

**OGDENSBURG BOROUGH
SCHOOL DISTRICT**

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

**Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2016**

**Comprehensive Annual
Financial Report**

of the

OGDENSBURG BOROUGH SCHOOL DISTRICT

Ogdensburg, New Jersey

For the Fiscal Year Ended June 30, 2016

Prepared by

**Ogdensburg Borough Board of Education
Finance Department**

OGDENSBURG BOROUGH SCHOOL DISTRICT
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INTRODUCTORY SECTION

OGDENSBURG BOROUGH BOARD OF EDUCATION
100 Main Street
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 obboe.org

David Astor
 Superintendent/Principal
 (973) 827-7126 voice

Richard Rennie
 Business Administrator/Board Secretary
 (973) 827-2643 fax

September 30, 2016

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, 2016 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 "District"). 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, 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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditors' reports 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 through Grade 8. These include regular, as well as, special education for special needs and an extended school year.

The Honorable President and Members
of the Board of Education
Ogdensburg Borough School District
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The District completed the 2015/2016 school year with an average daily enrollment of 264 students; 10 students less than the prior year. Our enrollment for September 2016 is projected to remain the same. Incoming kindergarten enrollment is projected at 25 students.

The District hired a new Superintendent and replaced the exiting Supervisor of Instruction for the 2015/2016 school year.

The District continued to upgrade technology during the 2015/2016 school year by purchasing 10 Dell laptop computers for the media center and 30 desktop PCs for the computer room.

2. ECONOMIC CONDITONS 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 Borough's economic potential.

When the U.S. Census Bureau released their 2010 data the population of Ogdensburg was confirmed at 2,410. The number declined from 2,638 in the 2000 Census and 2,722 in the 1990 Census. However, the population is decreasing but at a slower rate, from -8.6% to -3.1%.

The viability of the School District is its 17 and under population. The 2010 Census reported 590 children while the 2000 Census reported 778 children. The annual growth rate is -2.7%. It is unclear if the negative rate is a static percent or perhaps decreasing at a slower rate during the recent years as the housing industry starts to improve.

There are 905 housing units in Ogdensburg according to the 2010 Census. There are 864 houses which are occupied and 41 which are vacant. This represents a vacancy rate of 4.53%. Sussex County's vacancy rate is 11.77%. Of the twenty-four municipalities in Sussex County, Ogdensburg is the fifth smallest in the number of housing units but lowest in its vacancy rate.

As economic constraints remain widespread, Ogdensburg can find encouragement in the numbers and the approach the School District is taking to remain a strong academic presence. The decline of the school population over the last few years is in concert with the census data. In 2006, the school population was 345 students. The lowest number was in this past year with 260 students. However, it seems that the student population will remain stable for the 2016/2017 school year.

Contributing to the school's economic condition is the rise of charter schools. Students have the choice to attend a charter school with a targeted curriculum like science, technology or industry rather than the liberal arts focus of public schools. Ogdensburg Elementary School has about four students on average attending a charter school.

The programs and services afforded to the Ogdensburg community are implemented based on community need and input. The school is supported by a \$4.8 million budget and provides educational programs for children attending preschool through eighth grade. High school age children attend Wallkill Valley Regional High School in nearby Hamburg, New Jersey.

The District also provides an extensive, supportive special services program. On average, the District supports fifty to sixty students with special education needs. The Behavioral Development Program was instituted for two school years to meet the students' specific needs in district. These students graduated this year fully prepared for secondary school.

The Honorable President and Members
of the Board of Education
Ogdensburg Borough School District
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September 30, 2016

The District now has over 20% of its population participating in the free or reduced lunch program. The District receives financial support from the State and Federal funded program. The students receive a free or reduced price for their meals.

Breakfast and lunch are available to the full student body. As a result of the District having over 20% of its students receiving free or reduced meals, a concerted effort will be made to increase participation on the school breakfast and lunch menus in the fall.

In the past the voters of the Borough of Ogdensburg have supported the school budget. The District has stayed under the 2% budget growth cap so voter approval of the budget is no longer required. However, there are many examples of the community supporting the School District. The relationship between the Borough and School is held in high regard and beneficial to both. Attendance by school families and community members at all events remain strong. The School has a standing room only audience when performing at holiday events, plays or concerts.

Every opportunity the Borough and school has to share resources or services such as snow removal, garbage/recycling services, playground maintenance, grounds equipment, etc. they do so. The Ogdensburg Police Department was a primary participant in the design and implementation of the District's new emergency response system. A tour of the police dispatch area secured our understanding of how the system works and our role in making it successful. Ties between the municipality and the school are strong.

3. **MAJOR INITIATIVES:** Student achievement is the driving force behind all educational decision-making. We believe our commitment to value-added instructional and technology-infused support is the prerequisite to evolutionary improvements.

All classrooms have projectors and laptops; many have smart boards, mimios or document readers. Teachers have the opportunity to plan lessons with iPads or Notepads or laptops or go online for real-time sharing via wireless internet connections. The technology equipment schedule for turnover is every three years.

Students needing assistance to perform at grade level are supported with on-line programs to guide them through lessons giving immediate feedback and assistance. The programs also provide the teachers with student performance evaluations to plan subsequent interactions. The online programs not only support the teacher's lesson plan but continue to allow the students to reinforce the newly acquired knowledge with additional interactive activities in a fun but stimulating way. On-course, Lexia Learning, MAPS, Learning A-Z, and Career Cruising are just a few of the programs the staff utilizes to ensure children are reaching their potential.

As mentioned previously, the District hired a Supervisor of Instruction at the beginning of the school year to ensure that the programs and services are utilized, maintained and updated; and to provide the teaching staff with the essential support to bring innovation to the classroom.

4. **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 is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP).

The Honorable President and Members
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Ogdensburg Borough School District
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September 30, 2016

The internal control system 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.

5. BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by a vote of the Board of Education. 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/or assignments at June 30, 2016.

6. ACCOUNTING SYSTEM AND REPORTS: The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Basic Financial Statements", Note 1.
7. 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.
8. 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. The District is a member of the School Alliance Insurance Fund ("SAIF"). The SAIF is a risk-sharing public entity risk management pool that is both an insured and self-administered group of school districts established for the purpose of providing low-cost insurance coverage to its members. A schedule of insurance coverage is found on Exhibit J-20.

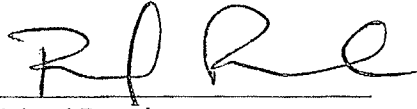
The Honorable President and Members
of the Board of Education
Ogdensburg Borough School District
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September 30, 2016

9. 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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey's OMB Circular 15-08, *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 and *Government Auditing Standards* are included in the single audit section of this report.
10. ACKNOWLEDGEMENTS: We would like to express our appreciation to the members of the Board for their concern in providing fiscal accountability to the citizens and taxpayers of the 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,

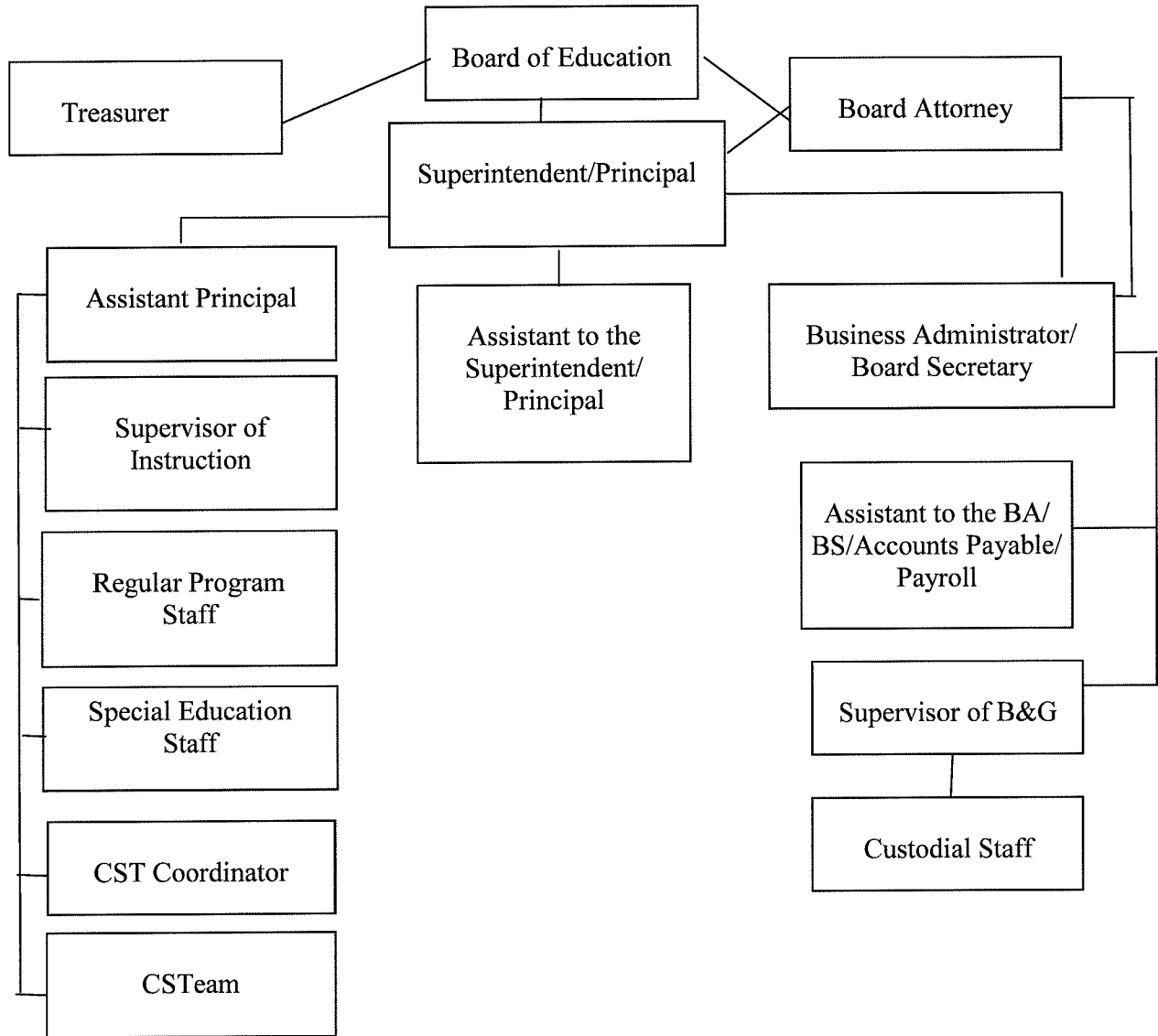


David Astor
Superintendent /Principal



Richard Rennie
Business Administrator/Board Secretary

Ogdensburg Board of Education Organization Chart 2015/16 School Year



OGDENSBURG BOROUGH SCHOOL DISTRICT
ROSTER OF OFFICIALS
JUNE 30, 2016

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Toni Corban, President	2018
Lynne Pederson, Vice President	2018
Susan Dolan	2019
Brendan Donegan	2019
Peter Egan, Jr.	2017
Mary Fitzgibbons	2017
Stacy Walsh	2018

Other Officials

David Astor, Superintendent/Principal

Marilyn A. Cuykendall, School Business Administrator/Board Secretary (to June 30, 2016)

Linda Padula, Treasurer of School Monies

Bernice Colefield, Supervisor of Instruction

OGDENSBURG BOROUGH SCHOOL DISTRICT

Consultants and Advisors
Fiscal Year Ended June 30, 2016

Audit Firm

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Mount Arlington Corporate Center
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Mount Arlington, New Jersey 07856
And
Lawrence Business Park
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Attorney

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Oakland, New Jersey 07436

Official Depositories

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Franklin, New Jersey 07416

First Hope Bank
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FINANCIAL SECTION



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 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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Ogdensburg Borough School District (the "District") in the County of Sussex, as of and for the fiscal year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Ogdensburg Borough School District, in the County of Sussex, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, which follows this report, the pension schedules in Exhibits L-1 through L-3 and the related notes, and the budgetary comparison information in Exhibits C-1 through C-3 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information such as the combining and individual non-major fund financial statements and the schedules of expenditures of federal and state awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and the other information, such as the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplementary schedules such as the combining and individual non-major fund financial statements and the schedules of expenditures of federal and state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary schedules and the schedules of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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Ogdensburg Borough School District
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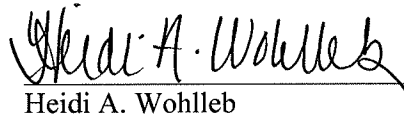
The accompanying other information such as the introductory and statistical sections has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2016 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

September 30, 2016
Mount Arlington, New Jersey

NISIVOCCIA 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, 2016

(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, 2016. 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's financial status continued to be strong and increased 30% on a district wide basis.
- Overall revenue was \$6.04 million while overall expenses were \$6.01 million.
- The District reduced its outstanding long-term bonded debt by approximately 51% percent. The District's current bonded debt will be paid in full by the end of the fiscal year 2016/17.
- 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

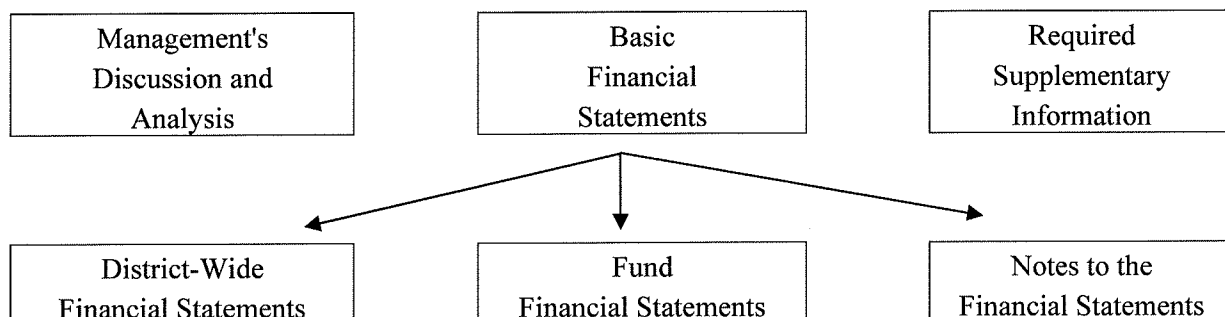


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights that structure and contents 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 Position • 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 Position • Statement of Revenue, Expenses, and Changes in Fund Net Position • Statement of Cash Flows 	<ul style="list-style-type: none"> • Statement of Fiduciary Net Position • Statement of Changes in Fiduciary Net Position
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 position includes all of the District's assets, deferred inflows and outflows 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 position* and how they have changed. Net position – the difference between the District's assets, deferred inflows and outflows and liabilities – is one way to measure the District's financial health or *position*.

- Over time, increases or decreases in the District's net position are an indicator of whether its financial 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 the Basic 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 Position provides the perspective of the School District as a whole. Net position may serve over time as a useful indicator of a District'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 Position. The District's combined net position increased by \$28,150. Net position from governmental activities increased by \$33,157 and net position from business activities decreased by \$5,007. Net investment in capital assets decreased by \$64,577, restricted net position increased by \$136,382, and unrestricted net position decreased by \$43,655.

The following tables present financial position and operating information for June 30, 2016 and the fiscal year then ended as compared with the prior fiscal year.

Table 1
Condensed Statement of Net Position

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2016	2015	2016	2015	2016	2015	2015 - 2016
Current and Other Assets	\$ 313,743	\$ 183,223	\$ 25,312	\$ 27,353	\$ 339,055	\$ 210,576	61.01%
Capital Assets, Net	1,159,562	1,238,567	7,226	8,545	1,166,788	1,247,112	-6.44%
Total Assets	1,473,305	1,421,790	32,538	35,898	1,505,843	1,457,688	3.30%
Deferred Outflows of Resources	249,531	89,341			249,531	89,341	179.30%
Long-term Liabilities	1,596,675	1,358,093			1,596,675	1,358,093	17.57%
Other Liabilities	12,211	26,791	2,620	973	14,831	27,764	-46.58%
Total Liabilities	1,608,886	1,384,884	2,620	973	1,611,506	1,385,857	16.28%
Deferred Inflows of Resources	22,484	67,938			22,484	67,938	-66.91%
Net Position:							
Net Investment in Capital							
Assets	1,072,236	1,135,494	7,226	8,545	1,079,462	1,144,039	-5.64%
Restricted	228,105	91,723			228,105	91,723	148.69%
Unrestricted / (Deficit)	(1,208,875)	(1,168,908)	22,692	26,380	(1,186,183)	(1,142,528)	-3.82%
Total Net Position	\$ 91,466	\$ 58,309	\$ 29,918	\$ 34,925	\$ 121,384	\$ 93,234	30.19%

Changes in Net Position. The District's combined net position is \$121,384 on June 30, 2016, or \$28,150 more than it was the year before. The decrease in net position invested in capital assets is due primarily to current year depreciation expense and a new capital lease entered into offset by the capital additions and the current year maturities of serial bonds and capital leases. The increase in restricted net position is due to the net increase in the capital reserve and excess surplus due to unanticipated cost savings. The decrease in unrestricted net position is due primarily to the increase in the net pension liability and associated pension deferred inflows and outflows offset by a decrease in compensated absences payable. (See Table 2).

