outside 1,000
Blanket Dishonesty Bond	500,000	1,000
Boiler & Machinery	100,000,000	1,000
Excess Liability (AL/GL)	5,000,000	
School Board Legal	5,000,000/5,000,000	5,000
Excess SLPL	5,000,000/5,000,000	
Workers' Compensation	Statutory	
Employer's Liability	5,000,000	
Supplemental Indemnity	Statutory	
Bond for Business Administrator	160,000	Selective Insurance
Bond for Treasurer of School Monies	160,000	Selective Insurance
Student Accident	Bollinger Voluntary Coverage Only	

SINGLE AUDIT SECTION



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Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance
 and Other Matters Based on an Audit of Financial Statements Performed in Accordance with
 Government Auditing Standards

The Honorable President and Members
 of the Board of Education
 Ogdensburg Borough School District
 County of Sussex, New Jersey

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Ogdensburg Borough School District, in the County of Sussex (the "Board") as of, and for the fiscal year ended June 30, 2011, which collectively comprise the School District's basic financial statements and have issued our report thereon dated August 15, 2011. We conducted our audits in accordance with auditing standards generally accepted in the United States of America, audit requirements as prescribed by the Division of Finance and Regulatory Compliance, Department of Education, State of New Jersey, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

The Honorable President and Members
of the Board of Education
Ogdensburg Borough School District
Page 2

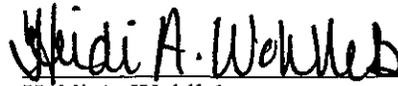
Compliance and Other Matters

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

This report is intended solely for the information and use of management, the members of the Board of Education, and to meet the requirements for filing with 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.

August 15, 2011
Mount Arlington, New Jersey

NISIVOCIA LLP



Heidi A. Wohlleb
Licensed Public School Accountant #2140
Certified Public Accountant



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Independent Auditors' Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133 and New Jersey's OMB Circular NJOMB 04-04

The Honorable President and Members
 of the Board of Education
 Ogdensburg Borough School District
 County of Sussex, New Jersey

We have audited the compliance of the Board of Education of the Ogdensburg Borough School District in the County of Sussex (the "Board") with the types of compliance requirements described in the *New Jersey State Aid/ Grant Compliance Supplement* that could have a direct and material effect on each of its major state programs for the fiscal year ended June 30, 2011. The Board's major state programs are identified in the summary of auditors' 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 state programs is the responsibility of the Board's management. Our responsibility is to express an opinion on the Board'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; audit requirements prescribed by the Division of Finance and Regulatory Compliance,, Department of Education, State of New Jersey (the "Department"); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; New Jersey's OMB Circular NJOMB 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*; and Federal Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*. Those standards, Federal OMB Circular A-133, and New Jersey's OMB Circular NJOMB 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 state program occurred. An audit includes examining, on a test basis, evidence about the Board's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Board's compliance with those requirements.

In our opinion, the Board complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major state programs for the fiscal year ended June 30, 2011.

The Honorable President and Members
of the Board of Education
Ogdensburg Borough School District
Page 2

Internal Control Over Compliance

The management of the Board 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 Board's internal control over compliance with requirements that could have a direct and material effect on a major state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the *New Jersey State Aid/ Grant Compliance Supplement*, but not for the purpose of expressing our opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control over compliance.

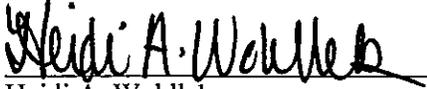
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement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

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

This report is intended solely for the information and use of management, the members of the Board of Education, and to meet the requirements for filing with 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.

August 15, 2011
Mount Arlington, New Jersey

NISIVOCCIA LLP


Heidi A. Wohlleb
Licensed Public School Accountant #2140
Certified Public Accountant

