

**OGDENSBURG BOROUGH
SCHOOL DISTRICT**

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

**Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2017**

**Comprehensive Annual
Financial Report**

of the

OGDENSBURG BOROUGH SCHOOL DISTRICT

Ogdensburg, New Jersey

For the Fiscal Year Ended June 30, 2017

Prepared by

**Ogdensburg Borough Board of Education
Finance Department**

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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 29, 2017

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, 2017 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 economic 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 students and an extended school year.

The District completed the 2016/2017 school year with an average daily enrollment of 252 students; 14 students less than the prior year. Our enrollment for September 2017 is projected to decrease. Incoming kindergarten enrollment is projected at 21 students.

The District continued to upgrade technology during the 2016/2017 school year purchasing more than 80 Chromebooks for the school.

2. ECONOMIC CONDITIONS AND OUTLOOK: The Ogdensburg Elementary School is located in the Borough of Ogdensburg, New Jersey, on the Wallkill River in Sussex County, 53.4 miles from New York City. Land area covers 2.28 miles at an elevation of 693 feet. The community is named after Robert Ogden, a distiller and mine owner. The zinc mine closed in 1986, which curtailed the 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 252 students.

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 ten students 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 an approximately \$5 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. A multiple disabled program was developed to help three students remain in district.

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 participated in the design and implementation of the District's emergency response system. 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; as well as smart boards, and document readers. Teachers have the opportunity to plan lessons with iPads, laptops, and Chromebooks.

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.

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 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.

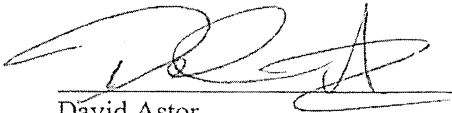
5. BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by a vote of the Board of Education. Annual appropriated 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, 2017.

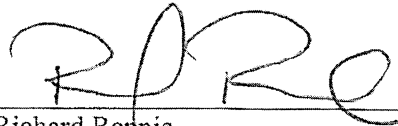
6. ACCOUNTING SYSTEM AND REPORTS: The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to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

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,

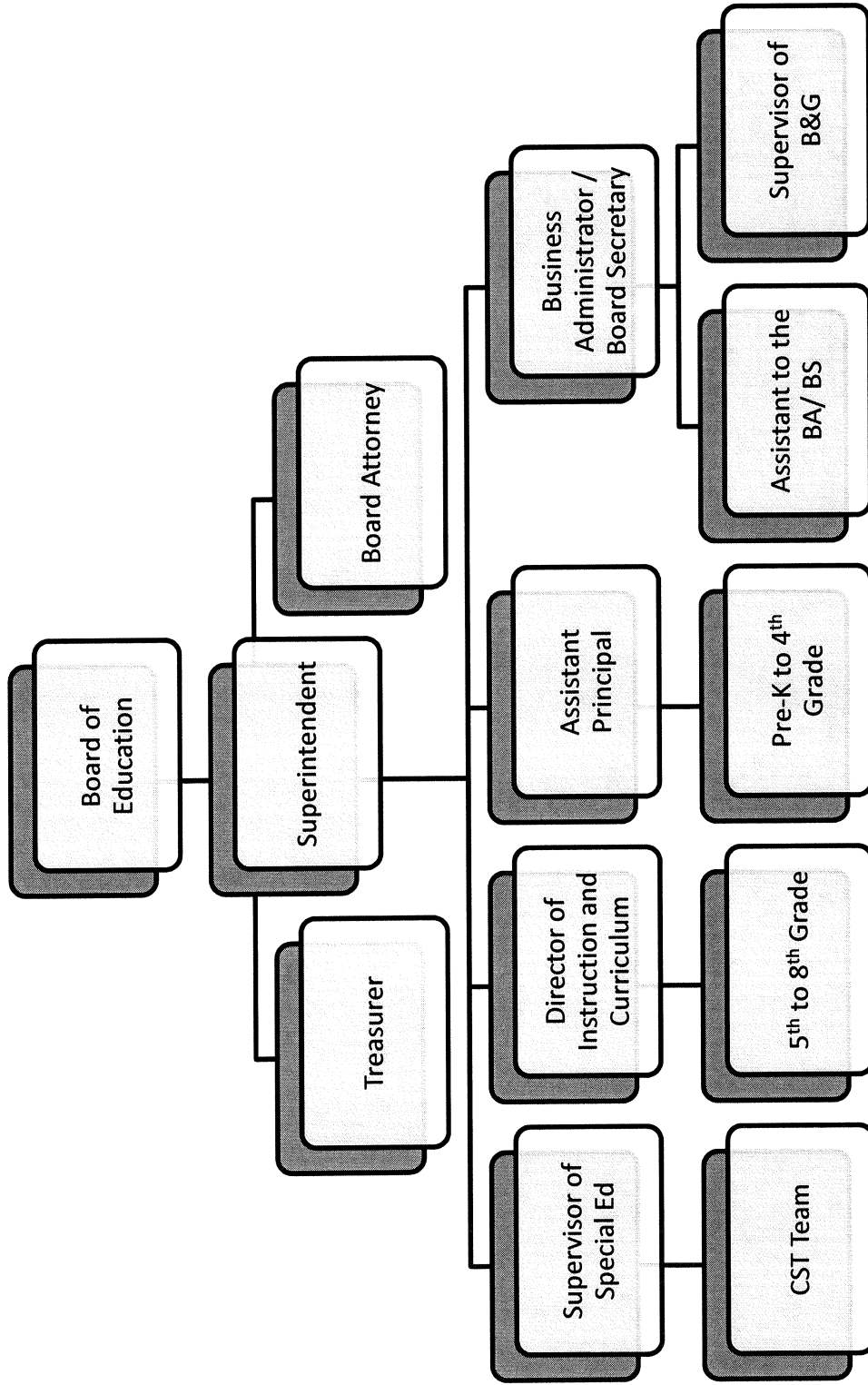


David Astor
Superintendent /Principal



Richard Rennie
Business Administrator/Board Secretary

Ogdensburg Board of Education Organization Chart 2016 / 2017 School Year



OGDENSBURG BOROUGH SCHOOL DISTRICT
ROSTER OF OFFICIALS
JUNE 30, 2017

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Toni Corban, President	2018
Lynne Pederson, Vice President	2018
Joshua Conklin	2020
Susan Dolan	2019
Brendan Donegan	2019
Jennifer Gough	2020
Stacy Walsh	2018

Other Officials

David Astor, Superintendent/Principal
Richard Rennie, School Business Administrator/Board Secretary
Linda Padula, Treasurer of School Monies
Skye Patete, Assistant Principal
Leanne Paolazzi, Supervisor of Special Education
Valerie Reeth, Director of Instruction and Curriculum

OGDENSBURG BOROUGH SCHOOL DISTRICT

Consultants and Advisors
Fiscal Year Ended June 30, 2017

Audit Firm

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

And

Lawrence Business Park
11 Lawrence Road
Newton, New Jersey 07860

Attorney

Matthew Giacobbe
Cleary, Giacobbe, Alfieri, Jacobs
169 Ramapo Valley Rd.
Oakland, New Jersey 07436

Official Depositories

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

First Hope Bank
201 Route 94
Columbia, New Jersey 07832

FINANCIAL SECTION

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, 2017, 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.