Table 2
Changes in Net Position from Operating Results

	Governmental Activities		Business-Type Activities		Total School District		Total
	2016	2015	2016	2015	2016	2015	Percentage Change
Revenue:							
Program Revenue:							
Charges for Services			\$ 51,532	\$ 49,695	\$ 51,532	\$ 49,695	3.70%
Operating Grants and Contributions	\$ 1,456,421	\$ 1,222,984	36,019	46,288	1,492,440	1,269,272	17.58%
Capital Grants and Contributions		25,596				25,596	-100.00%
General Revenue:							
Property Taxes	2,360,464	2,357,969			2,360,464	2,357,969	0.11%
Tuition	13,520	8,910			13,520	8,910	51.74%
Unrestricted Federal and State Aid	2,113,898	2,111,649			2,113,898	2,111,649	0.11%
Other	7,097	4,354	48	47	7,145	4,401	62.35%
Total Revenue	5,951,400	5,731,462	87,599	96,030	6,038,999	5,827,492	3.63%
Expenses:							
Instruction	3,887,486	3,582,132			3,887,486	3,582,132	8.52%
Pupil and Instruction Services	680,132	736,606			680,132	736,606	-7.67%
Administrative and Business	615,221	686,703			615,221	686,703	-10.41%
Maintenance and Operations	596,764	511,123			596,764	511,123	16.76%
Transportation	72,720	56,221			72,720	56,221	29.35%
Capital Outlay		13,857				13,857	-100.00%
Other	65,920	55,486	92,606	93,369	158,526	148,855	6.50%
Total Expenses	5,918,243	5,642,128	92,606	93,369	6,010,849	5,735,497	4.80%
Increase/(Decrease) in Net Position	\$ 33,157	\$ 89,334	\$ (5,007)	\$ 2,661	\$ 28,150	\$ 91,995	-69.40%

The District's total revenue for the 2015/2016 school year was \$6,038,999. (See Table 3). Property taxes and state formula aid accounted for most of the District's revenue, with local taxes accounting for \$2,360,464 of the total, or 39.09 percent. Another 59.72 percent came from state and federal aid and the remaining 1.19 percent from miscellaneous sources and charges for services.

Table 3
Sources of Revenue for Fiscal Year 2016

Sources of Income	Amount	Percentage
State Formula Aid	\$ 2,289,350	37.91%
Property Taxes	2,360,464	39.09%
Federal, State and Local Categorical Grants	1,316,988	21.81%
Charges for Services	51,532	0.85%
Other	20,665	0.34%
	\$ 6,038,999	100.00%

The total cost of all programs and services was \$6,010,849. The District's expenses are predominantly related to instructing, providing pupil services, and transporting students (77.20 percent). (See Table 4).

Table 4
Expenses for Fiscal Year 2016

Expense Category	Amount	Percentage
Instruction	\$ 3,887,486	64.67%
Pupil & Instruction Services	680,132	11.32%
Administrative and Business	615,221	10.23%
Maintenance & Operations	596,764	9.93%
Transportation	72,720	1.21%
Other	158,526	2.64%
	\$ 6,010,849	100.00%

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	
	2016	2015	2016	2015
Instruction	\$ 3,887,486	\$ 3,582,132	\$ 2,514,875	\$ 2,475,954
Pupil & Instruction Services	680,132	736,606	649,229	687,843
Administrative and Business	615,221	686,703	583,472	638,141
Maintenance & Operations	596,764	511,123	596,764	485,527
Transportation	72,720	56,221	51,562	36,740
Capital Outlay		13,857		13,857
Other	65,920	55,486	65,920	55,486
Total	\$ 5,918,243	\$ 5,642,128	\$ 4,461,822	\$ 4,393,548

- The cost of all governmental activities this year was \$5.92 million.
- The federal, state and local governments subsidized certain programs with state aid and grants (\$3,570,319).
- Approximately 40% of the District's costs (\$2.36 million) were financed by District taxpayers.
- The remainder of the funding came from charges for tuition and miscellaneous revenue.

Business-Type Activities

Net position from the District's business-type activities decreased by \$5,007. (Refer to Table 2). Factors contributing to these results included:

- The net decrease in net position from the business-type activities was due to a decrease in federal and state lunch reimbursements offset by a small increase in meal sales revenue and a small decrease in operating costs.

Financial Analysis of the District's Funds

The District's financial position increased primarily due to the liquidation of prior year encumbrances and the utilization of fund balance offset by unexpended budget appropriations. Expenditures during the recent year increased due to increases in salaries and related benefits. 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 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 2016, the School District had \$1,166,788 invested in sites, buildings and building improvements and machinery and equipment. Table 6 shows fiscal year 2016 balances compared to 2015.

Table 6

Capital Assets (net of depreciation)

	Governmental Activities		Business-Type Activities		Total School District		Percentage
	2016	2015	2016	2015	2016	2015	Change 2015/2016
Sites and Site Improvements	\$ 9,865	\$ 9,865			\$ 9,865	\$ 9,865	0.00%
Buildings & Improvements	929,960	998,437			929,960	998,437	-6.86%
Machinery and Equipment	219,737	230,265	\$ 7,226	\$ 8,545	226,963	238,810	-4.96%
Total	<u>\$ 1,159,562</u>	<u>\$ 1,238,567</u>	<u>\$ 7,226</u>	<u>\$ 8,545</u>	<u>\$ 1,166,788</u>	<u>\$ 1,247,112</u>	<u>-6.44%</u>

Overall, capital assets decreased by \$80,324 from fiscal year 2015 to fiscal year 2016. The net decrease in capital assets is due to \$97,740 of depreciation expense offset by \$17,416 of capital additions.

Debt Administration

At June 30, 2016, the School District had \$1,596,675 of long term liabilities. Of this amount, \$110,951 is for compensated absences, \$47,326 is for a capital lease, \$40,000 is for serial bonds payable, and \$1,398,398 is for the Net Pension Liability.

Table 7
Long-Term Liabilities

	Total School District		Percentage
	2016	2015	Change 2015/2016
General Obligation Bonds (Financed with Property Taxes)	\$ 40,000	\$ 82,000	-51.22%
Net Pension Liability	1,398,398	1,140,008	22.67%
Other Long Term Liability	158,277	136,085	16.31%
Total	<u>\$ 1,596,675</u>	<u>\$ 1,358,093</u>	<u>17.57%</u>

Factors Bearing on the District's Future

Clearly, declining student enrollment is the chief concern impacting the District's future. As more neighboring districts choose to become choice schools the competition becomes even greater. The fact that the State has not allowed an increase to the Cap that was placed on how many Choice Students a District could have also negatively impacted the District.

Choice students can only increase student population up to the number of seats available per grade. Another way of filling seats is to expand the Behavioral Disabled Program and/or Pre-School Program into tuition-based and invite neighboring districts to take advantage of the public school program with lower costs than private schools.

Fortunately for the District, the recent test scores have shown steady improvement which makes the school very attractive to parents as well as other school districts looking for an established special needs program. Professional development of teachers coupled with new instructional math and language arts programs are responsible for the higher test scores which the District continues to prioritize. The faculty seems to be stable at this point of time. There is a possibility of three faculty members retiring within the next three to five years.

As we understand the economic factors affecting the Borough and the declining community and student population, the District is willing to work with the Borough Council and local businesses to ascertain ways to attract homebuyers. The District will see improved revenues by an increased total population within the Borough.

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

Exhibit A-1

OGDENSBURG BOROUGH SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2016

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 122,448	\$ 19,476	\$ 141,924
Receivables, net:			
Receivables from State Government	3,844	28	3,872
Receivables from Federal Government	6,724	822	7,546
Other Receivables		614	614
Interfund Receivable	57,980		57,980
Inventories		4,372	4,372
Restricted Assets:			
Cash and Cash Equivalents	122,747		122,747
Capital Assets, Net:			
Sites (Land)	9,865		9,865
Depreciable Site Improvements, Buildings and Building Improvements and Machinery and Equipment	1,149,697	7,226	1,156,923
Total Assets	<u>1,473,305</u>	<u>32,538</u>	<u>1,505,843</u>
DEFERRED OUTFLOWS OF RESOURCES			
Changes in Assumptions - Pensions	150,177		150,177
Difference between Expected and Actual Experience - Pensions	33,361		33,361
Changes in Proportion - Pensions	65,993		65,993
Total Deferred Outflows of Resources	<u>249,531</u>		<u>249,531</u>
LIABILITIES			
Accounts Payable	11,423		11,423
Accrued Interest Payable	788		788
Unearned Revenue		2,620	2,620
Noncurrent Liabilities:			
Due Within One Year	51,424		51,424
Due Beyond One Year	1,545,251		1,545,251
Total Liabilities	<u>1,608,886</u>	<u>2,620</u>	<u>1,611,506</u>
DEFERRED INFLOWS OF RESOURCES			
Investment Gains - Pensions	22,484		22,484
Total Deferred Inflows of Resources	<u>22,484</u>		<u>22,484</u>
NET POSITION			
Net Investment in Capital Assets	1,072,236	7,226	1,079,462
Restricted for:			
Capital Projects	122,747		122,747
Excess Surplus	105,358		105,358
Unrestricted/(Deficit)	(1,208,875)	22,692	(1,186,183)
Total Net Position	<u>\$ 91,466</u>	<u>\$ 29,918</u>	<u>\$ 121,384</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, 2016

Functions/Programs	Expenses	Program Revenue			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 2,668,436		\$ 791,800		\$ (1,876,636)		\$ (1,876,636)
Special Education	974,239		513,474		(460,765)		(460,765)
Other Special Instruction	113,336		31,797		(81,539)		(81,539)
School-Sponsored/Other Instruction	131,475		35,540		(95,935)		(95,935)
Support Services:							
Tuition	9,852				(9,852)		(9,852)
Student & Instruction Related Services	670,280		30,903		(639,377)		(639,377)
General Administrative Services	232,904		11,677		(221,227)		(221,227)
School Administrative Services	143,936		20,072		(123,864)		(123,864)
Central Services	228,637				(228,637)		(228,637)
Administrative Information Technology	9,744				(9,744)		(9,744)
Plant Operations and Maintenance	596,764				(596,764)		(596,764)
Pupil Transportation	72,720		21,158		(51,562)		(51,562)
Interest on Long-Term Debt	1,795				(1,795)		(1,795)
Transfer to Charter School	64,125				(64,125)		(64,125)
Total Governmental Activities	5,918,243		1,456,421		(4,461,822)		(4,461,822)
Business-Type Activities:							
Food Service	92,606	\$ 51,532	36,019			\$ (5,055)	(5,055)
Total Business-Type Activities	92,606	51,532	36,019			(5,055)	(5,055)
Total Primary Government	\$ 6,010,849	\$ 51,532	\$ 1,492,440	\$ -0-	(4,461,822)	(5,055)	(4,466,877)

OGDENSBURG BOROUGH SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-type Activities	Total
General Revenue:			
Taxes:			
Property Taxes, Levied for General Purposes, Net	\$ 2,335,051		\$ 2,335,051
Taxes Levied for Debt Service	25,413		25,413
Tuition	13,520		13,520
Federal and State Aid not Restricted	2,113,898		2,113,898
Interest Income	234	\$ 48	282
Miscellaneous Income	6,863		6,863
Total General Revenue	4,494,979	48	4,495,027
Change in Net Position	33,157	(5,007)	28,150
Net Position - Beginning	58,309	34,925	93,234
Net Position - Ending	\$ 91,466	\$ 29,918	\$ 121,384

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

FUND FINANCIAL STATEMENTS

Exhibit B-1

OGDENSBURG BOROUGH SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2016

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS:					
Cash and Cash Equivalents	\$ 122,448				\$ 122,448
Interfund Receivable:					
Fiduciary Fund - Payroll	57,980				57,980
Intergovernmental Receivable:					
State	3,844				3,844
Federal		\$ 6,724			6,724
Restricted Assets:					
Cash and Cash Equivalents	<u>122,747</u>				<u>122,747</u>
Total Assets	<u>\$ 307,019</u>	<u>\$ 6,724</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 313,743</u>
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts Payable	<u>\$ 4,699</u>	<u>\$ 6,724</u>			<u>\$ 11,423</u>
Total Liabilities	<u>4,699</u>	<u>6,724</u>			<u>11,423</u>
Fund Balances:					
Restricted:					
Capital Reserve Account	122,747				122,747
Excess Surplus	105,358				105,358
Assigned:					
Encumbrances	3,634				3,634
Subsequent Year's Expenditures	45,000				45,000
Unassigned	<u>25,581</u>				<u>25,581</u>
Total Fund Balances	<u>302,320</u>				<u>302,320</u>
Total Liabilities and Fund Balances	<u>\$ 307,019</u>	<u>\$ 6,724</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	

Amounts Reported for *Governmental Activities* in the Statement of Net Position (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 \$3,021,570 and the accumulated depreciation is \$1,862,008.	1,159,562
Interest on Long-Term Debt is not Accrued in the Governmental Funds, but Rather is Recognized as an Expenditure When Due.	(788)
The Net Pension Liability for PERS is not Due and Payable in the Current Period and is not Reported in the Governmental Funds.	(1,398,398)
Certain Amounts Related to the Net Pension Liability are Deferred and Amortized in the Statement of Activities and are not Reported in the Governmental Funds:	
Changes in Assumptions - Pensions	150,177
Difference between Expected and Actual Experience - Pensions	33,361
Investment Gains - Pensions	(22,484)
Changes in Proportions - Pensions	65,993
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.	<u>(198,277)</u>
Net Position of Governmental Activities	<u>\$ 91,466</u>

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, 2016

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUE:					
Local Sources:					
Local Tax Levy	\$ 2,335,051			\$ 25,413	\$ 2,360,464
Tuition from Individuals	13,520				13,520
Interest Earned on Capital Reserve Funds	234				234
Miscellaneous	6,863	\$ 3,073			9,936
Total - Local Sources	2,355,668	3,073		25,413	2,384,154
State Sources	2,831,372				2,831,372
Federal Sources		129,834			129,834
Total Revenue	5,187,040	132,907		25,413	5,345,360
EXPENDITURES:					
Current:					
Regular Instruction	1,380,574	48,147			1,428,721
Special Education Instruction	475,614	84,760			560,374
Other Special Instruction	63,654				63,654
School Sponsored/Other Instruction	74,238				74,238
Support Services and Undistributed Costs:					
Tuition	9,852				9,852
Student & Instruction Related Services	506,175				506,175
General Administration	177,241				177,241
School Administration	94,225				94,225
Central Services	160,380				160,380
Administration Information Technology	9,744				9,744
Plant Operations and Maintenance	480,763				480,763
Pupil Transportation	72,720				72,720
Unallocated Benefits	1,441,853				1,441,853

OGDENSBURG BOROUGH SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
EXPENDITURES:					
Debt Service:					
Redemption of Principal				\$ 42,000	\$ 42,000
Interest and Other Charges				2,623	2,623
Capital Outlay	\$ 72,257				72,257
Transfer of Funds to Charter Schools	64,125				64,125
Total Expenditures	<u>5,083,415</u>	<u>\$ 132,907</u>		<u>44,623</u>	<u>5,260,945</u>
Excess(Deficit) of Revenue Over/(Under) Expenditures	<u>103,625</u>			<u>(19,210)</u>	<u>84,415</u>
Other Financing Sources:					
Capital Leases (Non-budgeted)	59,857				59,857
Total Other Financing Sources	<u>59,857</u>				<u>59,857</u>
Excess/(Deficit) of Revenues and Other Financing Sources Over/(Under) Expenditures	163,482			(19,210)	144,272
Fund Balance—July 1	<u>138,838</u>			<u>19,210</u>	<u>158,048</u>
Fund Balance—June 30	<u><u>\$ 302,320</u></u>	<u><u>\$ - 0 -</u></u>	<u><u>\$ - 0 -</u></u>	<u><u>\$ -0-</u></u>	<u><u>\$ 302,320</u></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, 2016

Total Net Change in Fund Balances - Governmental Funds (from B-2) \$ 144,272

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 differs from capital outlays in the period.