OGDENSBURG BOROUGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Federal Grantor/Pass Through Grantor Program Title/Cluster Title	Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2010			Balance at June 30, 2011	
					Budgetary Accounts Receivable	Budgetary Deferred Revenue	Cash Received	Budgetary Expenditures	Budgetary Accounts Receivable
U.S. Department of Education Passed-through State Department of Education:									
Special Revenue Fund:									
No Child Left Behind Consolidated Grant:									
Title I	84.010A	NCLB384010	9/1/09-8/31/10	\$ 27,588	\$ (4,000)		\$ 4,000		
Title II, Part A	84.367A	NCLB384010	9/1/09-8/31/10	16,295	(11,370)		11,370		
Title II, Part D	84.318A	NCLB384010	9/1/09-8/31/10	392	(191)		191		
Title IV	84.186A	NCLB384010	9/1/09-8/31/10	831	(56)		56		
Title I	84.010A	NCLB384011	9/1/10-8/31/11	21,887			18,706	\$ (21,887)	\$ (3,181)
Title II, Part A	84.367A	NCLB384011	9/1/10-8/31/11	13,406			13,406	(13,406)	
Title II, Part D	84.318A	NCLB384011	9/1/10-8/31/11	49			49	(49)	
IDEA Special Education Cluster:									
I.D.E.A. Part B, Basic	84.027	IDEA384011	9/1/10-8/31/11	80,952			80,952	(80,952)	
I.D.E.A. Part B, Preschool	84.173	IDEA384011	9/1/10-8/31/11	3,562			3,562	(3,562)	
Total IDEA Special Education Cluster							84,514	(84,514)	
Total Special Education Fund					(15,617)		132,292	(119,856)	(3,181)
Total U.S. Department of Education					(15,617)		132,292	(119,856)	(3,181)
U.S. Department of Agriculture:									
Passed-through State Department of Education:									
Child Nutrition Cluster:									
Food Distribution Program	10.555	N/A	7/1/10-6/30/11	4,729			4,729	(3,629)	\$ 1,100
Food Distribution Program	10.555	N/A	7/1/09-6/30/10	5,016		\$ 1,394		(1,394)	
National School Lunch Program	10.555	N/A	7/1/10-6/30/11	18,220			18,220	(18,220)	
National School Lunch Program	10.555	N/A	7/1/09-6/30/10	22,144	(1,550)		1,550		
Total Child Nutrition Cluster					(1,550)	1,394	24,499	(23,243)	1,100
Total U.S. Department of Agriculture					(1,550)	1,394	24,499	(23,243)	1,100
Total Federal Awards					\$ (17,167)	\$ 1,394	\$ 156,791	\$ (143,099)	\$ (3,181)

N/A - Not Applicable

OGDENSBURG BOROUGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2010		Cash Received	Budgetary Expenditures	Balance at June 30, 2011		MEMO		
				Budgetary Accounts Receivable	Budgetary Deferred Revenue			GAAP Accounts Receivable	Budgetary Deferred Revenue	Budgetary Accounts Receivable	Cumulative Total Expenditures	
New Jersey Department of Education												
General Fund:												
Special Education Categorical Aid	10-495-034-5120-089	7/1/09 - 6/30/10	\$ 144,731	\$ (14,473)		\$ 14,473					\$ 144,731	
Equalization Aid	10-495-034-5120-078	7/1/09 - 6/30/10	1,065,900	(126,933)		126,933					1,065,900	
Security Aid	10-495-034-5120-084	7/1/09 - 6/30/10	24,337	(2,434)		2,434					24,337	
Adjustment Aid	10-495-034-5120-085	7/1/09 - 6/30/10	635,675	(67,305)		67,305					635,675	
Transportation Aid	10-495-034-5120-014	7/1/09 - 6/30/10	19,050	(1,905)		1,905					19,050	
Additional Nonpublic Transportation Aid	10-495-034-5120-014	7/1/09 - 6/30/10	1,985	(1,985)		1,985					1,985	
Special Education Categorical Aid	11-495-034-5120-089	7/1/10 - 6/30/11	144,731			130,287	\$ (144,731)			\$ (14,444)	144,731	
Equalization Aid	11-495-034-5120-078	7/1/10 - 6/30/11	1,201,237			1,081,354	(1,201,237)			(119,883)	1,201,237	
Security Aid	11-495-034-5120-084	7/1/10 - 6/30/11	24,379			21,946	(24,379)			(2,433)	24,379	
Adjustment Aid	11-495-034-5120-085	7/1/10 - 6/30/11	529,943			477,055	(529,943)			(52,888)	529,943	
Transportation Aid	11-495-034-5120-014	7/1/10 - 6/30/11	17,207			15,490	(17,207)			(1,717)	17,207	
Additional Nonpublic Transportation Aid	11-495-034-5120-014	7/1/10 - 6/30/11	1,056				(1,056)	\$ (1,056)		(1,056)	1,056	
Reimbursed TPAF Social Security Contributions	11-495-034-5095-002	7/1/10 - 6/30/11	152,063			152,063	(152,063)				152,063	
Total General Fund State Aid				(215,035)		1,878,195	(2,070,616)	(1,056)		(192,421)	2,070,616	
Capital Projects Fund:												
School Development Authority:												
Boiler Replacement Project	3840-050-10-1001	9/8/10 - 8/31/11	172,824							(172,824)		
Total Capital Projects Fund										(172,824)		
Debt Service Fund:												
Debt Service Aid - State Support	11-495-034-5120-017	7/1/10 - 6/30/11	24,255			24,255	(24,255)				24,255	
Total Debt Service Fund						24,255	(24,255)				24,255	
Enterprise Fund:												
State School Lunch Program	11-100-010-3350-023	7/1/10 - 6/30/11	1,142			1,083	(1,142)	(59)		(59)	1,142	
State School Lunch Program	10-100-010-3350-023	7/1/09 - 6/30/10	1,607	(114)		114					1,607	
Total Enterprise Fund				(114)		1,197	(1,142)	(59)		(59)	2,749	
Total State Awards				\$ (215,149)	\$ -0-	\$ 1,903,647	\$ (2,096,013)	\$ (1,115)	\$ -0-	\$ (365,304)	\$ 2,097,620	