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, 2017, 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-4 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.

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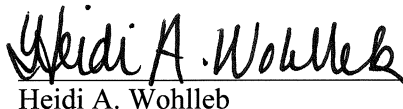
The accompanying other information such as the introductory and statistical sections has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 29, 2017 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 29, 2017
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, 2017

(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, 2017. 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 decreased significantly on a district wide basis but improved significantly on a fund basis.
- Overall revenue was \$6.576 million while overall expenses were \$6.638 million.
- The District reduced its outstanding long-term bonded debt by 100%. The District's bonded debt was be paid in full during the 2016/17 fiscal year.
- 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

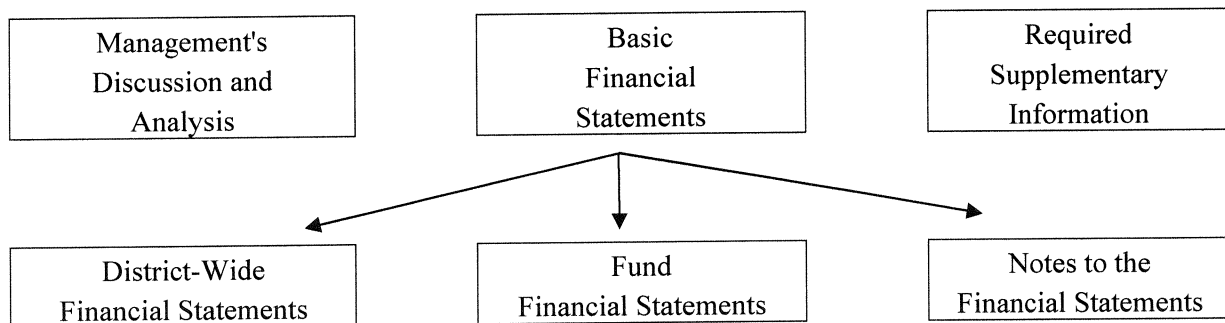


Figure A-2 summarizes the major features of the District’s financial statements, including the portion of the District’s activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights that structure and contents 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 decreased by \$62,267. Net position from governmental activities decreased by \$69,749 and net position from business activities increased by \$7,482. Net investment in capital assets decreased by \$11,319, restricted net position increased by \$84,867, and unrestricted net position decreased by \$135,815.

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
	2016		2016		2016		Percentage
	2017	(Restated)	2017	2016	2017	(Restated)	Change
							2016/2017
Current and Other Assets	\$ 391,004	\$ 313,743	\$ 28,636	\$ 25,312	\$ 419,640	\$ 339,055	23.77%
Capital Assets, Net	1,043,688	1,113,325	14,120	7,226	1,057,808	1,120,551	-5.60%
Total Assets	1,434,692	1,427,068	42,756	32,538	1,477,448	1,459,606	1.22%
Deferred Outflows of Resources	647,067	249,531			647,067	249,531	159.31%
Other Liabilities	56,239	12,211	5,356	2,620	61,595	14,831	315.31%
Long-term Liabilities	2,050,040	1,596,675			2,050,040	1,596,675	28.39%
Total Liabilities	2,106,279	1,608,886	5,356	2,620	2,111,635	1,611,506	31.03%
Deferred Inflows of Resources		22,484				22,484	-100.00%
Net Position:							
Net Investment in Capital Assets							
Assets	1,007,786	1,025,999	14,120	7,226	1,021,906	1,033,225	-1.10%
Restricted	312,972	228,105			312,972	228,105	37.21%
Unrestricted/(Deficit)	(1,345,278)	(1,208,875)	23,280	22,692	(1,321,998)	(1,186,183)	-11.45%
Total Net Position/(Deficit)	\$ (24,520)	\$ 45,229	\$ 37,400	\$ 29,918	\$ 12,880	\$ 75,147	-82.86%

Changes in Net Position. The District's combined net position is \$12,880 on June 30, 2017, or \$62,267 less than it was the year before. The decrease in net position invested in capital assets is due primarily to current year depreciation expense 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 establishment of a maintenance reserve and an increase in excess surplus offset by a net decrease in the capital reserve. The decrease in unrestricted net position is due primarily to the increase in the net pension liability and a decrease in pension deferred inflows offset by an increase in pension deferred outflows and decreases in accrued interest payable and compensated absences payable as well as unexpended budget balances. (See Table 2).

Table 2
Changes in Net Position from Operating Results

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2017	2016	2017	2016	2017	2016	2016/2017
Revenue:							
Program Revenue:							
Charges for Services			\$ 54,291	\$ 51,532	\$ 54,291	\$ 51,532	5.35%
Operating Grants and Contributions	\$ 1,952,045	\$ 1,456,421	37,267	36,019	1,989,312	1,492,440	33.29%
Capital Grants and Contributions			8,800		8,800		100.00%
General Revenue:							
Property Taxes	2,377,617	2,360,464			2,377,617	2,360,464	0.73%
Tuition	14,205	13,520			14,205	13,520	5.07%
Unrestricted Federal and State Aid	2,124,042	2,113,898			2,124,042	2,113,898	0.48%
Other	7,510	7,097	(579)	48	6,931	7,145	-3.00%
Total Revenue	6,475,419	5,951,400	99,779	87,599	6,575,198	6,038,999	8.88%
Expenses:							
Instruction	4,209,731	3,887,486			4,209,731	3,887,486	8.29%
Pupil and Instruction Services	955,100	680,132			955,100	680,132	40.43%
Administrative and Business	652,965	615,221			652,965	615,221	6.14%
Maintenance and Operations	584,078	596,764			584,078	596,764	-2.13%
Transportation	96,937	72,720			96,937	72,720	33.30%
Other	46,357	65,920	92,297	92,606	138,654	158,526	-12.54%
Total Expenses	6,545,168	5,918,243	92,297	92,606	6,637,465	6,010,849	10.42%
Increase/(Decrease) in Net Position	\$ (69,749)	\$ 33,157	\$ 7,482	\$ (5,007)	\$ (62,267)	\$ 28,150	-321.20%

The District's total revenue for the 2016/2017 school year was \$6,575,198. (See Table 3). Property taxes and state formula aid accounted for most of the District's revenue, with local taxes accounting for \$2,377,617 of the total, or 36.16 percent. Another 62.56 percent came from state and federal aid and the remaining 1.28 percent came from miscellaneous sources and charges for services.