	Depreciation expense	\$ (96,421)	
	Capital outlays	<u>17,416</u>	(79,005)

Capital leases entered into by the District are an other financing source in the governmental funds, but the acquisition increases long-term liabilities in the statement of net position and is not reported in the statement of activities (59,857)

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 (+) 4,061

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 (+). 828

Repayment of bond and capital leases principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities. (+) 75,604

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, 2016

The net pension liability reported in the statement of activities does not require the use of current financial resources and is not reported as an expenditure in the Governmental Funds:

Change in Net Pension Liability	(258,390)
Deferred Outflows:	
Changes in Assumptions	114,329
Difference in Expected and Actual Experience	33,361
Changes in Proportions	12,500
Deferred Inflows:	
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	45,454
	45,454
Change in Net Position - Governmental Activities (from A-2)	\$ 33,157

Exhibit B-4

OGDENSBURG BOROUGH SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2016

	<u>Business-type Activities - Enterprise Funds Food Service</u>
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	\$ 19,476
Intergovernmental Accounts Receivable:	
State	28
Federal	822
Accounts Receivable - Food Service Vendor	614
Inventories	4,372
	25,312
Total Current Assets	25,312
Non-Current Assets:	
Capital Assets	51,970
Less: Accumulated Depreciation	(44,744)
	7,226
Total Non-Current Assets	7,226
Total Assets	32,538
LIABILITIES:	
Current Liabilities:	
Unearned Revenue	2,620
	2,620
Total Current Liabilities	2,620
NET POSITION:	
Net Investment in Capital Assets	7,226
Unrestricted	22,692
	29,918
Total Net Position	\$ 29,918

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 POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Business-type Activities - Enterprise Funds Food Service
Operating Revenue:	
Local Sources:	
Daily Sales - Reimbursable Programs	\$ 43,295
Daily Sales - Non-Reimbursable Programs	8,237
	51,532
Total Operating Revenue	51,532
Operating Expenses:	
Cost of Sales - Reimbursable	38,469
Cost of Sales - Nonreimbursable	6,650
Salaries, Benefits & Payroll Taxes	36,953
Supplies, Insurance & Other Costs	2,215
Management Fee	7,000
Depreciation Expense	1,319
	92,606
Total Operating Expenses	92,606
Operating Loss	(41,074)
Non-Operating Income:	
Local Sources:	
Interest Income	48
State Sources:	
State School Lunch Program	949
Federal Sources:	
National School Lunch Program	25,665
School Breakfast Program	2,040
Food Distribution Program	7,365
	36,067
Total Non-Operating Income	36,067
Change in Net Position	(5,007)
Net Position - Beginning of Year	34,925
Net Position - End of Year	\$ 29,918

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

Exhibit B-6

OGDENSBURG BOROUGH SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Business-type Activities - Enterprise Funds Food Service</u>
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 51,532
Payments to Food Service Contractor	(84,689)
Net Cash Used for Operating Activities	<u>(33,157)</u>
Cash Flows by Investing Activities:	
Local Sources:	
Interest Income	48
Net Cash Provided by Investing Activities	<u>48</u>
Cash Flows from Noncapital Financing Activities:	
State Sources:	
State School Lunch Program - Received in Food Service Food	989
Federal Sources:	
National School Lunch and School Breakfast Programs - Received in Food Service Food	29,108
Net Cash Provided by Noncapital Financing Activities	<u>30,097</u>
Net Decrease in Cash and Cash Equivalents	(3,012)
Cash and Cash Equivalents, July 1	<u>22,488</u>
Cash and Cash Equivalents, June 30	<u>\$ 19,476</u>
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:	
Operating Loss	\$ (41,074)
Adjustment to Reconcile Operating Loss to Net Cash Used for Operating Activities:	
Depreciation	1,319
Food Distribution Program	7,365
Changes in Assets and Liabilities:	
(Increase) in Inventories	(1,800)
(Increase) in Accounts Receivable - Food Service Vendor	(614)
Increase in Unearned Revenue	1,647
Net Cash Used for Operating Activities	<u>\$ (33,157)</u>

Noncash Investing and Financing Activities:

The Food Service Enterprise Fund received U.S.D.A. Commodities through the Food Distribution Program valued at \$9,012 and utilized U.S.D.A. Commodities valued at \$7,365.

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

Exhibit B-7

OGDENSBURG BOROUGH SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2016

	Agency Fund	Unemployment Compensation Trust	Private Purpose Scholarship Trust
ASSETS:			
Cash and Cash Equivalents	\$ 88,312	\$ 80,302	\$ 4,969
Interfund Receivable:			
Payroll Agency Fund		5,087	
Total Assets	88,312	85,389	4,969
LIABILITIES:			
Interfund Payable:			
General Fund	57,980		
Unemployment Compensation Trust	5,087		
Payroll Deductions and Withholdings	452		
Due to Athletics Account	19		
Due to Student Groups	24,774		
Total Liabilities	88,312		
NET POSITION:			
Held in Trust for Unemployment Claims		85,389	
Restricted for Scholarships			4,969
Total Net Position	\$ -0-	\$ 85,389	\$ 4,969

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

Exhibit B-8

OGDENSBURG BOROUGH SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Scholarship Trust</u>
Additions:		
Contributions:		
Plan Member Contributions	\$ 5,087	
Total Contributions	5,087	
Investment Earnings:		
Interest	163	\$ 3
Net Investment Earnings	163	3
Total Additions	5,250	3
Deductions:		
Unemployment Compensation Claims	2,991	
Total Deductions	2,991	
Change in Net Position	2,259	3
Net Position - Beginning of the Year	83,130	4,966
Net Position - End of the Year	<u>\$ 85,389</u>	<u>\$ 4,969</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, 2016

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 and a resulting financial benefit or burden relationship, 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 position 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, 2016

(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, 2016
(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, 2016
(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 position 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.

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 budget for the fiscal year ended June 30, 2016 was submitted to the County office and was approved by a vote of the Board of Education. 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 revisions of 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, 2016
(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:

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 5,187,040	\$ 132,907
Differences - Budget to GAAP:		
Prior Year State Aid Payments Recognized for GAAP Statements	228,263	
Current Year State Aid Payment Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(228,263)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	\$ 5,187,040	\$ 132,907
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 5,083,415	\$ 132,907
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 5,083,415	\$ 132,907

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 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.

OGDENSBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

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

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 position, 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 unearned 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.

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, 2016.

OGDENSBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

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

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, capital assets used in governmental fund operations are accounted for as capital outlay expenditures in the governmental fund upon acquisition. Capital 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 position, long-term debt and other long-term obligations are reported as liabilities in the applicable government activities, business-type activities, or enterprise funds. Bond premium and discounts, are reported as deferred charges and amortized over the term of the related debt using the straight-line method of amortization. In the fund financial statements, 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.

M. Accrued Salaries and Wages:

The District does not allow 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, 2016.

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

OGDENSBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

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

N. Compensated Absences: (Cont'd)

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 Position*, the liabilities, whose average maturities are greater than one year, should be reported in two components – the amount due within one year and the amount due in more than one year.

O. Unearned Revenue:

Unearned 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 \$302,320 General Fund fund balance at June 30, 2016, \$122,747 is restricted in the Capital Reserve account; \$105,358 is restricted for current year excess surplus; \$3,634 is assigned for encumbrances; \$45,000 is assigned for subsequent year's expenditures. There is also \$25,581 of unassigned fund balance which is \$228,263 less on a budgetary basis due to the final two state aid payments which are not recognized on a GAAP Basis.

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 Restricted 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 has excess surplus as noted above.

The District's unassigned fund balance in the General Fund is less on a GAAP basis than the budgetary basis by \$228,263, 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

OGDENSBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

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

P. Fund Balance Appropriated: (Cont'd)

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.

Q. Net Position:

Net position is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources.

A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. The District had deferred outflows of resources at June 30, 2016 for changes in assumptions in pensions and changes in proportion in pensions as well as the difference between expected and actual experiences in pensions.

A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. The District had a deferred inflow of resources at June 30, 2016 for the net difference between projected and actual investment earnings on pension plan investments.

Net position is displayed in three components - net investment in capital assets; restricted and unrestricted.

The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also would be included in this component of net position.

The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

R. Deficit Net Position:

There is a deficit in unrestricted governmental activities net position in the amount of \$1,208,875. The deficit is due to the assigned fund balances for year-end encumbrances of \$3,634 and for subsequent year's expenditures of \$45,000, unassigned fund balance of \$25,581, changes in proportion in pensions of \$65,993, difference in expected and actual experience in pensions of \$33,361, and changes in assumptions in pensions of \$150,177 offset by compensated absences payable of \$110,951, and \$788 of accrued interest payable, investment gains in pension of \$22,484, and net pension liability of \$1,398,398 as of June 30, 2016. This deficit does not mean that the District is facing financial difficulties and is a permitted practice under generally accepted accounting principles.

S. Fund Balance Restrictions, Commitments and Assignments:

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

OGDENSBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

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

S. Fund Balance Restrictions, Commitments and Assignments: (Cont'd)

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.

Fund balance restrictions have been established for a capital reserve and excess surplus.

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 no committed resources at June 30, 2016.

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 assigned resources at June 30, 2016 in the General Fund for encumbrances and for amounts designated for subsequent year's expenditures.

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, 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.

OGDENSBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

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

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.

W. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the State of New Jersey Public Employees' Retirement System (PERS) and the State of New Jersey Teachers' Pension and Annuity Fund (TPAF) and additions to/deductions from the PERS's and TPAF's net position have been determined on the same basis as they are reported by the PERS and the TPAF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Pension Plan investments are reported at fair value.

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.

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.

OGDENSBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONT'D)

Deposits (Cont'd):

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, and

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
- (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.

OGDENSBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONT'D)

As of June 30, 2016, cash and cash equivalents and of the District consisted of the following:

	Restricted Cash and Cash Equivalents Capital Reserve	Cash and Cash Equivalents	Total
Checking Accounts	\$ 122,747	\$ 315,507	\$ 438,254

During the period ended June 30, 2016, the District did not hold any investments. The carrying amount of the District's cash and cash equivalents at June 30, 2016, was \$438,254 and the bank balance was \$489,375.

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.

The activity of the capital reserve for the July 1, 2015 to June 30, 2016 fiscal year is as follows:

Balance at June 30, 2015	\$ 72,513
Deposits:	
Interest Earnings	234
June 7, 2016 Board Resolution	50,000
Balance at June 30, 2016	\$ 122,747

The balance in the capital reserve at June 30, 2016 did not exceed the balance of local support costs of uncompleted capital projects in the District's approved Long Range Facilities Plan.

OGDENSBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

NOTE 5. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2016 were as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</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	2,479,276	\$ 6,100		2,485,376
Machinery and Equipment	398,283	11,316		409,599
Total Capital Assets Being Depreciated	<u>2,994,289</u>	<u>17,416</u>		<u>3,011,705</u>
Governmental Activities Capital Assets	<u>3,004,154</u>	<u>17,416</u>		<u>3,021,570</u>
Less Accumulated Depreciation for:				
Site Improvements	(116,730)			(116,730)
Buildings and Building Improvements	(1,480,839)	(74,577)		(1,555,416)
Machinery and Equipment	(168,018)	(21,844)		(189,862)
Total Accumulated Depreciation	<u>(1,765,587)</u>	<u>(96,421)</u>		<u>(1,862,008)</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 1,238,567</u>	<u>\$ (79,005)</u>	<u>\$ -0-</u>	<u>\$ 1,159,562</u>
Business Type Activities:				
Capital Assets Being Depreciated:				
Machinery and Equipment	\$ 51,970			\$ 51,970
Less Accumulated Depreciation	<u>(43,425)</u>	<u>\$ (1,319)</u>		<u>(44,744)</u>
Business Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 8,545</u>	<u>\$ (1,319)</u>	<u>\$ -0-</u>	<u>\$ 7,226</u>
GRAND TOTAL	<u>\$ 1,247,112</u>	<u>\$ (80,324)</u>	<u>\$ -0-</u>	<u>\$ 1,166,788</u>

OGDENSBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

(Continued)

NOTE 5. CAPITAL ASSETS (Cont'd)

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 76,217
Special Education	608
Student and Instruction Related Services	750
Operations and Maintenance of Plant	3,832
Central Services	15,014
	<u>\$ 96,421</u>

NOTE 6: TRANSFERS TO CAPITAL OUTLAY

During the year ended June 30, 2016, the District made a transfer of \$798 to the capital outlay accounts for equipment, which did not require approval from the County Superintendent.

NOTE 7. LONG TERM LIABILITIES

During the fiscal year ended June 30, 2016, the following changes occurred in liabilities reported in the district-wide financial statements:

	<u>Balance</u> <u>6/30/2015</u>	<u>Accrued</u>	<u>Retired</u>	<u>Balance</u> <u>6/30/2016</u>
Compensated Absences Payable	\$ 115,012	\$ 10,239	\$ 14,300	\$ 110,951
Net Pension Liability	1,140,008	258,390		1,398,398
Bonds Payable	82,000		42,000	40,000
Obligations Under Capital Leases	21,073	59,857	33,604	47,326
	<u>\$ 1,358,093</u>	<u>\$ 328,486</u>	<u>\$ 89,904</u>	<u>\$ 1,596,675</u>

A. Bonds Payable:

Bonds are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligation bonds. The Debt Service Fund will be used to liquidate the Serial Bonds Payable.

The District had bonds outstanding as of June 30, 2016 as follows:

<u>Final Maturity</u> <u>Date</u>	<u>Serial Bonds</u> <u>Interest</u> <u>Rate</u>	<u>Amount</u>
7/15/16	4.30%	<u>\$ 40,000</u>

OGDENSBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

NOTE 7. LONG TERM LIABILITIES (Cont'd)

A. Bonds Payable: (Cont'd)

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

<u>Year Ending June 30,</u>	<u>Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2017	\$ 40,000	\$ 860	\$ 40,860
	<u>\$ 40,000</u>	<u>\$ 860</u>	<u>\$ 40,860</u>

B. Bonds Authorized But Not Issued:

As of June 30, 2016, the District has no bonds authorized but not issued.

C. Capital Leases Payable:

The District entered into one capital lease for computer equipment, snow blowers, rooftop fans, and bathroom sinks in the current year. As of June 30, 2016, the District shows a payable of \$47,326.

The future minimum lease obligations as of June 30, 2016 were as follows:

<u>Year Ending</u>	<u>Amount</u>
June 30, 2017	\$ 12,531
June 30, 2018	12,532
June 30, 2019	12,531
June 30, 2020	<u>12,532</u>
Total future minimum lease payments	50,126
Less: amount representing interest	<u>2,800</u>
Present value of minimum representing interest	<u>\$ 47,326</u>

The current portion of the capital leases payable is \$11,424 and the long-term portion is \$35,902.

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, 2016. Thus, the entire balance of compensated absences of \$110,951 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, 2016, no liability existed for compensated absences in the Food Service Fund.

The General Fund will be used to liquidate the Compensated Absences and Capital Leases Payable.

E. Net Pension Liability:

The Public Employees' Retirement System's (PERS) net pension liability of the governmental fund types is recorded in the current and long-term liabilities and will be liquidated by the General Fund. The current portion of the net pension liability at June 30, 2016 is \$-0- and the long-term portion is \$1,398,398. See Note 8 for further information on the PERS.

OGDENSBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

NOTE 8. PENSION PLANS

Substantially all of the Board's employees participate in one of the two contributory, defined benefit public employee retirement systems: the Teachers' Pension and Annuity Fund (TPAF) or the Public Employee's Retirement System (PERS) of New Jersey; or the Defined Contribution Retirement Program (DCRP).

A. Public Employees' Retirement System (PERS)

Plan Description

The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about the PERS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrpts.shtml.

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS. The following represents the membership tiers for PERS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a members retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 50 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

OGDENSBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Contributions

The contribution policy for PERS is set by N.J.S.A. 15A and requires contributions by active members and contributing members. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. District contributions to PERS amounted to \$53,557 for fiscal year 2016.

The employee contribution rate was 7.06% effective July 1, 2015. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1st to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2016, the District reported a liability of \$1,398,398 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014 which was rolled forward to June 30, 2015. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2015, the District's proportion was 0.006%, which was a decrease of 0.0001% from its proportion measured as of June 30, 2014.

For the fiscal year ended June 30, 2016, the District recognized pension expense of \$106,300. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions - 2014	6.44	\$ 29,934	
Changes in Assumptions - 2015	5.72	120,243	
Changes in Proportion - 2014	6.44	43,660	
Changes in Proportion - 2015	5.72	22,333	
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments - 2014	5		52,129
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments - 2015	5		(29,645)
Difference Between Expected and Actual Experience - 2015	5.72	33,361	
		<u>\$ 249,531</u>	<u>\$ 22,484</u>

OGDENSBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
 (Continued)

NOTE 8. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

Amounts reported as deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts including changes in proportion) related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30,	Total
2016	\$ 29,320
2017	29,320
2018	29,320
2019	46,696
2020	26,398
	\$ 161,054

Actuarial Assumptions

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014 which was rolled forward to June 30, 2015. This actuarial valuation used the following actuarial assumptions:

Inflation Rate	3.04%
Salary Increases:	
2012-2021	2.15 – 4.40% based on age
Thereafter	3.15 – 5.40% based on age
Investment Rate of Return	7.90%

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) for service retirement and beneficiaries of former members with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA. The RP-2000 Disabled Mortality Tables (setback 3 years for males and setback one year for females) are used to value disabled retirees.