N/A - Not Available

OGDENSBURG BOROUGH SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

NOTE 1. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards includes the federal and state grant activity of the Board of Education, Ogdensburg Borough School District under programs of the federal and state governments for the fiscal year ended June 30, 2011. The information in these schedules are presented in accordance with the Federal Office of Management and Budget (OMB), *Audits of States and Local Governments and Non-Profit Organizations* and New Jersey's OMB Circular NJOMB 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the District, they are not intended to and do not present the financial position, changes in net assets or cash flows of the District.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the accompanying schedules of expenditures of federal and state awards are reported on the budgetary basis of accounting with the exception of programs recorded in the Food Service Fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements. Therefore, some amounts presented in these schedules may differ from amounts presented in, or used in the preparation of, the basic financial statements. Such expenditures are recognized following the cost principles contained in federal OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governmental Units*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through identifying numbers are presented where available.

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payments for the prior year and for the current budget year, which is mandated pursuant to P.L. 2003, C.97. For GAAP purposes, the current year payments are not recognized until the subsequent budget year due to the state deferral and recording of the last two state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenue, whereas the GAAP basis does not. The capital projects fund is presented in the accompanying schedules on a modified accrual basis with the exception of the revenue recognition. For GAAP purposes, that revenue is not recognized until the project is completed and the final expenditure report is submitted to the School Development Authority for reimbursement.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$21,865 for the general fund and \$(172,824) for the capital projects fund. See Exhibit C-3 and F-1 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and capital projects funds. Additionally, the schedule of expenditures of state awards does not include the on-behalf TPAF Non-Contributory Insurance and Post Retirement Contributions revenue of \$6,912 and \$146,802 respectively.

OGDENSBURG BOROUGH SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (Cont'd)

Awards and financial assistance revenue are reported on the Board's basic financial statements on a GAAP basis as presented below:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 2,246,015	\$ 2,246,015
Special Revenue Fund	\$ 119,856		119,856
Debt Service Fund		24,255	24,255
Food Service Fund	<u>23,243</u>	<u>1,142</u>	<u>24,385</u>
Total Awards	<u>\$ 143,099</u>	<u>\$ 2,271,412</u>	<u>\$ 2,414,511</u>

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5. FEDERAL AND STATE LOANS OUTSTANDING

Ogdensburg Borough School District had \$16,384 and \$4,050 of Small Project and Safe Program loan balances outstanding respectively at June 30, 2011. The projects to which the loans relate are complete and there were no current year expenditures. Currently, the District is in the process of repaying these loan balances.

NOTE 6. OTHER

TPAF Social Security contributions represent the amount reimbursed by the State for the employers' share of social security contributions for TPAF members for the year ended June 30, 2011. Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively.

OGDENSBURG BOROUGH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Summary of Auditors' Results:

- An unqualified report was issued on the District's financial statements.
- The audit did not disclose any material weaknesses or significant deficiencies in the internal controls of the District.
- The audit did not disclose any noncompliance which is material in relation to the financial statements of the District.
- The audit did not disclose any material weaknesses or significant deficiencies in the internal controls of the District's major state programs.
- An unqualified report was issued on the District's compliance for major state programs.
- The audit did not disclose any audit findings which are required to be reported in accordance with New Jersey's OMB Circular NJOMB 04-04.
- The District was not subject to the single audit provisions of Federal OMB Circular A-133 for fiscal year end June 30, 2011 as federal grant expenditures were less than the single audit threshold of \$500,000 identified in the Circular.
- The District's major state programs for the current fiscal year consisted of the following state aid:

<u>General Fund State Aid:</u>	<u>Grant Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Budgetary Expenditures</u>
Special Education Categorical Aid	11-495-034-5120-089	7/1/10-6/30/11	\$ 144,731	\$ 144,731
Equalization Aid	11-495-034-5120-078	7/1/10-6/30/11	1,201,237	1,201,237
Security Aid	11-495-034-5120-084	7/1/10-6/30/11	24,379	24,379
Adjustment Aid	11-495-034-5120-085	7/1/10-6/30/11	529,943	529,943

- The threshold for distinguishing Type A and Type B programs was \$300,000.
- The District qualified as a "low-risk" auditee under the provisions of section 530 of the Circular.

Findings Relating to the Financial Statements which are required to be Reported in Accordance with Generally Accepted Government Auditing Standards:

- The audit did not disclose any findings required to be reported under Generally Accepted Government Auditing Standards.

Findings and Questioned Costs for Federal Awards:

- Not Applicable since federal expenditures were below the single audit threshold.

OGDENSBURG BOROUGH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

Findings and Questioned Costs for State Awards:

- The audit did not disclose any finding or questioned costs for state awards as defined in section 510(a) of the federal circular and NJOMB 04-04.

OGDENSBURG BOROUGH SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2011

Status of Prior Year Findings:

There were no prior year audit findings.