Table 3
Sources of Revenue for Fiscal Year 2017

Sources of Income	Amount	Percentage
State Formula Aid	\$ 2,304,074	35.04%
Property Taxes	2,377,617	36.16%
Federal and State Categorical Grants	1,809,280	27.52%
Charges for Services	54,291	0.83%
Other	29,936	0.45%
	\$ 6,575,198	100.00%

The total cost of all programs and services was \$6,638,465. The District's expenses are predominantly related to instructing, providing pupil services, and transporting students (79.27 percent). (See Table 4).

Table 4
Expenses for Fiscal Year 2017

Expense Category	Amount	Percentage
Instruction	\$ 4,209,731	63.42%
Pupil & Instruction Services	955,100	14.39%
Administrative and Business	652,965	9.84%
Maintenance & Operations	584,078	8.80%
Transportation	96,937	1.46%
Other	138,654	2.09%
	<u>\$ 6,637,465</u>	<u>100.00%</u>

Governmental Activities

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

Table 5
Net Cost of Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2017	2016	2017	2016
Instruction	\$ 4,209,731	\$ 3,887,486	\$ 2,433,939	\$ 2,514,875
Pupil & Instruction Services	955,100	680,132	875,805	649,229
Administrative and Business	652,965	615,221	573,895	583,472
Maintenance & Operations	584,078	596,764	584,078	596,764
Transportation	96,937	72,720	79,049	51,562
Other	46,357	65,920	46,357	65,920
Total	<u>\$ 6,545,168</u>	<u>\$ 5,918,243</u>	<u>\$ 4,593,123</u>	<u>\$ 4,461,822</u>

- The cost of all governmental activities this year was \$6.545 million.
- The federal, state and local governments subsidized certain programs with state aid and grants (\$4,076,087).
- Approximately 36.3% of the District's costs (\$2.38 million) were financed by District taxpayers.
- The remainder of the funding came from tuition and miscellaneous revenue.

Business-Type Activities

Net position from the District’s business-type activities increased by \$7,482. (Refer to Table 2). The most significant factor contributing to these results was a capital contribution of \$8,800.

Financial Analysis of the District’s Funds

The District’s financial position increased primarily due to a 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 2017, the School District had \$1,057,808 invested in sites, buildings and building improvements and machinery and equipment. Table 6 shows fiscal year 2017 balances compared to 2016.

Table 6
Capital Assets (net of depreciation)

	Governmental Activities		Business-Type Activities		Total School District		Percentage Change 2016/2017
	2016				2016		
	2017	(Restated)	2017	2016	2017	(Restated)	
Sites and Site Improvements	\$ 9,865	\$ 9,865			\$ 9,865	\$ 9,865	0.00%
Buildings & Building Improvements	871,873	929,960			871,873	929,960	-6.25%
Machinery and Equipment	161,950	173,500	\$ 14,120	\$ 7,226	176,070	180,726	-2.58%
Total	<u>\$ 1,043,688</u>	<u>\$ 1,113,325</u>	<u>\$ 14,120</u>	<u>\$ 7,226</u>	<u>\$ 1,057,808</u>	<u>\$ 1,120,551</u>	<u>-5.60%</u>

Overall, capital assets decreased by \$62,743 from fiscal year 2016 to fiscal year 2017. The net decrease in capital assets is due to \$100,183 of depreciation expense offset by \$37,441 of capital additions.

Long – Term Liabilities

At June 30, 2017, the School District had \$2,050,040 of long term liabilities. Of this amount, \$95,694 is for compensated absences, \$35,902 is for a capital lease and \$1,918,444 is for the Net Pension Liability.

Table 7

Long-Term Liabilities

	Total School District		Percentage
	2017	2016	Change 2016/2017
General Obligation Bonds (Financed with Property Taxes)		\$ 40,000	-100.00%
Net Pension Liability	\$ 1,918,444	1,398,398	37.19%
Other Long Term Liabilities	131,596	158,277	-16.86%
Total	<u>\$ 2,050,040</u>	<u>\$ 1,596,675</u>	<u>28.39%</u>

Factors Bearing on the District's Future

Declining student enrollment, and the potential for continued reduction of state aid, continue to remain concerns 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 the District could take has 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 Multiple 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 business 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

OGDENSBURG BOROUGH SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2017

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 231,855	\$ 10,050	\$ 241,905
Receivables, net:			
Receivables from State Government	522	54	576
Receivables from Federal Government	6,930	1,607	8,537
Receivables from Local Government	12,706		12,706
Interfund Receivable	343		343
Internal Balances	(12,768)	12,768	
Inventories		4,157	4,157
Restricted Assets:			
Cash and Cash Equivalents	151,416		151,416
Capital Assets, Net:			
Sites (Land)	9,865		9,865
Depreciable Site Improvements, Buildings and Building Improvements and Machinery and Equipment	1,033,823	14,120	1,047,943
Total Assets	<u>1,434,692</u>	<u>42,756</u>	<u>1,477,448</u>
DEFERRED OUTFLOWS OF RESOURCES			
Changes in Assumptions - Pensions	397,399		397,399
Difference between Expected and Actual Experience - Pensions	35,677		35,677
District Contribution Subsequent to the Measurement Date	49,000		49,000
Net Difference between Projected and Actual Investment			
Earnings on Pension Plan Investments	73,152		73,152
Changes in Proportion - Pensions	91,839		91,839
Total Deferred Outflows of Resources	<u>647,067</u>		<u>647,067</u>
LIABILITIES			
Accounts Payable	56,239	3,063	59,302
Unearned Revenue		2,293	2,293
Noncurrent Liabilities:			
Due Within One Year	11,692		11,692
Due Beyond One Year	2,038,348		2,038,348
Total Liabilities	<u>2,106,279</u>	<u>5,356</u>	<u>2,111,635</u>
NET POSITION/(DEFICIT)			
Net Investment in Capital Assets	1,007,786	14,120	1,021,906
Restricted for:			
Capital Projects	101,416		101,416
Maintenance Reserve Account	50,000		50,000
Excess Surplus	161,556		161,556
Unrestricted/(Deficit)	(1,345,278)	23,280	(1,321,998)
Total Net Position/(Deficit)	<u>\$ (24,520)</u>	<u>\$ 37,400</u>	<u>\$ 12,880</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, 2017