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

OGDENSBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.90% at June 30, 2015) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad U.S. Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex. U.S.	3.50%	-0.40%
REIT	4.25%	5.12%

Discount Rate

The discount rate used to measure the total pension liability was 4.90% as of June 30, 2015. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9% and a municipal bond rate of 3.80% as of June 30, 2015 based on the Bond Buyer Go 20 Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based upon the average of the last five years of contributions made in relation to the last five years of actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

OGDENSBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the collective net pension liability as of June 30, 2015 calculated using the discount rate as disclosed below, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	Fiscal Year Ended June 30, 2015		
	1% Decrease (3.90%)	Current Discount Rate (4.90%)	1% Increase (5.90%)
District's proportionate share of the Net Pension Liability	\$ 1,738,038	\$ 1,398,398	\$ 1,113,647

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial statements.

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description

The State of New Jersey, Teachers' Pension and Annuity Fund (TPAF), is a cost-sharing multiple-employer defined benefit pension plan with a special funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. The TPAF is administered by the State of New Jersey Division of Pensions and Benefits (the Division). For additional information about the TPAF, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrprts.shtml.

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts. The following represents the membership tiers for TPAF:

Tier	Definition
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

OGDENSBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Benefits Provided (Cont'd)

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier 5 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a members retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which included the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2015, the State's pension contribution was less than the actuarially determined amount.

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers, such as the District. This note discloses the portion of the District's total proportionate share of the net pension liability that is associated with the District. During the fiscal year ended 2016, the State of New Jersey contributed \$175,318 to the TPAF for normal pension benefits on behalf of the District, which is less than the contractually required contribution of \$781,358.

The employee contribution rate was 7.06% effective July 1, 2015. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1st to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2016, the State's proportionate share of the net pension liability associated with the District was \$12,796,771. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014 which was rolled forward to June 30, 2015. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2015, the District's proportion was 0.02%, which was an decrease of 0.0002% from its proportion measured as of June 30, 2014.

OGDENSBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

District's Proportionate Share of the Net Pension Liability	\$	-0-
State's Proportionate Share of the Net Pension Liability Associated with the District		12,796,771
Total	\$	<u>12,796,771</u>

For the fiscal year ended June 30, 2016, the State recognized pension expense on behalf of the District in the amount of \$781,358 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2016 financial statements.

The State reported collective deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) related to pensions from the following sources:

	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions - 2014	8.5	\$ 1,999,074,013	
Changes in Assumptions - 2015	8.3	5,201,079,373	
Difference Between Expected and Actual Experience - 2014	8.5		\$ 19,039,817
Difference Between Expected and Actual Experience - 2015	8.3	321,224,871	
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments - 2014	5		1,305,927,430
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments - 2015	5		(770,568,242)
		<u>\$ 7,521,378,257</u>	<u>\$ 554,399,005</u>

Amounts reported by the State as collective deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense excluding that attributable to employer-paid members contributions as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Total</u>
2016	\$ 818,433,596
2017	818,433,596
2018	818,433,598
2019	1,253,742,742
2020	1,061,100,680
Thereafter	2,196,835,040
	<u>\$ 6,966,979,252</u>

OGDENSBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Actuarial Assumptions

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014 which was rolled forward to June 30, 2015. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.50%
Salary Increases:	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment Rate of Return	7.90%

Mortality rates were based on the RP-2000 Health Annuitant Mortality Tables for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement.

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2012.

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.90% at June 30, 2015) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2015 are summarized in the following table:

OGDENSBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Long Term Expected Rate of Return (Cont'd)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Cash	5.00%	0.53%
U.S. Government Bonds	1.75%	1.39%
U.S. Credit Bonds	13.50%	2.72%
U.S. Mortgages	2.10%	2.54%
U.S. Inflation-Indexed Bonds	1.50%	1.47%
U.S. High Yield Bonds	2.00%	4.57%
U.S. Equity Market	27.25%	5.63%
Foreign-Developed Equity	12.00%	6.22%
Emerging Market Equities	6.40%	8.46%
Private Real Estate Property	4.25%	3.97%
Timber	1.00%	4.09%
Farmland	1.00%	4.61%
Private Equity	9.25%	9.15%
Commodities	1.00%	3.58%
Hedge Funds - MultiStrategy	4.00%	4.59%
Hedge Funds - Equity Hedge	4.00%	5.68%
Hedge Funds - Distressed	4.00%	4.30%

Discount Rate – TPAF

The discount rate used to measure the total pension liability was 4.13% as of June 30, 2015. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.90% and a municipal bond rate of 3.80% as of June 30, 2015 based on the Bond Buyer Go 20 Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based upon the average of the last five years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2027. Therefore, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through 2027, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

OGDENSBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the State's proportionate share of the net pension liability associated with the District as of June 30, 2015 calculated using the discount rate as disclosed above, as well as what the State's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	Fiscal Year Ended June 30, 2015		
	At 1% Decrease (3.13%)	At Current Discount Rate (4.13%)	At 1% Increase (5.13%)
State's Proportionate Share of the Net Pension Liability Associated with the District	\$ 15,208,484	\$ 12,796,771	\$ 10,718,936

Pension Plan Fiduciary Net Position - TPAF

Detailed information about the TPAF's fiduciary net position is available in the separately issued TPAF financial statements.

C. Defined Contribution Retirement Program (DCRP)

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS or PFRS, the employee may be eligible to enroll in the DCRP. 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 the DCRP. 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.

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. 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.

For DCRP, the District recognized pension expense of \$7,023 for the fiscal year ended June 30, 2016. Employee contributions to DCRP amounted to \$10,923 for the fiscal year ended June 30, 2016.

OGDENSBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

NOTE 9. 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, 2015, there were 107,314 retirees receiving post-retirement medical benefits, and the State contributed \$1.25 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to P.L. 1992 c. 126, which provides employer paid 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 \$214.1 million toward Chapter 126 benefits for 19,056 eligible retired members in Fiscal Year 2015.

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et.seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. The State of New Jersey Division of Pension and Benefits issues a publically available financial report that includes financial statements and required supplementary information for SEHBP. That report may be obtained from the Treasury website at <http://www.nj.gov/treasury/pensions/pdf/financial2015combined.pdf>.

The State's on behalf Post-Retirement Medical Contributions to TPAF for the District amounted to \$208,755, \$173,768 and \$141,826 for 2016, 2015 and 2014, respectively.

NOTE 10. DEFERRED COMPENSATION

The District 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, permit participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency.

The plan administrators are as follows:

AXA Equivest	Equitable
Valic	MetLife

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

NOTE 11. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, errors and omissions; injuries to employees; and natural disasters. The District obtains their health benefit coverage through the State of New Jersey Health Benefits Plan.

OGDENSBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

NOTE 11. RISK MANAGEMENT (Cont'd)

Property, Liability and Health Benefits

The District is a member of the School Alliance Insurance Fund ("SAIF"). 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. 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 SAIF, the District could be subject to supplemental assessments in the event of deficiencies. If the assets of SAIF were to be exhausted, members would become responsible for their respective shares of SAIF's liabilities.

SAIF can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and 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 Governmental 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, 2016 audit report is not available as of the date of this report. Selected summarized financial information for the SAIF as of June 30, 2015 is as follows:

	<u>School Alliance Insurance Fund</u>
Total Assets	\$ 35,565,090
Net Position	\$ 7,171,390
Total Revenue	\$ 38,392,884
Total Expenses	\$ 36,335,763
Change in Net Position	\$ 2,057,121
Members Dividends	\$ -0-

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

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

OGDENSBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

NOTE 11. RISK MANAGEMENT (Cont'd)

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:

<u>Fiscal Year</u>	<u>Employee Contributions</u>	<u>Interest Earned</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2015-2016	\$ 5,087	\$ 163	\$ 2,991	\$ 85,389
2014-2015	5,636	155	-0-	83,130
2013-2014	5,290	149	4,758	77,339

NOTE 12. 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 13. INTERFUND RECEIVABLES AND PAYABLES

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 57,980	
Payroll Agency Fund		\$ 63,067
Unemployment Compensation Trust	5,087	
	<u>\$ 63,067</u>	<u>\$ 63,067</u>

The interfund receivable in the General Fund of \$57,980 is due to interest and employee health benefit contributions collected in the Payroll Agency Fund and not remitted to the General Fund. The \$5,087 due to the Unemployment Compensation Trust Fund is current year employees unemployment contributions not remitted from the Payroll Agency Fund to the Unemployment Compensation Trust Fund.

NOTE 14. 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

OGDENSBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 14. TAX CALENDAR (Cont'd)

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.

NOTE 15. 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 position of the District.

Encumbrances

At June 30, 2016, there were encumbrances as detailed below in the governmental funds.

<u>General Fund</u>	<u>Total Governmental Funds</u>
\$ 3,634	\$ 3,634

NOTE 16. ACCOUNTS PAYABLE

Payables as of June 30, 2016, were:

	<u>Governmental Funds</u>		<u>Total Governmental Funds</u>
	<u>General Fund</u>	<u>Special Revenue Fund</u>	
Vendors	\$ 4,699	\$ 6,724	\$ 11,423

SCHEDULES OF REQUIRED
SUPPLEMENTARY INFORMATION

OGDENSBURG BOROUGH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TWO FISCAL YEARS
UNAUDITED

	Fiscal Year Ending June 30,	
	2015	2016
District's proportion of the net pension liability	0.0060888984%	0.0062295008%
District's proportionate share of the net pension liability	\$ 1,140,008	\$ 1,398,398
District's covered employee payroll	\$ 445,580	\$ 341,823
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	255.85%	409.10%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	47.93%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

OGDENSBURG BOROUGH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF DISTRICT CONTRIBUTIONS
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TWO FISCAL YEARS
UNAUDITED

	<u>Fiscal Year Ending June 30,</u>	
	<u>2015</u>	<u>2016</u>
Contractually required contribution	\$ 50,196	\$ 53,557
Contributions in relation to the contractually required contribution	<u>(50,196)</u>	<u>(53,557)</u>
Contribution deficiency/(excess)	<u>\$ -0-</u>	<u>\$ -0-</u>
District's covered employee payroll	\$ 445,580	\$ 341,823
Contributions as a percentage of covered employee payroll	11.27%	15.67%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

OGDENSBURG BOROUGH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS' PENSION AND ANNUITY FUND
LAST TWO FISCAL YEARS
UNAUDITED

	<u>Fiscal Year Ending June 30,</u>	
	<u>2015</u>	<u>2016</u>
State's proportion of the net pension liability attributable to the District	0.0204468736%	0.0202466869%
State's proportionate share of the net pension liability attributable to the District	\$ 10,928,188	\$ 12,796,771
District's covered employee payroll	\$ 2,061,316	\$ 1,918,969
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	530.16%	666.86%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

OGDENSBURG BOROUGH SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
UNAUDITED

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 5.39% as of June 30, 2014 to 4.90% as of June 30, 2015. The inflation rate changed from 3.01% as of June 30, 2014 to 3.04% as of June 30, 2015.

B. TEACHERS PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 4.68% as of June 30, 2014 to 4.13% as of June 30, 2015.

BUDGETARY COMPARISON SCHEDULES

OGDENSBURG BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 2,335,051		\$ 2,335,051	\$ 2,335,051	
Tuition from Individuals	10,400		10,400	13,520	\$ 3,120
Interest on Capital Reserve Funds				234	234
Unrestricted Miscellaneous Revenues	900		900	6,863	5,963
Total - Local Sources	2,346,351		2,346,351	2,355,668	9,317
State Sources:					
Categorical Special Education Aid	161,211		161,211	161,211	
Equalization Aid	1,364,286		1,364,286	1,364,286	
Categorical Security Aid	27,019		27,019	27,019	
Adjustment Aid	471,185		471,185	471,185	
Categorical Transportation Aid	17,314		17,314	17,314	
School Choice Aid	242,655		242,655	242,655	
Other State Aids	5,680		5,680	5,680	
Non-Public Transportation Aid				3,844	3,844
Homeless Tuition Reimbursement				8,620	8,620
TPAF Pension Contributions (On-Behalf - Non-Budgeted)				175,318	175,318
TPAF Post Retirement Contributions (On-Behalf - Non-Budgeted)				208,755	208,755
Reimbursed TPAF Social Security Contributions (non-budgeted)				145,485	145,485
Total State Sources	2,289,350		2,289,350	2,831,372	542,022
TOTAL REVENUES	4,635,701		4,635,701	5,187,040	551,339
EXPENDITURES:					
CURRENT EXPENSE					
Regular Programs - Instruction:					
Kindergarten - Salaries of Teachers	146,765	\$ (14,000)	132,765	132,251	514
Grades 1-5 - Salaries of Teachers	729,817	(46,000)	683,817	681,828	1,989
Grades 6-8 - Salaries of Teachers	386,101	95,000	481,101	481,101	
Regular Programs - Home Instruction:					
Salaries of Teachers	1,000		1,000		1,000

OGDENSBURG BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
UNAUDITED

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Regular Programs - Undistributed Instruction:					
Purchased Professional- Educational Services		\$ 34,000	\$ 34,000	\$ 33,381	\$ 619
General Supplies	\$ 34,046	14,900	48,946	46,432	2,514
Textbooks	5,170		5,170	5,131	39
Other Objects	429	100	529	450	79
Total Regular Programs - Instruction	<u>1,303,328</u>	<u>84,000</u>	<u>1,387,328</u>	<u>1,380,574</u>	<u>6,754</u>
Special Education - Instruction:					
Multiple Disabilities:					
Salaries of Teachers		29,798	29,798	29,470	328
Total Multiple Disabilities		<u>29,798</u>	<u>29,798</u>	<u>29,470</u>	<u>328</u>
Resource Room/Resource Center:					
Salaries of Teachers	256,930	11,000	267,930	267,177	753
Other Salaries for Instruction	185,516	(52,753)	132,763	132,763	
General Supplies	4,405	250	4,655	4,573	82
Total Resource Room/Resource Center	<u>446,851</u>	<u>(41,503)</u>	<u>405,348</u>	<u>404,513</u>	<u>835</u>
Preschool Disabilities - Part Time:					
Salaries of Teachers	26,561		26,561	25,192	1,369
Other Salaries for Instruction	13,215	1,700	14,915	14,793	122
General Supplies	1,865		1,865	1,646	219
Total Preschool Disabilities - Part Time	<u>41,641</u>	<u>1,700</u>	<u>43,341</u>	<u>41,631</u>	<u>1,710</u>
Total Special Education Instruction	<u>488,492</u>	<u>(10,005)</u>	<u>478,487</u>	<u>475,614</u>	<u>2,873</u>

OGDENSBURG BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	\$ 58,091		\$ 58,091	\$ 55,795	\$ 2,296
General Supplies	2,000	\$ 5,900	7,900	7,859	41
Total Basic Skills/Remedial - Instruction	<u>60,091</u>	<u>5,900</u>	<u>65,991</u>	<u>63,654</u>	<u>2,337</u>
School-Sponsored Cocurricular Activities - Instruction:					
Salaries	18,355	3,706	22,061	22,061	
Supplies and Materials	3,363	1,350	4,713	4,713	
Total School-Sponsored Cocurricular Activities - Instruction	<u>21,718</u>	<u>5,056</u>	<u>26,774</u>	<u>26,774</u>	
School-Sponsored Athletics - Instruction:					
Salaries	22,212		22,212	19,738	2,474
Supplies and Materials	1,350	1,000	2,350	2,105	245
Other Objects	800		800	665	135
Transfer to Cover Deficit (Agency Funds)	2,200		2,200	2,200	
Total School-Sponsored Athletics - Instruction	<u>26,562</u>	<u>1,000</u>	<u>27,562</u>	<u>24,708</u>	<u>2,854</u>
Summer School - Instruction:					
Salaries of Teachers	10,702		10,702	7,451	3,251
Other Salaries for Instruction	3,800	900	4,700	4,665	35
General Supplies	1,000		1,000	1,000	
Total Summer School - Instruction	<u>15,502</u>	<u>900</u>	<u>16,402</u>	<u>13,116</u>	<u>3,286</u>
Summer School - Support Services:					
Salaries	5,429	3,100	8,529	8,450	79
Purchased Professional and Technical Services	6,533	(5,300)	1,233	1,190	43
Total Summer School - Support Services	<u>11,962</u>	<u>(2,200)</u>	<u>9,762</u>	<u>9,640</u>	<u>122</u>
Total Instruction	<u>1,927,655</u>	<u>84,651</u>	<u>2,012,306</u>	<u>1,994,080</u>	<u>18,226</u>