Functions/Programs	Program Revenue			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 2,790,583		\$ 1,036,311		\$ (1,754,272)		\$ (1,754,272)
Special Education	1,164,523		649,252		(515,271)		(515,271)
Other Special Instruction	111,815		40,248		(71,567)		(71,567)
School-Sponsored/Other Instruction	142,810		49,981		(92,829)		(92,829)
Support Services:							
Tuition	11,181				(11,181)		(11,181)
Student & Instruction Related Services	943,919		79,295		(864,624)		(864,624)
General Administrative Services	261,194		27,621		(233,573)		(233,573)
School Administrative Services	188,097		51,449		(136,648)		(136,648)
Central Services	196,502				(196,502)		(196,502)
Administrative Information Technology	7,172				(7,172)		(7,172)
Plant Operations and Maintenance	584,078				(584,078)		(584,078)
Pupil Transportation	96,937		17,888		(79,049)		(79,049)
Interest on Long-Term Debt	72				(72)		(72)
Transfer to Charter School	46,285				(46,285)		(46,285)
Total Governmental Activities	6,545,168		1,952,045		(4,593,123)		(4,593,123)
Business-Type Activities:							
Food Service	92,297	\$ 54,291	37,267	\$ 8,800		\$ 8,061	8,061
Total Business-Type Activities	92,297	54,291	37,267	8,800		8,061	8,061
Total Primary Government	\$ 6,637,465	\$ 54,291	\$ 1,989,312	\$ 8,800	(4,593,123)	8,061	(4,585,062)

OGDENSBURG BOROUGH SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-type Activities	Total
General Revenue and Other Item:			
Taxes:			
Property Taxes, Levied for General Purposes, Net	\$ 2,358,402		\$ 2,358,402
Taxes Levied for Debt Service	19,215		19,215
Tuition	14,205		14,205
Federal and State Aid not Restricted	2,124,042		2,124,042
Interest Income	979	\$ 35	1,014
Miscellaneous Income	6,531		6,531
Other Item - Cancellation of Accounts Receivable - Food Service Vendor		(614)	(614)
Total General Revenue and Other Item	4,523,374	(579)	4,522,795
Change in Net Position	(69,749)	7,482	(62,267)
Net Position - Beginning (Restated)	45,229	29,918	75,147
Net Position/(Deficit) - Ending	\$ (24,520)	\$ 37,400	\$ 12,880

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

FUND FINANCIAL STATEMENTS

OGDENSBURG BOROUGH SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2017

	General Fund	Special Revenue Fund	Total Governmental Funds
ASSETS:			
Cash and Cash Equivalents	\$ 231,855		\$ 231,855
Interfund Receivable:			
Fiduciary Fund - Payroll	343		343
Intergovernmental Receivable:			
State	522		522
Federal		\$ 6,930	6,930
Other	12,706		12,706
Restricted Assets:			
Cash and Cash Equivalents	151,416		151,416
Total Assets	\$ 396,842	\$ 6,930	\$ 403,772
LIABILITIES AND FUND BALANCES:			
Liabilities:			
Accounts Payable	\$ 309	\$ 6,930	\$ 7,239
Interfund Payable	12,768		12,768
Total Liabilities	13,077	6,930	20,007
Fund Balances:			
Restricted:			
Capital Reserve Account	101,416		101,416
Maintenance Reserve Account	50,000		50,000
Excess Surplus	161,556		161,556
Assigned:			
Encumbrances	218		218
Designated for Subsequent Year's Expenditures	3,844		3,844
Additional Assigned Fund Balance:			
Designated for Subsequent Year's Expenditures July 1, 2017 - August 1, 2017	46,114		46,114
Unassigned	20,617		20,617
Total Fund Balances	383,765		383,765
Total Liabilities and Fund Balances	\$ 396,842	\$ 6,930	

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 \$3,050,211 and the accumulated depreciation is \$2,006,523.	1,043,688
The Net Pension Liability for PERS is not Due and Payable in the Current Period and is not Reported in the Governmental Funds.	(1,918,444)
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	397,399
Difference between Expected and Actual Experience - Pensions	35,677
Net Difference Between Projected and Actual Investment Earnings - Pensions	73,152
Changes in Proportions - Pensions	91,839
Long-Term Liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(131,596)
Net Position of Governmental Activities	\$ (24,520)

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, 2017

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
REVENUE:				
Local Sources:				
Local Tax Levy	\$ 2,358,402		\$ 19,215	\$ 2,377,617
Tuition from Individuals	14,205			14,205
Interest Earned on Capital Reserve Funds	314			314
Miscellaneous	7,196			7,196
Total - Local Sources	<u>2,380,117</u>		<u>19,215</u>	<u>2,399,332</u>
State Sources	2,876,712			2,876,712
Federal Sources		\$ 123,754		123,754
Total Revenue	<u>5,256,829</u>	<u>123,754</u>	<u>19,215</u>	<u>5,399,798</u>
EXPENDITURES:				
Current:				
Regular Instruction	1,326,325	44,151		1,370,476
Special Education Instruction	516,774	79,603		596,377
Other Special Instruction	56,413			56,413
School Sponsored/Other Instruction	71,128			71,128
Support Services and Undistributed Costs:				
Tuition	11,181			11,181
Student & Instruction Related Services	629,979			629,979
General Administration	165,021			165,021
School Administration	121,258			121,258
Central Services	137,733			137,733
Administration Information Technology	7,172			7,172
Plant Operations and Maintenance	461,648			461,648
Pupil Transportation	94,529			94,529
Unallocated Benefits	1,460,278			1,460,278

OGDENSBURG BOROUGH SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>General</u>	<u>Special</u>	<u>Debt</u>	<u>Total</u>
	<u>Fund</u>	<u>Revenue</u>	<u>Service</u>	<u>Governmental</u>
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Funds</u>
EXPENDITURES:				
Debt Service:				
Redemption of Principal			\$ 40,000	\$ 40,000
Interest and Other Charges	48,015		860	860
Capital Outlay	46,285			48,015
Transfer of Funds to Charter Schools				46,285
Total Expenditures	<u>5,153,739</u>	<u>\$ 123,754</u>	<u>40,860</u>	<u>5,318,353</u>
Excess/(Deficit) of Revenue Over/(Under) Expenditures	<u>103,090</u>		<u>(21,645)</u>	<u>81,445</u>
Other Financing Sources/(Uses):				
Transfers	(21,645)		21,645	
Total Other Financing Sources/(Uses)	<u>(21,645)</u>		<u>21,645</u>	
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	<u>81,445</u>			<u>81,445</u>
Fund Balance—July 1	<u>302,320</u>			<u>302,320</u>
Fund Balance—June 30	<u>\$ 383,765</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ 383,765</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, 2017

Total Net Change in Fund Balances - Governmental Funds (from B-2)	\$	81,445
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	\$ (98,278)
	Capital outlays	28,641
		(69,637)

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 (+)

15,257

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 (+).

788

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. (+)

51,424

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, 2017

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	\$ (520,046)
Deferred Outflows:	
Changes in Assumptions	247,222
Difference in Expected and Actual Experience	2,316
Changes in Proportions	25,846
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	<u>95,636</u>
Change in Net Position - Governmental Activities (from A-2)	<u>\$ (69,749)</u>

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

OGDENSBURG BOROUGH SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2017

	Business-type Activities - Enterprise Food Service
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	\$ 10,050
Intergovernmental Accounts Receivable:	
State	54
Federal	1,607
Interfund Receivable - General Fund	12,768
Inventories	4,157
	28,636
Total Current Assets	28,636
Non-Current Assets:	
Capital Assets	60,770
Less: Accumulated Depreciation	(46,650)
	14,120
Total Non-Current Assets	14,120
Total Assets	42,756
LIABILITIES:	
Current Liabilities:	
Accounts Payable	3,063
Unearned Revenue	2,293
	5,356
Total Current Liabilities	5,356
NET POSITION:	
Investment in Capital Assets	14,120
Unrestricted	23,280
	37,400
Total Net Position	\$ 37,400

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

OGDENSBURG BOROUGH SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Business-type Activities - Enterprise Funds Food Service
Operating Revenue:	
Local Sources:	
Daily Sales - Reimbursable Programs	\$ 47,535
Daily Sales - Non-Reimbursable Programs	6,756
	54,291
Total Operating Revenue	54,291
Operating Expenses:	
Cost of Sales - Reimbursable	41,163
Cost of Sales - Nonreimbursable	1,379
Salaries, Benefits & Payroll Taxes	33,657
Supplies, Insurance & Other Costs	7,192
Management Fee	7,000
Depreciation Expense	1,906
	92,297
Total Operating Expenses	92,297
Operating Loss	(38,006)
Non-Operating Income:	
Local Sources:	
Interest Income	35
State Sources:	
State School Lunch Program	905
Federal Sources:	
National School Lunch Program	27,247
School Breakfast Program	1,612
Food Distribution Program	7,503
	37,302
Total Non-Operating Income	37,302
Change in Net Position Before Capital Contribution and Other Item	(704)
Capital Contribution	8,800
Other Item - Cancellation of Accounts Receivable - Food Service Vendor	(614)
	7,482
Change in Net Position After Capital Contribution and Other Item	7,482
Net Position - Beginning of Year	29,918
Net Position - End of Year	\$ 37,400

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

OGDENSBURG BOROUGH SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Business-type Activities - Enterprise Food Service
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 54,291
Payments to Food Service Contractor	(77,100)
Payments to Other Suppliers	(2,837)
	(25,646)
Net Cash Used for Operating Activities	
Cash Flows by Investing Activities:	
Local Sources:	
Interest Income	35
	35
Net Cash Provided by Investing Activities	
Cash Flows from Noncapital Financing Activities:	
State Sources:	
State School Lunch Program - Received in Food Service Food	491
Federal Sources:	
National School Lunch and School Breakfast Programs - Received in Food Service Fund	15,694
	16,185
Net Cash Provided by Noncapital Financing Activities	
Net Decrease in Cash and Cash Equivalents	(9,426)
Cash and Cash Equivalents, July 1	19,476
Cash and Cash Equivalents, June 30	\$ 10,050
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:	
Operating Loss	\$ (38,006)
Adjustment to Reconcile Operating Loss to Net Cash Used for Operating Activities:	
Depreciation	1,906
Food Distribution Program	7,503
Changes in Assets and Liabilities:	
Decrease in Inventories	215
(Decrease) in Unearned Revenue	(327)
Increase in Accounts Payable	3,063
	\$ (25,646)

Noncash Investing and Financing Activities:

The Food Service Enterprise Fund received U.S.D.A. Commodities through the Food Distribution Program valued at \$7,176 and utilized U.S.D.A. Commodities valued at \$7,503.

Noncash Capital and Related Financing Activities:

The General Fund made a capital contribution of \$8,800 of equipment to the Food Service Fund.

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

OGDENSBURG BOROUGH SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2017

	Agency Fund	Unemployment Compensation Trust	Private Purpose Scholarship Trust
ASSETS:			
Cash and Cash Equivalents	\$ 25,127	\$ 75,823	\$ 5,121
Interfund Receivable:			
Payroll Agency Fund		5,723	
Total Assets	25,127	81,546	5,121
LIABILITIES:			
Interfund Payable:			
General Fund	343		
Unemployment Compensation Trust	5,723		
Payroll Deductions and Withholdings	497		
Due to Athletics Account	40		
Due to Student Groups	18,524		
Total Liabilities	25,127		
NET POSITION:			
Held in Trust for Unemployment Claims		81,546	
Restricted for Scholarships			5,121
Total Net Position	\$ -0-	\$ 81,546	\$ 5,121

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

OGDENSBURG BOROUGH SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Scholarship Trust</u>
Additions:		
Contributions:		
Plan Member Contributions	\$ 5,723	
Donations		\$ 750
Total Contributions	<u>5,723</u>	<u>750</u>
Investment Earnings:		
Interest	<u>155</u>	<u>2</u>
Net Investment Earnings	<u>155</u>	<u>2</u>
Total Additions	<u>5,878</u>	<u>752</u>
Deductions:		
Unemployment Compensation Claims	9,721	
Scholarships Awarded		600
Total Deductions	<u>9,721</u>	<u>600</u>
Change in Net Position	(3,843)	152
Net Position - Beginning of the Year	<u>85,389</u>	<u>4,969</u>
Net Position - End of the Year	<u><u>\$ 81,546</u></u>	<u><u>\$ 5,121</u></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, 2017

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 ("GASB") Codification Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents. (2) The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization. (3). The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. 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.

OGDENSBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

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

B. Basis of Presentation: (Cont'd)

District-Wide Financial Statements: (Cont'd)

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 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.

OGDENSBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

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

B. Basis of Presentation: (Cont'd)

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 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.

OGDENSBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

(Continued)

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

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

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 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, 2017 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.

OGDENSBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

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

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

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related 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.