OGDENSBURG BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEA's Within State - Special	\$ 47,279	\$ (37,050)	\$ 10,229	\$ 9,777	\$ 452
Tuition to Private School for the Disabled Within State		100	100	75	25
Total Undistributed Expenditures - Instruction	<u>47,279</u>	<u>(36,950)</u>	<u>10,329</u>	<u>9,852</u>	<u>477</u>
Health Services:					
Salaries	64,141	1,500	65,641	65,641	
Purchased Professional and Technical Services	4,500	600	5,100	5,100	
Other Purchased Services (400-500 Series)	320		320	320	
Supplies and Materials	1,678	(100)	1,578	1,525	53
Other Objects	185		185	179	6
Total Health Services	<u>70,824</u>	<u>2,000</u>	<u>72,824</u>	<u>72,765</u>	<u>59</u>
Speech, OT, PT and Other Related Services:					
Salaries	42,568	2,000	44,568	43,706	862
Purchased Professional- Educational Services	37,000	(100)	36,900	25,748	11,152
Supplies and Materials	570	1,100	1,670	1,597	73
Speech, OT, PT and Other Related Services	<u>80,138</u>	<u>3,000</u>	<u>83,138</u>	<u>71,051</u>	<u>12,087</u>
Other Support Services - Students - Extraordinary Services:					
Purchased Professional - Educational Services	25,429	25,000	50,429	50,195	234
Total Other Support Services - Students - Extraordinary Services	<u>25,429</u>	<u>25,000</u>	<u>50,429</u>	<u>50,195</u>	<u>234</u>
Child Study Teams:					
Salaries of Other Professional Staff	148,276	9,000	157,276	157,088	188
Salaries of Secretarial and Clerical Assistants	41,200		41,200	38,316	2,884
Purchased Professional Educational Services	2,000	(200)	1,800	878	922
Miscellaneous Purchased Services (400-500 series)	500	200	700	530	170
Supplies and Materials	2,285	1,100	3,385	3,216	169
Other Objects	300	200	500	493	7
Total Child Study Teams	<u>194,561</u>	<u>10,300</u>	<u>204,861</u>	<u>200,521</u>	<u>4,340</u>

OGDENSBURG BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Improvement of Instructional Services:					
Salaries of Supervisor of Instruction	\$ 74,160	\$ (24,500)	\$ 49,660	\$ 48,720	\$ 940
Salaries of Other Professional Staff		4,400	4,400	4,350	50
Supplies and Materials	7,310		7,310	6,450	860
Total Improvement of Instructional Services	<u>81,470</u>	<u>(20,100)</u>	<u>61,370</u>	<u>59,520</u>	<u>1,850</u>
Educational Media Services/School Library:					
Salaries	41,406	(40,000)	1,406	232	1,174
Purchased Professional and Technical Services	35,526	8,000	43,526	41,979	1,547
Supplies and Materials	11,610	(10,000)	1,610	1,000	610
Total Educational Media Services/School Library	<u>88,542</u>	<u>(42,000)</u>	<u>46,542</u>	<u>43,211</u>	<u>3,331</u>
Instructional Staff Training Services:					
Salaries of Other Professional Staff		1,650	1,650	1,650	
Purchased Professional - Educational Services	5,000	4,000	9,000	4,875	4,125
Other Purchased Services (400-500 Series)	21,615	(18,398)	3,217	2,387	830
Supplies and Materials	500		500		500
Total Instructional Staff Training Services	<u>27,115</u>	<u>(12,748)</u>	<u>14,367</u>	<u>8,912</u>	<u>5,455</u>
Support Services - General Administration:					
Salaries	77,313	13,050	90,363	90,110	253
Legal Services	5,000	8,000	13,000	12,714	286
Audit Fees	21,125	1,500	22,625	22,625	
Architectural/Engineering Services	5,000	(5,000)			
Other Purchased Professional Services	14,881	1,000	15,881	15,350	531
Purchased Technical Services		6,000	6,000	6,000	
Communications/Telephone	19,925	1,175	21,100	18,341	2,759
BOE Other Purchased Services	1,000	(500)	500	280	220
Miscellaneous Purchased Services		2,325	2,325	2,009	316
General Supplies	4,350		4,350	4,287	63
BOE In-House Training/Meeting Supplies	250		250	155	95
Miscellaneous Expenditures	3,000		3,000	2,237	763
BOE Memberships and Dues	3,234		3,234	3,133	101
Total Support Services - General Administration	<u>155,078</u>	<u>27,550</u>	<u>182,628</u>	<u>177,241</u>	<u>5,387</u>

OGDENSBURG BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	\$ 104,053	\$ (17,000)	\$ 87,053	\$ 65,998	\$ 21,055
Salaries of Secretarial and Clerical Assistants	24,148	3,000	27,148	27,032	116
Other Purchased Services (400-500 Series)	500	(100)	400		400
Supplies and Materials	1,000	500	1,500	1,195	305
Other Objects	1,000	(500)	500		500
Total Support Services - School Administration	<u>130,701</u>	<u>(14,100)</u>	<u>116,601</u>	<u>94,225</u>	<u>22,376</u>
Central Services:					
Salaries	135,625	3	135,628	135,626	2
Purchased Professional Services	9,382	2,600	11,982	11,887	95
Purchased Technical Services		9,500	9,500	9,480	20
Miscellaneous Purchased Services (400-500 Series)	500		500	401	99
Supplies and Materials	2,500		2,500	1,586	914
Miscellaneous Expenditures	1,300	100	1,400	1,400	
Total Central Services	<u>149,307</u>	<u>12,203</u>	<u>161,510</u>	<u>160,380</u>	<u>1,130</u>
Administration Information Technology:					
Salaries	8,051	(4,100)	3,951		3,951
Purchased Technical Services	11,285	(3,400)	7,885	7,848	37
Supplies and Materials	1,255	1,000	2,255	1,896	359
Total Administration Information Technology	<u>20,591</u>	<u>(6,500)</u>	<u>14,091</u>	<u>9,744</u>	<u>4,347</u>
Required Maintenance of School Facilities:					
Salaries	15,773		15,773	14,438	1,335
Cleaning, Repair and Maintenance Services	27,473	1	27,474	26,345	1,129
General Supplies	1,200		1,200	250	950
Total Required Maintenance of School Facilities	<u>44,446</u>	<u>1</u>	<u>44,447</u>	<u>41,033</u>	<u>3,414</u>

OGDENSBURG BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(UNAUDITED)

	<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:					
Salaries	\$ 186,027	\$ 3,999	\$ 190,026	\$ 175,430	\$ 14,596
Salaries of Non-Instructional Aides	25,613	(10,000)	15,613	15,352	261
Purchased Professional and Technical Services	7,525	600	8,125	7,946	179
Cleaning, Repair and Maintenance Services	24,355	2,000	26,355	23,066	3,289
Insurance	32,875	1,000	33,875	33,340	535
Miscellaneous Purchased Services	2,386	(408)	1,978	1,651	327
General Supplies	28,304	12,500	40,804	40,743	61
Other Objects	500		500	235	265
Energy (Natural Gas)	38,000	(10,400)	27,600	27,592	8
Energy (Electricity)	38,000		38,000	38,000	
Lease Purchase Pymts - Energy Savings Improvement Program	42,933	(8,000)	34,933	34,212	721
Total Custodial Services	<u>426,518</u>	<u>(8,709)</u>	<u>417,809</u>	<u>397,567</u>	<u>20,242</u>
Care and Upkeep of Grounds:					
Salaries	23,949	3,000	26,949	26,413	536
Purchased Professional and Technical Services	500	(500)			
General Supplies	5,000		5,000	4,549	451
Total Care and Upkeep of Grounds	<u>29,449</u>	<u>2,500</u>	<u>31,949</u>	<u>30,962</u>	<u>987</u>
Security:					
Purchased Professional and Technical Services	2,740		2,740	1,940	800
Cleaning, Repair and Maintenance Services	1,000	8,000	9,000	8,861	139
General Supplies	1,500		1,500	400	1,100
Total Security	<u>5,240</u>	<u>8,000</u>	<u>13,240</u>	<u>11,201</u>	<u>2,039</u>
Student Transportation Services:					
Management Fee - ESC Transportation Programs	4,700	(1,000)	3,700	3,700	
Contracted Services:					
Other Between Home and School - Vendors	7,000	2,600	9,600	9,600	
Special Education Students - Vendors	38,500	2,000	40,500	40,500	

OGDENSBURG BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Student Transportation Services: (Cont'd)					
Regular Students - ESC & CTSA	\$ 13,000	\$ 1,500	\$ 14,500	\$ 14,500	
Aid in Lieu Payments - Nonpublic School Students	2,000	2,500	4,500	4,420	\$ 80
Total Student Transportation Services	<u>65,200</u>	<u>7,600</u>	<u>72,800</u>	<u>72,720</u>	<u>80</u>
Unallocated Benefits:					
Social Security Contributions	70,000		70,000	68,297	1,703
Other Retirement Contribution - PERS	52,900	657	53,557	53,557	
Other Retirement Contribution - Regular	8,000	1,500	9,500	7,023	2,477
Workmen's Compensation	46,668		46,668	46,288	380
Health Benefits	783,297	(24,101)	759,196	699,414	59,782
Tuition Reimbursement	18,000	3,008	21,008	21,008	
Other Employee Benefits	10,000		10,000	2,408	7,592
Unused Sick Payment to Terminated/Retired Staff	8,405	5,895	14,300	14,300	
Total Unallocated Benefits	<u>997,270</u>	<u>(13,041)</u>	<u>984,229</u>	<u>912,295</u>	<u>71,934</u>
TPAF Pension Contributions (On-Behalf - Non-Budgeted)				175,318	(175,318)
TPAF Post Retirement Contributions (On-Behalf - Non-Budgeted)				208,755	(208,755)
Reimbursed TPAF Social Security Contributions (non-budgeted)				145,485	(145,485)
Total Personal Services - Employee Benefits				<u>529,558</u>	<u>(529,558)</u>
Total Undistributed Expenses	<u>2,639,158</u>	<u>(55,994)</u>	<u>2,583,164</u>	<u>2,952,953</u>	<u>(369,789)</u>
TOTAL GENERAL CURRENT EXPENSE	<u>4,566,813</u>	<u>28,657</u>	<u>4,595,470</u>	<u>4,947,033</u>	<u>(351,563)</u>
CAPITAL OUTLAY:					
Equipment:					
Administrative Information Technology	5,518	(5,518)			
Custodial Services		11,316	11,316	5,743	5,573
Care and Upkeep of Grounds	5,000	(5,000)			
Total Equipment	<u>10,518</u>	<u>798</u>	<u>11,316</u>	<u>5,743</u>	<u>5,573</u>

OGDENSBURG BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
Facilities Acquisition and Construction Services:					
Debt Service Assessment for SDA Funding	\$ 6,657		\$ 6,657	\$ 6,657	
Total Facilities Acquisition and Construction Services	<u>6,657</u>		<u>6,657</u>	<u>6,657</u>	
Assets Acquired Under Capital Leases (non-budgeted)					
Undistributed Expenditures:					
Regular Instruction				36,527	\$ (36,527)
Operation and Maintenance of Plant Services				23,330	(23,330)
Assets Acquired Under Capital Leases (non-budgeted)				<u>59,857</u>	<u>(59,857)</u>
 TOTAL CAPITAL OUTLAY	 <u>17,175</u>	 <u>\$ 798</u>	 <u>17,973</u>	 <u>72,257</u>	 <u>(54,284)</u>
Transfer of Funds to Charter Schools	94,135	(29,455)	64,680	64,125	555
TOTAL EXPENDITURES	<u>4,678,123</u>		<u>4,678,123</u>	<u>5,083,415</u>	<u>(405,292)</u>
Excess/(Deficit) of Revenues Over/(Under) Expenditures	(42,422)		(42,422)	103,625	146,047
Other Financing Sources:					
Capital Leases (Non-Budgeted)				59,857	59,857
Total Other Financing Sources				<u>59,857</u>	<u>59,857</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(42,422)		(42,422)	163,482	205,904
Fund Balance, July 1	<u>367,101</u>		<u>367,101</u>	<u>367,101</u>	
Fund Balance, June 30	<u>\$ 324,679</u>	<u>\$ -0-</u>	<u>\$ 324,679</u>	<u>\$ 530,583</u>	<u>\$ 205,904</u>

OGDENSBURG BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(UNAUDITED)

Recapitulation of Fund Balance:

Restricted:

Capital Reserve

\$ 122,747

Excess Surplus

105,358

Assigned:

Year-End Encumbrances

3,634

For Subsequent Year's Expenditures

45,000

Unassigned

253,844

530,583

Reconciliation to Governmental Funds Statements (GAAP):

Last Two State Aid Payments not Recognized on GAAP Basis

(228,263)

Fund Balance per Governmental Funds (GAAP)

\$ 302,320

OGDENSBURG BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenue:					
Federal Sources	\$ 109,174	\$ 20,660	\$ 129,834	\$ 129,834	
Local Sources		3,073	3,073	3,073	
Total Revenue	<u>109,174</u>	<u>23,733</u>	<u>132,907</u>	<u>132,907</u>	
Expenditures:					
Instruction:					
Salaries of Teachers	25,000	2,498	27,498	27,498	
Tuition	76,174	(4,852)	71,322	71,322	
General Supplies	5,000	(5,000)			
Total Instruction	<u>106,174</u>	<u>(7,354)</u>	<u>98,820</u>	<u>98,820</u>	
Support Services:					
Personal Services - Employee Benefits		6,724	6,724	6,724	
Purchased Professional - Educational Services	3,000	10,438	13,438	13,438	
Other Purchased Services		8,000	8,000	8,000	
Supplies and Materials		5,925	5,925	5,925	
Total Support Services	<u>3,000</u>	<u>31,087</u>	<u>34,087</u>	<u>34,087</u>	
Total Expenditures	<u>\$ 109,174</u>	<u>\$ 23,733</u>	<u>\$ 132,907</u>	<u>\$ 132,907</u>	<u>\$ -0-</u>

OGDENSBURG BOROUGH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(UNAUDITED)

Note A - 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	\$ 5,187,040	\$ 132,907
Differences - Budget to GAAP:		
Prior Year State Aid Payments Recognized for GAAP Statements	228,263	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	<u>(228,263)</u>	
 Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	 <u>\$ 5,187,040</u>	 <u>\$ 132,907</u>
 Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	<u>\$ 5,083,415</u>	<u>\$ 132,907</u>
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 5,083,415</u>	<u>\$ 132,907</u>

OGDENSBURG BOROUGH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(UNAUDITED)

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budget for the fiscal year ended June 30, 2016 was submitted to the County office and was approved by a vote of the Board of Education. 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 of 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, 2016

	No Child Left Behind		IDEA Part B		Local Grants	Totals
	Title I	Title II Part A	Basic	Preschool		
REVENUE:						
Federal Sources	\$ 34,222	\$ 10,852	\$ 81,322	\$ 3,438		\$ 129,834
Local Sources					\$ 3,073	3,073
Total Revenue	34,222	10,852	81,322	3,438	3,073	132,907
EXPENDITURES:						
Instruction:						
Salaries of Teachers	27,498					27,498
Tuition			71,322			71,322
Total Instruction	27,498		71,322			98,820
Support Services:						
Personal Services - Employee Benefits	6,724					6,724
Purchased Professional - Educational Services			10,000	3,438		13,438
Other Purchased Services		8,000				8,000
Supplies and Materials		2,852			3,073	5,925
Total Support Services	6,724	10,852	10,000	3,438	3,073	34,087
Total Expenditures	\$ 34,222	\$ 10,852	\$ 81,322	\$ 3,438	\$ 3,073	\$ 132,907

CAPITAL PROJECTS FUND
(NOT APPLICABLE)

PROPRIETARY FUNDS

Exhibit G-1

OGDENSBURG BOROUGH SCHOOL DISTRICT
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF NET POSITION
JUNE 30, 2016

ASSETS:

Current Assets:

Cash and Cash Equivalents	\$ 19,476
Intergovernmental Accounts Receivable:	
State	28
Federal	822
Accounts Receivable - Food Service Vendor	614
Inventories	4,372

Total Current Assets	<u>25,312</u>
----------------------	---------------

Non-Current Assets:

Capital Assets	51,970
Less: Accumulated Depreciation	<u>(44,744)</u>

Total Non-Current Assets	<u>7,226</u>
--------------------------	--------------

Total Assets	<u>32,538</u>
--------------	---------------

LIABILITIES:

Current Liabilities:

Unearned Revenue	<u>2,620</u>
------------------	--------------

Total Current Liabilities	<u>2,620</u>
---------------------------	--------------

NET POSITION:

Net Investment in Capital Assets	7,226
Unrestricted	<u>22,692</u>

Total Net Position	<u><u>\$ 29,918</u></u>
--------------------	-------------------------

Exhibit G-2

OGDENSBURG BOROUGH SCHOOL DISTRICT
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF REVENUE, EXPENSES
AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Operating Revenue:

Local Sources:

Daily Sales - Reimbursable Programs	\$ 43,295
Daily Sales - Non-Reimbursable Programs	<u>8,237</u>

Total Operating Revenue

51,532

Operating Expenses:

Cost of Sales - Reimbursable Programs	38,469
Cost of Sales - Nonreimbursable Programs	6,650
Salaries, Benefits & Payroll Taxes	36,953
Supplies, Insurance & Other Costs	2,215
Management Fee	7,000
Depreciation Expense	<u>1,319</u>

Total Operating Expenses

92,606

Operating Loss

(41,074)

Non-Operating Income:

Local Sources:

Interest Income	48
-----------------	----

State Sources:

State School Lunch Program	949
----------------------------	-----

Federal Sources:

National School Lunch Program	25,665
School Breakfast Program	2,040
Food Distribution Program	<u>7,365</u>

Total Non-Operating Income

36,067

Change in Net Position

(5,007)

Net Position - Beginning of Year

34,925

Net Position - End of Year

\$ 29,918

Exhibit G-3

OGDENSBURG BOROUGH SCHOOL DISTRICT
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Cash Flows from Operating Activities:	
Receipts from Customers	\$ 51,532
Payments to Food Service Contractor	<u>(84,689)</u>
Net Cash Used for Operating Activities	<u>(33,157)</u>
Cash Flows by Investing Activities:	
Local Sources:	
Interest Income	<u>48</u>
Net Cash Provided by Investing Activities	<u>48</u>
Cash Flows from Noncapital Financing Activities:	
State Sources:	
State School Lunch Program - Received in Food Service Fund	989
Federal Sources:	
National School Lunch and School Breakfast Programs - Received in Food Service Fund	<u>29,108</u>
Net Cash Provided by Noncapital Financing Activities	<u>30,097</u>
Net Decrease in Cash and Cash Equivalents	(3,012)
Cash and Cash Equivalents, July 1	<u>22,488</u>
Cash and Cash Equivalents, June 30	<u>\$ 19,476</u>
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:	
Operating Loss	\$ (41,074)
Adjustment to Reconcile Operating Loss to Net Cash Used for Operating Activities:	
Depreciation	1,319
Food Distribution Program	7,365
Changes in Assets and Liabilities:	
(Increase) in Inventories	(1,800)
(Increase) in Accounts Receivable - Food Service Vendor	(614)
Increase in Unearned Revenue	<u>1,647</u>
Net Cash Used for Operating Activities	<u>\$ (33,157)</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 \$9,012 and utilized U.S.D.A. Commodities valued at \$7,365.