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	\$ 5,258,471	\$ 123,754
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	(229,905)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	\$ 5,256,829	\$ 123,754
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 5,153,739	\$ 123,754
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 5,153,739	\$ 123,754

OGDENSBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

(Continued)

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

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.

The District generally records investments at fair value and records the unrealized gains and losses as part of investment income. Fair value is the price that would be received to sell an investment in an orderly transaction between market participants at the measurement date. The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

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.

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.

OGDENSBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

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

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, 2017.

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.

OGDENSBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

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

K. Capital Assets: (Cont'd)

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 and Building Improvements	50 Years
Site Improvements	20 Years
Machinery 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 governmental 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, 2017.

N. Compensated Absences:

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

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

In the district-wide *Statement of Net 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.

OGDENSBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

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

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 \$383,765 General Fund fund balance at June 30, 2017, \$101,416 is restricted in the capital reserve account; \$50,000 is restricted in the maintenance reserve account; \$161,556 is restricted for excess surplus in accordance with N.J.S.A. 18A:7F-7, as amended (\$105,358 is prior fiscal year excess surplus and is included as anticipated revenue for the fiscal year ending June 30, 2018 and the remaining \$56,198 is current fiscal year excess surplus and will be included as anticipated revenue for the fiscal year ending June 30, 2019); \$218 is assigned for encumbrances; \$49,958 is assigned for subsequent year's expenditures; and \$20,617 is unassigned which is \$229,905 less on the GAAP basis than the calculated maximum unassigned fund balance (budgetary basis) due to the June state aid payments which are not recognized until the fiscal year ended June 30, 2018.

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 \$229,905, as reported in the fund statements (modified accrual basis). P.L. 2003, C.97 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the related state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the last two state aid payments in the subsequent fiscal year, the school district cannot recognize the last two state aid payments on the GAAP financial statements until the year the State records the payable. The excess surplus calculation is calculated using the fund balance reported on the Budgetary Comparison Schedule, including the final two state aid payments and not the fund balance reported on the fund statement which excludes the last two state aid payments.

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, 2017 for the net difference between projected and actual investment earnings on pension plan investments, changes in assumptions in pensions, changes in proportion in pensions, the District contributions subsequent to the measurement date and the difference between expected and actual experience in pensions.

OGDENSBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

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

Q. Net Position: (Cont'd)

A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. The District did not have a deferred inflow of resources at June 30, 2017.

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:

The District has a \$1,345,278 deficit in unrestricted net position and a \$24,520 deficit in total net position from governmental activities. The deficit is due to the assigned fund balances for year-end encumbrances of \$218 and for subsequent year's expenditures of \$49,958, unassigned fund balance of \$20,617, changes in proportion in pensions of \$91,839, difference between expected and actual experience in pensions of \$35,677, net difference between projected and actual investment earnings on pension plan investments of \$73,152, and changes in assumptions in pensions of \$397,399, offset by compensated absences payable of \$95,694 and net pension liability of \$1,918,444 as of June 30, 2017. The deficit balances do not indicate that the District is having 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 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 in the General Fund for a capital reserve, a maintenance reserve and excess surplus.

OGDENSBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

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

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

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, 2017.

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, 2017 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.

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.

OGDENSBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

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

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.

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 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.

Custodial Credit Risk - The District's policy with respect to custodial credit risk requires that the District ensures that District funds are only deposited in financial institutions in which New Jersey school districts are permitted to invest their funds.

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, 2017
(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 Local Government Services in the Department of Community Affairs for investment by local units;
- (5) Local government investment pools;
- (6) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); 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 section 1 of P.L. 1970, c.236 (C.17:9-41); 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, 2017
(Continued)

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

As of June 30, 2017, cash and cash equivalents and of the District consisted of the following:

	Cash and Cash Equivalents			Total
	Restricted		Unrestricted	
	Capital Reserve	Maintenance Reserve		
Checking Accounts	<u>\$ 101,416</u>	<u>\$ 50,000</u>	<u>\$ 347,976</u>	<u>\$ 499,392</u>

During the period ended June 30, 2017, the District did not hold any investments. The carrying amount of the District's cash and cash equivalents at June 30, 2017, was \$499,392 and the bank balance was \$524,773.

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, 2016 to June 30, 2017 fiscal year is as follows:

Balance at June 30, 2016	\$ 122,747
Deposits:	
Interest Earnings	<u>314</u>
	123,061
Decreased by:	
Transfer to Debt Service Fund	<u>21,645</u>
Balance at June 30, 2017	<u>\$ 101,416</u>

The balance in the capital reserve at June 30, 2017 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, 2017
(Continued)

NOTE 5. MAINTENANCE RESERVE ACCOUNT

A maintenance reserve account in the amount of \$50,000 was established by Board resolution on June 6, 2017. These funds may be used for specific activities necessary for the purpose of keeping a school facility open and safe for use or in its original condition, and for keeping its constituent buildings systems fully and efficiently functional and for keeping their warranties valid but cannot be used for routine or capital maintenance. The purpose of the reserve is to provide funds for anticipated expenditures required to maintain a building.

Pursuant to N.J.A.C. 6A:26A-4.2 funds may be deposited into the maintenance reserve account at any time by board resolution to meet the required maintenance of the District by transferring unassigned general fund balance or by transferring excess unassigned general fund balance that is anticipated to be deposited during the current fiscal year in the advertised recapitulation of balances of the subsequent fiscal year's budget that is certified for taxes. Funds may be withdrawn from the maintenance reserve account and appropriated into the required maintenance account lines at budget time or any time during the fiscal year by Board resolution for use on required maintenance activities by school facility as reported in the comprehensive maintenance plan.

Funds withdrawn from the maintenance reserve account are restricted to required maintenance appropriations and may not be transferred to any other line-item account. In any fiscal year that maintenance reserve account funds are withdrawn, unexpended required maintenance appropriations, up to the amount of maintenance reserve account funds withdrawn, shall be restored to the maintenance reserve account at fiscal year-end. At no time, shall the maintenance reserve account have a balance that exceeds four percent of the replacement cost of the current fiscal year of the District's school facilities. If the account exceeds this maximum amount at June 30, the excess shall be restricted and designated in the subsequent fiscal year's budget. The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

The activity of the capital reserve for the July 1, 2016 to June 30, 2017 fiscal year is as follows:

Balance at June 30, 2016	\$	- 0 -
Deposits:		
June 6, 2017 Board Resolution		50,000
Balance at June 30, 2017	\$	50,000

OGDENSBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

NOTE 6. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2017 were as follows:

	Beginning Balance (Restated)	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets not being Depreciated:				
Sites (Land)	\$ 9,865			\$ 9,865
Total Capital Assets not Being Depreciated	9,865			9,865
Capital Assets Being Depreciated:				
Site Improvements	116,730			116,730
Buildings and Building Improvements	2,485,376			2,485,376
Machinery and Equipment	409,599	\$ 28,641		438,240
Total Capital Assets Being Depreciated	3,011,705	28,641		3,040,346
Governmental Activities Capital Assets	3,021,570	28,641		3,050,211
Less Accumulated Depreciation for:				
Site Improvements	(116,730)			(116,730)
Buildings and Building Improvements	(1,555,416)	(58,087)		(1,613,503)
Machinery and Equipment	(236,099)	(40,191)		(276,290)
Total Accumulated Depreciation	(1,908,245)	(98,278)		(2,006,523)
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 1,113,325</u>	<u>\$ (69,637)</u>	<u>\$ -0-</u>	<u>\$ 1,043,688</u>
Business Type Activities:				
Capital Assets Being Depreciated:				
Machinery and Equipment	\$ 51,970	\$ 8,800		\$ 60,770
Less Accumulated Depreciation	(44,744)	(1,906)		(46,650)
Business Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 7,226</u>	<u>\$ 6,894</u>	<u>\$ -0-</u>	<u>\$ 14,120</u>
GRAND TOTAL	<u>\$ 1,120,551</u>	<u>\$ (62,743)</u>	<u>\$ -0-</u>	<u>\$ 1,057,808</u>

OGDENSBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

NOTE 6. CAPITAL ASSETS (Cont'd)

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$	81,726
Student and Instruction Related Services		750
Operations and Maintenance of Plant		13,452
Central Services		2,350
		98,278
	\$	98,278

NOTE 7. TRANSFERS TO CAPITAL OUTLAY

During the year ended June 30, 2017, the District transferred of \$11,000 from the capital outlay accounts for equipment, which did not require approval from the County Superintendent.

NOTE 8. LONG TERM LIABILITIES

During the fiscal year ended June 30, 2017, the following changes occurred in liabilities reported in the district-wide financial statements:

	<u>Balance</u> <u>6/30/2016</u>	<u>Accrued</u>	<u>Retired</u>	<u>Balance</u> <u>6/30/2017</u>
Compensated Absences Payable	\$ 110,951	\$ 12,791	\$ 28,048	\$ 95,694
Net Pension Liability	1,398,398	520,046		1,918,444
Bonds Payable	40,000		40,000	
Obligations Under Capital Leases	47,326		11,424	35,902
	<u>\$ 1,596,675</u>	<u>\$ 532,837</u>	<u>\$ 79,472</u>	<u>\$ 2,050,040</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 District are general obligation bonds. The Debt Service Fund was used to liquidate the Serial Bonds Payable.

The District had no bonds outstanding as of June 30, 2017.

B. Bonds Authorized But Not Issued:

As of June 30, 2017, the District has no bonds authorized but not issued.

OGDENSBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

NOTE 8. LONG TERM LIABILITIES (Cont'd)

C. Capital Leases Payable:

The District entered into one capital lease for computer equipment, snow blowers, rooftop fans, and bathroom sinks in the prior year. The District has one capital lease for \$59,857 of which \$23,955 has been liquidated as of June 30, 2017.

The future minimum lease obligations as of June 30, 2017 were as follows:

<u>Year Ending</u>	<u>Amount</u>
June 30, 2018	\$ 12,532
June 30, 2019	12,532
June 30, 2020	<u>12,532</u>
Total future minimum lease payments	37,596
Less: amount representing interest	<u>1,694</u>
Present value of minimum representing interest	<u>\$ 35,902</u>

The current portion of the capital leases payable is \$11,692 and the long-term portion is \$24,210.

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, 2017. Thus, the entire balance of compensated absences of \$95,694 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, 2017, 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, 2017 is \$-0- and the long-term portion is \$1,918,444. See Note 9 for further information on the PERS.

OGDENSBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
 (Continued)

NOTE 9. 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/annrprts.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
	Members who were eligible to enroll:
2	on or after July 1, 2007 and prior to November 2, 2008
3	on or after November 2, 2008 and prior to May 22, 2010
4	on or after May 22, 2010 and prior to June 28, 2011
5	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 with 25 or more years of service credit before age 62 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 member 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 55 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, 2017
(Continued)

NOTE 9. 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. 43:15A 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 \$57,545 for fiscal year 2017.

The employee contribution rate was 7.20% effective July 1, 2016. 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, 2017, the District reported a liability of \$1,918,444 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015 which was rolled forward to June 30, 2016. 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, 2016, the District's proportion was 0.00648%, which was an increase of 0.00025% from its proportion measured as of June 30, 2015.

For the fiscal year ended June 30, 2017, the District recognized pension expense of \$206,566.

OGDENSBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

(Continued)

NOTE 9. 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)

At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Amortization Period</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Assumptions:			
2014	6.44 years	\$ 24,115	
2015	5.72 years	98,540	
2016	5.57 years	<u>274,744</u>	
Subtotal		<u>397,399</u>	
Changes in Proportion:			
2014	6.44 years	33,827	
2015	5.72 years	17,599	
2016	5.57 years	<u>40,413</u>	
Subtotal		<u>91,839</u>	
Difference Between Expected and Actual Experience:			
2015	5.72 years	27,340	
2016	5.57 years	<u>8,337</u>	
Subtotal		<u>35,677</u>	
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments:			
2014	5 years	(36,137)	
2015	5 years	23,120	
2016	5 years	<u>86,169</u>	
Subtotal		<u>73,152</u>	
District Contribution Subsequent to the Measurement Date - 2016			
	1 year	<u>49,000</u>	
		<u>\$ 647,067</u>	<u>\$ - 0 -</u>

OGDENSBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

NOTE 9. 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 and the District contribution subsequent to the measurement date) related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30,	Total
2017	\$ 113,973
2018	113,973
2019	132,041
2020	110,934
2021	35,307
	\$ 506,228

Actuarial Assumptions

The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015 which was rolled forward to June 30, 2016. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	3.08%
Salary Increases:	
Through 2026	1.65 – 4.15% based on age
Thereafter	2.65 – 5.15% based on age
Investment Rate of Return	7.65%

Pre-retirement mortality rates were based on the RP-2000 Employee Pre-retirement Mortality Table for male and female active participants. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward one year for females).

OGDENSBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

Actuarial Assumptions (Cont'd)

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. 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.