FIDUCIARY FUNDS

OGDENSBURG BOROUGH SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2016

	Student Activity Fund	Agency Payroll Agency Fund	Total Agency Funds	Unemployment Compensation Trust	Private Purpose Scholarship Trust
ASSETS:					
Cash and Cash Equivalents	\$ 24,793	\$ 63,519	\$ 88,312	\$ 80,302	\$ 4,969
Interfund Receivable:					
Payroll Agency Fund				5,087	
Total Assets	\$ 24,793	\$ 63,519	\$ 88,312	\$ 85,389	\$ 4,969
LIABILITIES:					
Interfund Payable:					
General Fund		\$ 57,980	\$ 57,980		
Unemployment Compensation Trust		5,087	5,087		
Payroll Deductions and Withholdings		452	452		
Due to Athletics Account	\$ 19		19		
Due to Student Groups	24,774		24,774		
Total Liabilities	24,793	63,519	88,312		
NET POSITION:					
Held in Trust for Unemployment Claims				\$ 85,389	
Restricted for Scholarships					\$ 4,969
Total Net Position	\$ -0-	\$ -0-	\$ -0-	\$ 85,389	\$ 4,969

Exhibit H-2

OGDENSBURG BOROUGH SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Unemployment Compensation Trust	Private Purpose Scholarship Trust
	<u> </u>	<u> </u>
Additions:		
Contributions:		
Plan Member Contributions	\$ 5,087	<u> </u>
Total Contributions	<u>5,087</u>	<u> </u>
Investment Earnings:		
Interest	163	\$ 3
Net Investment Earnings	<u>163</u>	<u>3</u>
Total Additions	<u>5,250</u>	<u>3</u>
Deductions:		
Unemployment Compensation Claims	2,991	<u> </u>
Total Deductions	<u>2,991</u>	<u> </u>
Change in Net Position	2,259	3
Net Position - Beginning of the Year	<u>83,130</u>	<u>4,966</u>
Net Position - End of the Year	<u>\$ 85,389</u>	<u>\$ 4,969</u>

Exhibit H-3

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

	<u>Balance</u> <u>July 1, 2015</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>June 30, 2016</u>
<u>ASSETS:</u>				
Cash and Cash Equivalents	\$ 25,659	\$ 24,318	\$ 25,184	\$ 24,793
Total Assets	<u>\$ 25,659</u>	<u>\$ 24,318</u>	<u>\$ 25,184</u>	<u>\$ 24,793</u>
<u>LIABILITIES:</u>				
Due to Athletics Account	\$ 192	\$ 2,202	\$ 2,375	\$ 19
Due to Student Groups	<u>25,467</u>	<u>22,116</u>	<u>22,809</u>	<u>24,774</u>
Total Liabilities	<u>\$ 25,659</u>	<u>\$ 24,318</u>	<u>\$ 25,184</u>	<u>\$ 24,793</u>

Exhibit H-4

OGDENSBURG BOROUGH SCHOOL DISTRICT
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS

	<u>Balance</u> <u>July 1, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2016</u>
<u>ASSETS:</u>				
Cash and Cash Equivalents	\$ 100	\$ 3,969,294	\$ 3,905,875	\$ 63,519
Total Assets	<u>\$ 100</u>	<u>\$ 3,969,294</u>	<u>\$ 3,905,875</u>	<u>\$ 63,519</u>
<u>LIABILITIES:</u>				
Interfund Payable:				
Unemployment Compensation Trust		\$ 5,087		\$ 5,087
General Fund	\$ 100	57,880		57,980
Payroll Deductions and Withholdings		3,906,327	\$ 3,905,875	452
Total Liabilities	<u>\$ 100</u>	<u>\$ 3,969,294</u>	<u>\$ 3,905,875</u>	<u>\$ 63,519</u>

LONG-TERM DEBT

OGDENSBURG BOROUGH SCHOOL DISTRICT
LONG-TERM DEBT
STATEMENT OF SERIAL BONDS

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance July 1, 2015	Retired or Matured	Balance June 30, 2016
			Date	Amount				
Americans with Disabilities Upgrade, Replacement of Windows, Removal of Existing Playground and Installation of a New Playground	07/15/08	\$ 275,000	7/15/16	\$ 40,000	4.30%	\$ 82,000	\$ 42,000	\$ 40,000
						<u>\$ 82,000</u>	<u>\$ 42,000</u>	<u>\$ 40,000</u>

Exhibit I-2

OGDENSBURG BOROUGH SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

<u>Series</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Balance July 1, 2015</u>	<u>Issued</u>	<u>Retired or Matured</u>	<u>Balance June 30, 2016</u>
2 Boilers	2.75%	\$ 103,955	\$ 21,073		\$ 21,073	
Computer Equipment, Snow blowers, Rooftop Fans, and Bathroom Sinks	2.34%	59,857	<u> </u>	<u>\$ 59,857</u>	<u>12,531</u>	<u>\$ 47,326</u>
			<u>\$ 21,073</u>	<u>\$ 59,857</u>	<u>\$ 33,604</u>	<u>\$ 47,326</u>

OGDENSBURG BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<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	\$ 25,413		\$ 25,413	\$ 25,413	
Total Revenue	25,413		25,413	25,413	
EXPENDITURES:					
Regular Debt Service:					
Interest	2,623		2,623	2,623	
Redemption of Principal	42,000		42,000	42,000	
Total Regular Debt Service	44,623		44,623	44,623	
Total Expenditures	44,623		44,623	44,623	
Deficit of Revenues Under Expenditures	(19,210)		(19,210)	(19,210)	
Fund Balance, July 1	19,210		19,210	19,210	
Fund Balance, June 30	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

STATISTICAL SECTION
(UNAUDITED)

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

Financial Trends

These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

Exhibit

J-1 thru J-5

Revenue Capacity

These schedules contain information to help the reader assess the factors affecting the District's ability to generate its property taxes.

J-6 thru J-9

Debt Capacity

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.

J-10 thru J-13

Demographic and Economic Information

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.

J-14 thru J-15

Operating Information

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.

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.

OGDENSBURG BOROUGH SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
UNAUDITED
 (accrual basis of accounting)

	June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental Activities										
Net Investment in Capital Assets	\$ 762,698	\$ 794,077	\$ 502,738	\$ 522,473	\$ 550,367	\$ 858,407	\$ 999,590	\$ 1,038,098	\$ 1,135,494	\$ 1,072,236
Restricted/(Deficit)	55,569	(255,502)	51,896	59,022	144,091	131	50,132	55,098	91,723	228,105
Unrestricted/(Deficit)	(36,098)	4,741	(84,375)	(95,353)	(137,714)	33,699	(97,346)	(1,124,221)	(1,168,908)	(1,208,875)
Total Governmental Activities Net Position	<u>\$ 782,169</u>	<u>\$ 543,316</u>	<u>\$ 470,259</u>	<u>\$ 486,142</u>	<u>\$ 556,744</u>	<u>\$ 892,237</u>	<u>\$ 952,376</u>	<u>\$ (31,025)</u>	<u>\$ 58,309</u>	<u>\$ 91,466</u>
Business-Type Activities										
Net Investment in Capital Assets	\$ 8,284	\$ 11,140	\$ 10,139	\$ 9,005	\$ 7,871	\$ 12,707	\$ 11,182	\$ 9,863	\$ 8,545	\$ 7,226
Unrestricted	2,491	5,974	6,033	8,116	8,839	12,405	16,865	22,401	26,380	22,692
Total Business-Type Activities Net Position	<u>\$ 10,775</u>	<u>\$ 17,114</u>	<u>\$ 16,172</u>	<u>\$ 17,121</u>	<u>\$ 16,710</u>	<u>\$ 25,112</u>	<u>\$ 28,047</u>	<u>\$ 32,264</u>	<u>\$ 34,925</u>	<u>\$ 29,918</u>
District-Wide										
Net Investment in Capital Assets	\$ 770,982	\$ 805,217	\$ 512,877	\$ 531,478	\$ 558,238	\$ 871,114	\$ 1,010,772	\$ 1,047,961	\$ 1,144,039	\$ 1,079,462
Restricted/(Deficit)	55,569	(255,502)	51,896	59,022	144,091	131	50,132	55,098	91,723	228,105
Unrestricted/(Deficit)	(33,607)	10,715	(78,342)	(87,237)	(128,875)	46,104	(80,481)	(1,101,820)	(1,142,528)	(1,186,183)
Total District Net Position	<u>\$ 792,944</u>	<u>\$ 560,430</u>	<u>\$ 486,431</u>	<u>\$ 503,263</u>	<u>\$ 573,454</u>	<u>\$ 917,349</u>	<u>\$ 980,423</u>	<u>\$ 1,239</u>	<u>\$ 93,234</u>	<u>\$ 121,384</u>

Source: School District Financial Reports

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

	Fiscal Year Ending June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses:										
Governmental activities:										
Instruction:										
Regular	\$ 1,994,863	\$ 2,021,270	\$ 1,949,580	\$ 1,925,261	\$ 1,793,060	\$ 1,802,802	\$ 2,058,304	\$ 2,019,847	\$ 2,387,210	\$ 2,668,436
Special Education	744,483	824,628	847,685	849,772	721,931	697,382	738,859	812,554	975,883	974,239
Other Special Instruction	121,247	116,718	42,841	77,103	111,445	125,812	115,795	136,861	94,533	113,336
School Sponsored/Other Instruction	48,216	50,423	50,007	59,265	48,334	75,181	98,187	115,870	124,506	131,475
Support Services:										
Tuition	108,895	95,995	59,839	63,665	99,846	96,859	10,142	13,096	33,933	9,852
Student & Instruction Related Services	643,418	679,253	563,354	674,800	595,834	626,820	664,013	651,418	702,673	670,280
General Administrative Services	231,570	243,619	224,207	210,098	177,700	188,514	195,285	209,961	244,488	232,904
School Administrative Services	122,475	204,309	170,961	197,756	174,094	189,586	204,144	198,187	215,527	143,936
Central Services	158,975	167,328	152,650	161,712	167,781	172,321	173,095	182,299	202,096	228,637
Administrative Information Technology	16,103	43,499	21,322	17,569	23,215	9,764	42,955	27,535	24,592	9,744
Plant Operations And Maintenance	384,094	433,849	423,803	463,204	455,141	498,800	514,459	505,315	511,123	596,764
Pupil Transportation	88,571	128,439	107,776	96,174	69,455	69,924	81,177	58,423	56,221	72,720
Capital Outlay		14,467		8,200	30,996	18,448	12,686	25,803	13,857	
Charter Schools	17,910	9,311		22,753	53,042	83,556	44,036	68,888	51,878	64,125
Interest On Long-Term Debt	25,284	26,348	31,930	17,933	14,674	11,252	7,995	5,564	3,608	1,795
Total Governmental Activities Expenses	<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>	<u>4,667,021</u>	<u>4,961,132</u>	<u>5,031,621</u>	<u>5,642,128</u>	<u>5,918,243</u>
Business-type activities:										
Food Service	81,959	84,238	84,423	88,407	83,230	89,766	87,004	92,956	93,369	92,606
Total Business-Type Activities Expense	<u>81,959</u>	<u>84,238</u>	<u>84,423</u>	<u>88,407</u>	<u>83,230</u>	<u>89,766</u>	<u>87,004</u>	<u>92,956</u>	<u>93,369</u>	<u>92,606</u>
Total District Expenses	<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>	<u>\$ 4,756,787</u>	<u>\$ 5,048,136</u>	<u>\$ 5,124,577</u>	<u>\$ 5,735,497</u>	<u>\$ 6,010,849</u>

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

	Fiscal Year Ending June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Program Revenues:										
Governmental Activities:										
Operating Grants and Contributions	\$ 1,157,695	\$ 1,159,312	\$ 610,499	\$ 697,375	\$ 592,341	\$ 728,709	\$ 739,825	\$ 704,557	\$ 1,222,984	\$ 1,456,421
Capital Grants and Contributions						138,259	34,565		25,596	
Total Governmental Activities Program Revenues	<u>1,157,695</u>	<u>1,159,312</u>	<u>610,499</u>	<u>697,375</u>	<u>592,341</u>	<u>866,968</u>	<u>774,390</u>	<u>704,557</u>	<u>1,248,580</u>	<u>1,456,421</u>
Business-Type Activities:										
Charges for Services:										
Food Service	\$ 52,808	\$ 60,163	\$ 59,116	\$ 60,749	\$ 58,402	\$ 58,633	\$ 52,276	\$ 54,323	\$ 49,695	\$ 51,532
Operating Grants and Contributions	25,319	26,322	24,307	28,544	24,385	33,534	37,631	42,816	46,288	36,019
Total Business Type Activities Program Revenues	<u>78,127</u>	<u>86,485</u>	<u>83,423</u>	<u>89,293</u>	<u>82,787</u>	<u>92,167</u>	<u>89,907</u>	<u>97,139</u>	<u>95,983</u>	<u>87,551</u>
Total District Program Revenues	<u>\$ 1,235,822</u>	<u>\$ 1,245,797</u>	<u>\$ 693,922</u>	<u>\$ 786,668</u>	<u>\$ 675,128</u>	<u>\$ 959,135</u>	<u>\$ 864,297</u>	<u>\$ 801,696</u>	<u>\$ 1,344,563</u>	<u>\$ 1,543,972</u>
Net (Expense)/Revenue:										
Governmental Activities	\$ (3,548,409)	\$ (3,900,144)	\$ (4,035,456)	\$ (4,147,890)	\$ (3,944,207)	\$ (3,800,053)	\$ (4,186,742)	\$ (4,327,064)	\$ (4,393,548)	\$ (4,461,822)
Business-Type Activities	(3,832)	2,247	(1,000)	886	(443)	2,401	2,903	4,183	2,614	(5,055)
Total District-Wide Net (Expense)/Revenue	<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>	<u>\$ (3,797,652)</u>	<u>\$ (4,183,839)</u>	<u>\$ (4,322,881)</u>	<u>\$ (4,390,934)</u>	<u>\$ (4,466,877)</u>

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

	Fiscal Year Ending June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 1,966,856	\$ 1,933,090	\$ 2,010,414	\$ 2,097,918	\$ 2,135,868	\$ 2,178,585	\$ 2,222,157	\$ 2,266,600	\$ 2,289,266	\$ 2,335,051
Taxes Levied for Debt Service	41,561	57,714	66,037	67,556	73,124	73,763	67,210	55,824	68,703	25,413
Tuition	12,421	2,572	3,464			24,440	17,105	19,650	8,910	13,520
Unrestricted Grants and Contributions	1,598,634	1,654,757	1,873,677	1,988,256	1,801,282	1,855,676	1,912,794	2,098,913	2,111,649	2,113,898
Investment Earnings	29	7	136	128						234
Miscellaneous Income	36,530	17,141	8,671	9,915	4,535	9,052	27,615	3,059	4,354	6,863
Transfers	(5,000)	(3,990)				(5,970)				
Total Governmental Activities	3,651,031	3,661,291	3,962,399	4,163,773	4,014,809	4,135,546	4,246,881	4,444,046	4,482,882	4,494,979
Business-Type Activities:										
Investment Earnings	182	102	58	63	32	31	32	34	47	48
Capital Contribution		3,990								
Transfers	5,000					5,970				
Total Business-Type Activities	5,182	4,092	58	63	32	6,001	32	34	47	48
Total District-Wide	\$ 3,656,213	\$ 3,665,383	\$ 3,962,457	\$ 4,163,836	\$ 4,014,841	\$ 4,141,547	\$ 4,246,913	\$ 4,444,080	\$ 4,482,929	\$ 4,495,027
Change in Net Position:										
Governmental Activities	\$ 102,622	\$ (238,853)	\$ (73,057)	\$ 15,883	\$ 70,602	\$ 335,493	\$ 60,139	\$ 116,982	\$ 89,334	\$ 33,157
Business-Type Activities	1,350	6,339	(942)	949	(411)	8,402	2,935	4,217	2,661	(5,007)
Total District	\$ 103,972	\$ (232,514)	\$ (73,999)	\$ 16,832	\$ 70,191	\$ 343,895	\$ 63,074	\$ 121,199	\$ 91,995	\$ 28,150

Source: School District Financial Reports

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

	June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund:										
Reserved/Restricted	\$ 354,128	\$ 34,474	\$ 51,208	\$ 59,020	\$ 35,129	\$ 129	\$ 50,129	\$ 55,097	\$ 72,513	\$ 228,105
Assigned						185,648	34,109	117,484	42,421	48,634
Unassigned/(Deficit)					(26,512)				23,904	25,581
Unreserved	<u>123,891</u>	<u>142,645</u>	<u>45,953</u>	<u>35,121</u>						
Total General Fund	<u>\$ 478,019</u>	<u>\$ 177,119</u>	<u>\$ 97,161</u>	<u>\$ 94,141</u>	<u>\$ 8,617</u>	<u>\$ 185,777</u>	<u>\$ 84,238</u>	<u>\$ 172,581</u>	<u>\$ 138,838</u>	<u>\$ 302,320</u>
All Other Governmental Funds:										
Restricted					\$ 3	\$ 2	\$ 3	\$ 1	\$ 19,210	
Committed					108,959		4,896			
Unassigned/(Deficit)						(29,669)				
Unreserved/(Deficit), Reported In:										
Capital Projects Fund	\$ (310,727)	\$ (293,419)								
Debt Service Fund	<u>12,168</u>	<u>3,443</u>	<u>\$ 688</u>	<u>\$ 2</u>						
Total All Other Governmental Funds	<u>\$ (298,559)</u>	<u>\$ (289,976)</u>	<u>\$ 688</u>	<u>\$ 2</u>	<u>\$ 108,962</u>	<u>\$ (29,667)</u>	<u>\$ 4,899</u>	<u>\$ 1</u>	<u>\$ 19,210</u>	<u>\$ -0-</u>
Total Governmental Funds:										
Reserved/Restricted	\$ 354,128	\$ 34,474	\$ 51,208	\$ 59,020	\$ 35,132	\$ 131	\$ 50,132	\$ 55,098	\$ 91,723	\$ 228,105
Committed					108,959		4,896			
Assigned						185,648	34,109	117,484	42,421	48,634
Unassigned/(Deficit)					(26,512)	(29,669)			23,904	25,581
Unreserved/(Deficit)	<u>(174,668)</u>	<u>(147,331)</u>	<u>46,641</u>	<u>35,123</u>						
Total Governmental Funds/(Deficit)	<u>\$ 179,460</u>	<u>\$ (112,857)</u>	<u>\$ 97,849</u>	<u>\$ 94,143</u>	<u>\$ 117,579</u>	<u>\$ 156,110</u>	<u>\$ 89,137</u>	<u>\$ 172,582</u>	<u>\$ 158,048</u>	<u>\$ 302,320</u>

Source: School District Financial Reports

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

	For the Fiscal Year Ended June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenue:										
Tax Levy	\$ 2,008,417	\$ 1,990,804	\$ 2,076,451	\$ 2,165,474	\$ 2,208,992	\$ 2,252,348	\$ 2,289,367	\$ 2,322,424	\$ 2,357,969	\$ 2,360,464
Tuition Charges	12,421	2,572	3,464			24,440	17,105	19,650	8,910	13,520
Interest Earnings	29	7	136	128					204	234
Miscellaneous	36,530	21,831	9,476	9,915	8,032	10,979	27,615	3,716	4,150	9,936
State Sources	2,603,999	2,681,642	2,359,084	2,237,703	2,270,270	2,534,698	2,571,778	2,671,596	2,753,524	2,831,372
Federal Sources	152,330	127,737	124,287	447,928	119,856	186,019	115,406	131,217	128,127	129,834
Total Revenue	4,813,726	4,824,593	4,572,898	4,861,148	4,607,150	5,008,484	5,021,271	5,148,603	5,252,884	5,345,360
Expenditures:										
Instruction:										
Regular Instruction	1,366,061	1,334,853	1,360,376	1,329,201	1,227,872	1,222,921	1,372,122	1,367,489	1,385,257	1,428,721
Special Education Instruction	538,904	603,956	629,143	639,442	527,085	501,450	517,604	573,725	602,215	560,374
Other Special Instruction	81,684	76,136	40,114	53,686	83,040	85,777	77,094	93,769	54,531	63,654
School Sponsored/Other Instruction	39,831	41,084	36,853	57,571	31,705	55,585	71,064	84,777	81,521	74,238
Support Services:										
Tuition	64,047	95,995	59,839	63,665	99,846	95,429	11,572	13,096	33,933	9,852
Student & Instruction Related Services	491,238	507,448	448,313	524,261	467,718	492,916	532,295	501,513	513,145	506,175
General Administrative Services	204,874	194,250	196,173	186,411	153,991	165,184	171,980	184,313	192,578	177,241
School Administrative Services	85,388	134,226	123,430	138,095	123,324	133,471	140,826	140,223	148,474	94,225
Central Services	120,292	117,188	124,107	129,273	130,382	135,371	136,621	141,404	144,023	160,380
Administrative Information Technology	16,103	43,499	21,322	17,569	23,215	9,764	39,829	22,905	20,673	9,744
Plant Operations And Maintenance	356,382	386,323	372,283	404,642	398,091	399,006	486,781	470,749	471,107	480,763
Pupil Transportation	88,571	128,439	107,776	96,174	69,455	69,924	81,177	58,423	56,221	72,720
Unallocated Benefits	1,208,685	1,268,122	1,032,936	1,076,432	1,038,411	1,065,712	1,202,942	1,238,552	1,354,687	1,441,853
Charter Schools	17,910	9,311		22,753	53,042	83,556	44,036	68,888	51,878	64,125
Capital Outlay	66,191	94,186	6,208	30,323	59,159	454,634	191,297	46,692	107,690	72,257
Debt Service:										
Redemption of Principal	59,301	68,086	69,384	76,155	81,360	84,576	79,807	52,051	45,000	42,000
Interest And Other Charges	26,056	27,126	27,354	19,201	16,018	12,662	9,332	6,589	4,494	2,623
Total Expenditures	4,831,518	5,130,228	4,655,611	4,864,854	4,583,714	5,067,938	5,166,379	5,065,158	5,267,427	5,260,945

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

	For the Fiscal Year Ended June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Excess/(Deficit) of Revenues Under/(Over) Expenditures	\$ (17,792)	\$ (305,635)	\$ (82,713)	\$ (3,706)	\$ 23,436	\$ (59,454)	\$ (145,108)	\$ 83,445	\$ (14,543)	\$ 84,415
Other Financing Sources/(Uses)										
Capital Leases (non-budgeted)						103,955	78,135			59,857
Budget Appropriations	8,700	17,308	18,419							
Bond Proceeds			275,000							
Transfers In					139,955	60,000		4,896		
Transfers Out	(5,000)	(3,990)			(139,955)	(65,970)		(4,896)		
Total Other Financing Sources/(Uses)	3,700	13,318	293,419			97,985	78,135			59,857
Net Change In Fund Balances	<u>\$ (14,092)</u>	<u>\$ (292,317)</u>	<u>\$ 210,706</u>	<u>\$ (3,706)</u>	<u>\$ 23,436</u>	<u>\$ 38,531</u>	<u>\$ (66,973)</u>	<u>\$ 83,445</u>	<u>\$ (14,543)</u>	<u>\$ 144,272</u>
Debt Service As A Percentage Of Noncapital Expenditures	<u>1.79%</u>	<u>1.89%</u>	<u>2.08%</u>	<u>1.97%</u>	<u>2.15%</u>	<u>2.11%</u>	<u>1.79%</u>	<u>1.17%</u>	<u>0.96%</u>	<u>0.86%</u>

Source: School District Financial Reports

Exhibit J-5

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

Fiscal Year Ending June 30,	Interest on Investments	Refunds	Tuition	Miscellaneous	Total
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
2012		7,771	24,440	1,281	33,492
2013	108	19,309	17,105	7,610	44,132
2014	72		19,650	2,987	22,709
2015	204		8,910	2,987	12,101
2016	234		13,520	6,863	20,617

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	Public Utilities ^a	Net Valuation Taxable	Tax-Exempt Property	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
2006	\$ 3,044,800	\$ 102,175,450	\$ 624,600	\$ 21,100	\$ 7,047,600	\$ 1,646,200	\$ 734,000	\$ 115,293,750	\$ 269,406	\$ 115,563,156	\$ 11,317,600	\$ 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	217,714	117,122,064	11,317,600	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	189,815	116,440,565	11,523,300	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	256,190	242,504,490	20,829,900	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	376,515	241,981,615	21,334,400	0.904	246,933,065
2011	3,232,200	215,743,200	317,600	15,900	15,747,300	3,137,000	2,788,100	240,981,300	414,607	241,395,907	22,516,400	0.924	243,352,322
2012	3,430,500	215,323,000	317,600	15,900	15,549,000	3,137,000	2,788,100	240,561,100	436,209	240,997,309	22,775,300	0.942	233,041,034
2013	3,392,900	214,338,300	317,600	15,900	15,549,000	3,024,300	2,710,800	239,348,800	416,585	239,765,385	22,424,100	0.969	216,669,834
2014 *	2,858,300	178,456,800	279,200	13,500	11,442,000	2,672,200	1,648,200	197,370,200	405,852	197,776,052	20,907,700	1.192	216,669,834
2015	2,485,200	178,218,900	279,200	13,500	11,944,200	1,912,300	1,905,900	196,759,200	451,311	197,210,511	20,907,700	1.197	195,475,339

* - 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	
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
2011	0.894	0.030	0.924	0.333	0.905	0.437	2.599
2012	0.971	0.029	0.942	0.368	0.906	0.447	2.663
2013	0.945	0.023	0.969	0.391	0.906	0.445	2.711
2014	* 1.158	0.035	1.192	0.547	1.088	0.528	3.355
2015	1.184	0.013	1.197	0.604	1.089	0.511	3.401

* - 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 TAXPAYERS,
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

2015			2006		
Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value	Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value
Jimmy Dobbins PL	\$ 2,136,200	1.08%	Estate of John Dobbins	\$ 1,725,000	1.49%
Ogdensburg Associates	1,598,500	0.81%	Ogdensburg Associates	1,100,000	0.95%
Pokorny Properties LLC	1,514,300	0.77%	Sterling Hill Mining Museum, Inc	1,019,000	0.88%
Sterling Hill Mining Museum, Inc	1,127,100	0.57%	Individual Taxpayer #1	690,100	0.60%
83 Main St. LLC	556,900	0.28%	AA-1 Self Storage LLC	672,400	0.58%
Individual Taxpayer #1	528,400	0.27%	Individual Taxpayer #2	550,700	0.48%
Individual Taxpayer #2	501,400	0.25%	Individual Taxpayer #3	432,000	0.37%
Sterling Hill Mining Museum, Inc	501,000	0.25%	Individual Taxpayer #4	419,600	0.36%
Individual Taxpayer #3	456,700	0.23%	100 Pane St. LLC	405,600	0.35%
Individual Taxpayer #4	453,700	0.23%	Individual Taxpayer #5	394,100	0.34%
Total	<u>\$ 9,374,200</u>	<u>4.74%</u>	Total	<u>\$ 7,408,500</u>	<u>6.40%</u>

Notes: Individual taxpayers may be different in 2015 and 2006. A revaluation was effective in 2009 and 2014.

Source: Ogdensburg Borough Tax Assessor

Exhibit J-9

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>	
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-
2012	2,252,348	2,252,348	100.00%	-0-
2013	2,289,367	2,289,367	100.00%	-0-
2014	2,322,424	2,322,424	100.00%	-0-
2015	2,357,969	2,357,969	100.00%	-0-
2016	2,360,464	2,360,464	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.

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

OGDENSBURG BOROUGH SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN 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	Activities		Capital Leases			
2007	\$ 283,000	\$ 44,692	\$ -0-	\$ 391,300	\$ -0-	\$ 718,992	0.60%	\$ 277.39	
2008	238,000	38,914	-0-	293,419	-0-	570,333	0.48%	221.23	
2009	468,000	32,949	-0-	-0-	-0-	500,949	0.41%	195.53	
2010	398,000	26,794	-0-	-0-	-0-	424,794	0.36%	166.46	
2011	323,000	20,434	-0-	-0-	-0-	343,434	0.31%	143.88	
2012	245,000	13,858	82,592	-0-	-0-	341,450	0.30%	143.77	
2013	172,000	7,051	115,500	-0-	-0-	294,551	0.25%	125.13	
2014	127,000	-0-	68,741	-0-	-0-	195,741	0.17%	84.01	
2015	82,000	-0-	21,073	-0-	-0-	103,073	0.08%	44.58	
2016	40,000	-0-	47,326	-0-	-0-	87,326	0.07%	38.20	

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

Exhibit J-11

OGDENSBURG BOROUGH SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN 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		
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%	135.32
2012	245,000	-0-	245,000	0.10%	103.16
2013	172,000	-0-	172,000	0.07%	73.07
2014	127,000	-0-	127,000	0.05%	54.51
2015	82,000	-0-	82,000	0.04%	35.47
2016	40,000	-0-	40,000	0.02%	17.50

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

Exhibit J-12

OGDENSBURG BOROUGH SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2015
UNAUDITED

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid With Property Taxes			
Wallkill Valley Regional School District	\$ 3,460,000	9.57%	\$ 331,155
Borough of Ogdensburg	786,504	100.00%	786,504
Sussex County General Obligation Debt	112,567,827	1.27%	<u>1,426,382</u>
Subtotal, Overlapping Debt			2,544,041
Ogdensburg Borough Board of Education School District Direct Debt			<u>40,000</u>
Total Direct And Overlapping Debt			<u><u>\$ 2,584,041</u></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.

Exhibit J-13

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

Legal Debt Margin Calculation for Fiscal Year 2016

Equalized valuation basis	
2015	\$ 188,774,057
2014	193,576,108
2013	199,142,025
	<u>\$ 581,492,190</u>
Average Equalized Valuation of Taxable Property	<u>\$ 193,830,730</u>
Debt Limit (3% of average equalization value)	a \$ 5,814,922
Net Bonded School Debt	40,000
Legal Debt Margin	<u>\$ 5,774,922</u>

	<u>Fiscal Year</u>				
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Debt Limit	\$ 7,154,945	\$ 6,860,767	\$ 6,444,083	\$ 6,076,008	\$ 5,814,922
Total Net Debt Applicable to Limit	<u>245,000</u>	<u>172,000</u>	<u>127,000</u>	<u>82,000</u>	<u>40,000</u>
Legal Debt Margin	<u>\$ 6,909,945</u>	<u>\$ 6,688,767</u>	<u>\$ 6,317,083</u>	<u>\$ 5,994,008</u>	<u>\$ 5,774,922</u>
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	3.42%	2.51%	1.97%	1.35%	0.69%

	<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	\$ 7,259,213
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>\$ 6,936,213</u>
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	11.32%	8.01%	6.55%	5.42%	4.45%

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>
2007	2,578	\$ 117,654,764	\$ 45,638	3.50%
2008	2,562	121,479,792	47,416	4.50%
2009	2,552	117,445,592	46,021	7.60%
2010	2,387	111,375,033	46,659	8.10%
2011	2,375	115,118,625	48,471	7.90%
2012	2,354	118,097,826	50,169	7.80%
2013	2,330	117,744,220	50,534	4.40%
2014	2,312	122,191,512	52,851	6.30%
2015	2,286	120,817,386 ***	52,851 *	6.90%
2016	2,286 **	120,817,386 ***	52,851 *	N/A

* - Latest Sussex County per capita personal income available (2014) was used for calculation purposes.

** - Latest population data available (2015) was used for calculation purposes.

*** - Latest available population data (2015) and latest available Sussex County per capita personal income (2014) 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

Exhibit J-15

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

<u>Employer</u>	<u>2015</u>	
	<u>Employees</u>	<u>Percentage of Total Employment</u>
Newton Memorial Hospital	5,000	6.80%
Selective Insurance	5,000	6.80%
Mountain Creek Resort	1,000	1.36%
Thor Labs	1,000	1.36%
County of Sussex	1,000	1.36%
Ames Rubber Corp	500	0.68%
Raider Express	500	0.68%
Sussex County Community College	500	0.68%
Mountain Creek Waterpark	250	0.34%
A&P Food Store	250	0.34%
	<u>15,000</u>	<u>20.41%</u>

<u>Employer</u>	<u>2006</u>	
	<u>Employees</u>	<u>Percentage of Total Employment</u>
Mountain Creek/Intrawest	1,247	1.54%
Crystal Springs Golf and Spa Resort	1,154	1.43%
Newton Memorial Hospital	1,109	1.37%
Selective Insurance	954	1.18%
County of Sussex	770	0.95%
Andover Sub Acute and Rehab Center	700	0.86%
Roneto Supermarkets, Inc. (Shop Rite)	672	0.83%
Vernon Township Board of Education	664	0.82%
Sparta Board of Education	557	0.69%
Sussex County Community College	516	0.64%
	<u>8,343</u>	<u>10.31%</u>

Source: County of Sussex

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

<u>Function/Program</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Instruction										
Regular	28	31	32.5	24.5	23.8	22.9	23.1	23	23.5	20
Special Education	7	7	3.5	5	5	5	5	6	6	6.5
Other Special Education	3	4		7.5	6.5	4.5	8	8.7	9.5	9.5
Nonpublic School Programs										
Support Services:										
Instructional Support Staff				2.2	2.2	2.2	2.2	2.2	2.2	2
School Administrative Services	2	2	4	4	3.2	3.3	3.4	3.5	4	1
General and Business Administrative Services	3	2	3	3	3	3	3	3	3	2
Plant Operations and Maintenance	3.5	3.5	3.5	3.5	2.5	3.5	4	4	4	4
Total	<u>47</u>	<u>49.5</u>	<u>46.5</u>	<u>49.7</u>	<u>46.2</u>	<u>44.4</u>	<u>48.7</u>	<u>50.4</u>	<u>52.2</u>	<u>45.0</u>

Source: District Personnel Records

OGDENSBURG BOROUGH SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Operating Expenditures^a</u>	<u>Cost Per Pupil^d</u>	<u>Percentage Change</u>	<u>Teaching Staff^b</u>	<u>Pupil/Teacher Ratio Elementary</u>	<u>Average Daily Enrollment (ADE)^c</u>	<u>Average Daily Attendance (ADA)^c</u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
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%
2012	301.2	4,516,066	14,993.58	-2.80%	30.1	1:10	301.2	286.9	5.13%	95.25%
2013	317.0	4,885,943	15,413.07	2.80%	30.3	1:10.3	312.5	295.3	3.75%	94.50%
2014	290.0	4,959,826	17,102.85	10.96%	31.2	1:9.3	289.1	272.7	-7.49%	94.33%
2015	277.0	5,110,243	18,448.53	7.87%	31.7	1:8.6	273.7	258.2	-5.33%	94.32%
2016	266.0	5,144,065	19,338.59	4.82%	32.0	1:8.3	263.7	249.7	-5.01%	94.69%

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.

Source: Ogdensburg Borough School District records

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

<u>District Buildings</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2016</u>	<u>2016</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	60,050	60,050	60,050
Capacity (students)	347	347	347	347	347	347	347	347	347	347
Enrollment	321	310	324	312	287	304	317	290	277	266

Number of Schools at June 30, 2016
 Elementary = 1

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

<u>Fiscal Year Ended</u> <u>June 30,</u>	<u>Ogdensburg</u> <u>Public School</u>
2007	\$ 33,147
2008	31,794
2009	33,713
2010	36,250
2011	33,767
2012	40,314
2013	56,150
2014	37,879
2015	44,519
2016	41,033

* 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

Exhibit J-20

ODGENSBURG BOROUGH SCHOOL DISTRICT
INSURANCE SCHEDULE
AS OF JUNE 30, 2016
UNAUDITED

	<u>Coverage</u>		<u>Deductible</u>
School Package Policy - School Alliance			
Insurance Fund:			
Building & Personal Property	\$ 250,000,000	Fund Aggregate	\$ 2,500
Inland Marine - Auto Physical Damage			
General Liability including Auto, Employee Benefits	5,000,000		
Each Occurance			
General Aggregate	100,000	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	10,000
Crime Coverage	50,000	Inside/Outside	1,000
Blanket Dishonesty Bond	500,000		1,000
Boiler & Machinery	100,000,000		2,500
Excess Liability (AL/GL)	5,000,000		
School Board Legal Liability (SLPL)	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	

Source: Borough of Ogdensburg School District records.

SINGLE AUDIT SECTION



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Report on Internal Control Over Financial Reporting and
 on Compliance and Other Matters Based on an Audit of Financial Statements
 Performed in Accordance with *Government Auditing Standards*

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, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Department"), 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 Borough of Ogdensburg, in the County of Sussex (the "District") as of and for the fiscal year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated September 30, 2016.

Internal Control Over Financial Reporting

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

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

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

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

Compliance and Other Matters

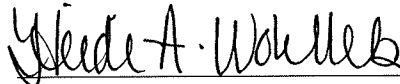
As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material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

Purpose of this Report

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

September 30, 2016
Mount Arlington, New Jersey

NISIVOCCIA LLP



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



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Report on Compliance For Each Major State Program;
 Report on Internal Control Over Compliance

Independent Auditors' Report

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

Report on Compliance for Each Major State Program

We have audited the Board of Education of the Borough of Ogdensburg's (the "District's") compliance 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 the District's major state programs for the fiscal year ended June 30, 2016. The District's major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Those standards, the Uniform Guidance and New Jersey's OMB Circular 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major State Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the fiscal year ended June 30, 2016.

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

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and NJOMB 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

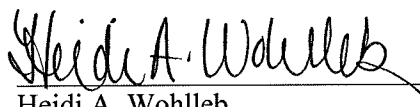
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance or NJOMB 15-08. Accordingly, this report is not suitable for any other purpose.

September 30, 2016
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, 2016

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, 2015			Balance at June 30, 2016			Amounts Paid to Subrecipients
					Budgetary Accounts Receivable	Budgetary Unearned Revenue	Cash Received	Budgetary Expenditures	Budgetary Accounts Receivable	Budgetary Unearned Revenue	
U.S. Department of Education Passed-through State Department of Education:											
Special Revenue Fund:											
No Child Left Behind Consolidated Grant:											
Title I	84.010A	NCLB384015	7/1/14-6/30/15	\$ 33,262	\$ (6,500)		\$ 6,500				
Title I	84.010A	NCLB384016	7/1/15-6/30/16	34,222			27,498	\$ (34,222)	\$ (6,724)		
Title II, Part A	84.367A	NCLB384016	7/1/15-6/30/16	10,852			10,852	(10,852)			
Special Education Cluster:											
I.D.E.A. Part B, Basic	84.027	IDEA384016	7/1/15-6/30/16	81,322			81,322	(81,322)			
I.D.E.A. Part B, Preschool	84.173	IDEA384016	7/1/15-6/30/16	3,438			3,438	(3,438)			
Total Special Education Cluster							84,760	(84,760)			
Total Special Education Fund					(6,500)		129,610	(129,834)	(6,724)		
Total U.S. Department of Education					(6,500)		129,610	(129,834)	(6,724)		
U.S. Department of Agriculture:											
Passed-through State Department of Agriculture:											
Child Nutrition Cluster:											
Food Distribution Program	10.555	N/A	7/1/14-6/30/15	8,508		\$ 973		\$ (973)			
Food Distribution Program	10.555	N/A	7/1/15-6/30/16	9,012			\$ 9,012	(6,392)	\$ 2,620		
National School Lunch Program	10.555	N/A	7/1/14-6/30/15	33,325	(2,069)		2,069				
National School Lunch Program	10.555	N/A	7/1/15-6/30/16	25,665			24,914	(25,665)	(751)		
School Breakfast Program	10.553	N/A	7/1/14-6/30/15	2,237	(156)		156				
School Breakfast Program	10.553	N/A	7/1/15-6/30/16	2,040			1,969	(2,040)	(71)		
Total Child Nutrition Cluster					(2,225)	973	38,120	(35,070)	(822)	2,620	
Total U.S. Department of Agriculture					(2,225)	973	38,120	(35,070)	(822)	2,620	
Total Federal Awards					\$ (8,725)	\$ 973	\$ 167,730	\$ (164,904)	\$ (7,546)	\$ 2,620	

N/A - Not Applicable

SEE ACCOMPANYING NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

OGDENSBURG BOROUGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2015		Cash Received	Budgetary Expenditures	Balance at June 30, 2016		MEMO	
				Budgetary Accounts Receivable	Budgetary Unearned Revenue			GAAP Accounts Receivable	Budgetary Unearned Revenue	Budgetary Accounts Receivable	Cumulative Total Expenditures
New Jersey Department of Education											
General Fund:											
Special Education Categorical Aid	15-495-034-5120-089	7/1/14 - 6/30/15	\$ 161,211	\$ (16,074)		\$ 16,074					\$ 161,211
Equalization Aid	15-495-034-5120-078	7/1/14 - 6/30/15	1,364,286	(136,029)		136,029					1,364,286
Security Aid	15-495-034-5120-084	7/1/14 - 6/30/15	27,019	(2,694)		2,694					27,019
Adjustment Aid	15-495-034-5120-085	7/1/14 - 6/30/15	471,185	(46,980)		46,980					471,185
Transportation Aid	15-495-034-5120-014	7/1/14 - 6/30/15	17,314	(1,726)		1,726					17,314
School Choice Aid	15-495-034-5120-068	7/1/14 - 6/30/15	242,655	(24,194)		24,194					242,655
Additional Nonpublic Transportation Aid	15-495-034-5120-014	7/1/14 - 6/30/15	2,167	(2,167)		2,167					2,167
PARCC Readiness Aid	15-495-034-5120-098	7/1/14 - 6/30/15	2,840	(283)		283					2,840
Per Pupil Growth Aid	15-495-034-5120-097	7/1/14 - 6/30/15	2,840	(283)		283					2,840
Special Education Categorical Aid	16-495-034-5120-089	7/1/15 - 6/30/16	161,211			145,137	\$ (161,211)			\$ (16,074)	161,211
Equalization Aid	16-495-034-5120-078	7/1/15 - 6/30/16	1,364,286			1,228,257	(1,364,286)			(136,029)	1,364,286
Security Aid	16-495-034-5120-084	7/1/15 - 6/30/16	27,019			24,325	(27,019)			(2,694)	27,019
Adjustment Aid	16-495-034-5120-085	7/1/15 - 6/30/16	471,185			424,205	(471,185)			(46,980)	471,185
Transportation Aid	16-495-034-5120-014	7/1/15 - 6/30/16	17,314			15,588	(17,314)			(1,726)	17,314
School Choice Aid	16-495-034-5120-068	7/1/15 - 6/30/16	242,655			218,461	(242,655)			(24,194)	242,655
Additional Nonpublic Transportation Aid	16-495-034-5120-014	7/1/15 - 6/30/16	3,844				(3,844)	\$ (3,844)		(3,844)	3,844
PARCC Readiness Aid	16-495-034-5120-098	7/1/15 - 6/30/16	2,840			2,557	(2,840)			(283)	2,840
Per Pupil Growth Aid	16-495-034-5120-097	7/1/15 - 6/30/16	2,840			2,557	(2,840)			(283)	2,840
Reimbursed TPAF Social Security Contributions	16-495-034-5094-003	7/1/15 - 6/30/16	145,485			145,485	(145,485)				145,485
Homeless Tuition Reimbursement	N/A	11/1/15-3/30/16	8,620			8,620	(8,620)				8,620
Total General Fund State Aid				(230,430)		2,445,622	(2,447,299)	(3,844)		(232,107)	4,738,816
Capital Projects Fund:											
School Development Authority:											
Remove Old and Install New Public Address System	3840-050-13-1001	7/1/14 - 6/30/15	25,596	(25,596)		25,596					
Total Capital Projects Fund				(25,596)		25,596					
Enterprise Fund:											
State School Lunch Program	16-100-010-3350-023	7/1/15 - 6/30/16	949			921	(949)	(28)		(28)	949
State School Lunch Program	15-100-010-3350-023	7/1/14 - 6/30/15	1,086	(68)		68				(68)	1,086
Total Enterprise Fund				(68)		989	(949)	(28)		(28)	2,035
Total State Awards				\$ (256,094)	\$ -0-	\$ 2,472,207	\$ (2,448,248)	\$ (3,872)	\$ -0-	\$ (232,135)	\$ 4,740,851

SEE ACCOMPANYING NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

OGDENSBURG BOROUGH SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 1. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards (the "Schedules") include the federal and state grant activity of the Ogdensburg Borough Board of Education under programs of the federal and state governments for the fiscal year ended June 30, 2016. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey's OMB Circular 15-08, *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 position 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 on the accrual basis of accounting. These bases of accounting are described in Note 1 to the District's basic financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts, if any, shown on the Schedules represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3. INDIRECT COST RATE

The District has elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last two state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes these 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.

There is no adjustment to reconcile from the budgetary basis to the GAAP basis. The schedule of expenditures of state awards does not include the on-behalf TPAF Pension or Post-Retirement Medical Benefits Contributions revenue of \$175,318 and \$208,755 respectively.

OGDENSBURG BOROUGH SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (Cont'd)

Revenue from federal and state awards 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		\$ 2,831,372	\$ 2,831,372
Special Revenue Fund	\$ 129,834		129,834
Food Service Fund	35,070	949	36,019
Total Awards	<u>\$ 164,904</u>	<u>\$ 2,832,321</u>	<u>\$ 2,997,225</u>

NOTE 5. 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 6. FEDERAL AND STATE LOANS OUTSTANDING

Ogdensburg Borough School District had no loan balances at June 30, 2016.

NOTE 7. OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. TPAF Social Security contributions represent the amount reimbursed by the State for the employers' share of social security contributions for TPAF members for the fiscal year ended June 30, 2016.

OGDENSBURG BOROUGH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Summary of Auditors' Results:

- The Independent Auditors' Report expresses an unmodified opinion on the financial statements of the District.
- There were no material weaknesses or significant deficiencies disclosed during the audit of the financial statements as reported in the *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*.
- No instances of noncompliance material to the financial statements of the District which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- There were no material weaknesses or significant deficiencies in internal control over major state programs disclosed during the audit as reported in the *Independent Auditors' Report on Compliance For Each Major Federal and State Program; Report on Internal Control Over Compliance*.
- The auditor's report on compliance for the major state programs for the District expresses an unmodified opinion on all major state programs.
- The District was not subject to the single audit provisions of the Uniform Guidance for the fiscal year ended June 30, 2016 as federal grant expenditures were less than the single audit threshold of \$750,000 identified in the Uniform Guidance.
- The audit did not disclose any audit findings which are required to be reported in accordance with New Jersey's OMB Circular 15-08 or 2 CFR 200.516(a) of the Uniform Guidance.
- The District's programs tested as major state programs for the current fiscal year consisted of the following state aid:

	<u>Grant Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Budgetary Expenditures</u>
<u>General Fund State Aid:</u>				
Special Education Categorical Aid	16-495-034-5120-089	7/1/15 - 6/30/16	\$ 161,211	\$ 161,211
Equalization Aid	16-495-034-5120-078	7/1/15 - 6/30/16	1,364,286	1,364,286
Security Aid	16-495-034-5120-084	7/1/15 - 6/30/16	27,019	27,019
Adjustment Aid	16-495-034-5120-085	7/1/15 - 6/30/16	471,185	471,185
School Choice Aid	16-495-034-5120-068	7/1/15 - 6/30/16	242,655	242,655
Per Pupil Growth Aid	16-495-034-5120-097	7/1/15 - 6/30/16	2,840	2,840
PARCC Readiness Aid	16-495-034-5120-098	7/1/15 - 6/30/16	2,840	2,840

- The threshold for distinguishing between Type A and Type B state programs was \$750,000.
- The District was determined to be a "low-risk auditee" for state programs.

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.

OGDENSBURG BOROUGH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Findings and Questioned Costs for Federal Awards:

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

Findings and Questioned Costs for State Awards:

- The audit did not disclose any findings or questioned costs for state awards as defined in 2 CFR 200.516(a) of the Uniform Guidance and New Jersey's OMB Circular 15-08.

OGDENSBURG BOROUGH SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Status of Prior Year Findings:

There were no prior year audit findings.