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment 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 method 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, 2016 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%	0.87%
U.S. Treasuries	1.50%	1.74%
Investment Grade Credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation-Indexed Bonds	1.50%	3.44%
Broad U.S. Equities	26.00%	8.53%
Developed Foreign Equities	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds/Absolute Return	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	0.50%	5.45%
Global Debt ex. U.S.	5.00%	-0.25%
REIT	5.25%	5.63%

OGDENSBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

Discount Rate

The discount rate used to measure the total pension liability was 3.98% as of June 30, 2016. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65% and a municipal bond rate of 2.85% as of June 30, 2016 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 contribution rate in the most recent fiscal year. The local employers contributed 100% of their 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 2034. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2034, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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, 2016 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:

	June 30, 2016		
	1% Decrease (2.98%)	Current Discount Rate (3.98%)	1% Increase (4.98%)
District's proportionate share of the Net Pension Liability	\$ 2,350,829	\$ 1,918,444	\$ 1,561,472

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.

OGDENSBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
 (Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

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
	Members who were eligible to enroll:
2	on or after July 1, 2007 and prior to November 2, 2008
3	on or after November 2, 2008 and prior to May 22, 2010
4	on or after May 22, 2010 and prior to June 28, 2011
5	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 with 25 or more years of service credit before age 62 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 member 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 includes 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 2016, the State's pension contribution was less than the actuarially determined amount.

OGDENSBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

Contributions (Cont'd)

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 2017, the State of New Jersey contributed \$218,656 to the TPAF for normal pension benefits on behalf of the District, which is less than the contractually required contribution of \$1,294,277.

The employee contribution rate was 7.20% effective July 1, 2016. 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, 2017, the State's proportionate share of the net pension liability associated with the District was \$17,225,766. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015 which was rolled forward to June 30, 2016. 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, 2016, the District's proportion was 0.0219%, which was an increase of 0.0017% from its proportion measured as of June 30, 2015.

District's Proportionate Share of the Net Pension Liability	\$ -0-
State's Proportionate Share of the Net Pension Liability Associated with the District	17,225,766
Total	\$ 17,225,766

For the fiscal year ended June 30, 2017, the State recognized pension expense on behalf of the District in the amount of \$1,294,277 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2017 financial statements.

OGDENSBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

NOTE 9. 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)

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

	<u>Amortization Period</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Assumptions:			
2014	8.5 years	\$ 1,691,524,165	
2015	8.3 years	4,488,602,746	
2016	8.3 years	9,522,623,964	
Difference Between Expected and Actual Experience:			
2014	8.5 years		\$ 16,110,615
2015	8.3 years	277,221,464	
2016	8.3 years		118,421,979
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments:			
2014	5 years	(870,618,286)	
2015	5 years	577,926,182	
2016	5 years	1,727,420,767	
		<u>\$ 17,414,701,002</u>	<u>\$ 134,532,594</u>

OGDENSBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

NOTE 9. 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)

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:

Fiscal Year Ending June 30,	Total
2017	\$ 2,538,535,636
2018	2,538,535,636
2019	2,973,844,781
2020	2,781,202,718
2021	2,349,347,527
Thereafter	4,098,702,110
	\$ 17,280,168,408

Actuarial Assumptions

The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015 which was rolled forward to June 30, 2016. 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	7.65%

Pre-retirement, post-retirement and disabled mortality rates were based on the experience of TPAF members reflecting mortality improvement on a generational basis based on a 60-year average of Social Security data from 1953 to 2013.

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

OGDENSBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
 (Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment 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 method 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 TPAF's target asset allocation as of June 30, 2016 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%	0.39%
US Government Bonds	1.50%	1.28%
US Credit Bonds	13.00%	2.76%
US Mortgages	2.00%	2.38%
US Inflation-Indexed Bonds	1.50%	1.41%
US High Yield Bonds	2.00%	4.70%
US Equity Market	26.00%	5.14%
Foreign-Developed Equity	13.25%	5.91%
Emerging Market Equities	6.50%	8.16%
Private Real Estate Property	5.25%	3.64%
Timber	1.00%	3.86%
Farmland	1.00%	4.39%
Private Equity	9.00%	8.97%
Commodities	0.50%	2.87%
Hedge Funds - MultiStrategy	5.00%	3.70%
Hedge Funds - Equity Hedge	3.75%	4.72%
Hedge Funds - Distressed	3.75%	3.49%

OGDENSBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

Discount Rate – TPAF

The discount rate used to measure the total pension liability was 3.22% as of June 30, 2016. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65% and a municipal bond rate of 2.85% as of June 30, 2016 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 on the contribution rate in the most recent fiscal year. The State contributed 30% of the actuarially determined contributions. 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 2029. Therefore, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through 2029, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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, 2016 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:

	June 30, 2016		
	1% Decrease (2.22%)	Current Discount Rate (3.22%)	1% Increase (4.22%)
State's Proportionate Share of the Net Pension Liability Associated with the District	\$ 20,571,414	\$ 17,225,766	\$ 14,493,613

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.

OGDENSBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

C. Defined Contribution Retirement Program (DCRP) (Cont'd)

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 \$13,087 for the fiscal year ended June 30, 2017. Employee contributions to DCRP amounted to \$23,993 for the fiscal year ended June 30, 2017.

NOTE 10. POST-RETIREMENT BENEFITS

P.L. 1987, c.384 and P.L. 1990, c.6 required the 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. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2016, there were 110,512 retirees receiving post-retirement medical benefits and the State contributed \$1.37 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 benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126 which provides employer-paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$231.2 million toward Chapter 126 benefits for 20,045 eligible retired members for Fiscal Year 2016.

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 publicly 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/financial/2016divisioncombined.pdf>.

The State's on behalf Post-Retirement Medical Contributions to TPAF for the District amounted to \$188,791, \$208,755 and \$173,768 for 2017, 2016 and 2015, respectively.

OGDENSBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

NOTE 11. 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 12. 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.

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.

OGDENSBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

NOTE 12. RISK MANAGEMENT (Cont'd)

Property, Liability and Health Benefits (Cont'd)

The June 30, 2017 audit report is not available as of the date of this report. Selected summarized financial information for the SAIF as of June 30, 2016 is as follows:

	School Alliance Insurance Fund
Total Assets	\$ 38,579,014
Net Position	\$ 9,463,015
Total Revenue	\$ 41,445,355
Total Expenses	\$ 39,153,730
Change in Net Position	\$ 2,291,625
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

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:

Fiscal Year	Employee Contributions	Interest Earned	Amount Reimbursed	Ending Balance
2016-2017	\$ 5,723	\$ 155	\$ 9,721	\$ 81,546
2015-2016	5,087	163	2,991	85,389
2014-2015	5,636	155	-0-	83,130

OGDENSBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

NOTE 13. 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 14. INTERFUND RECEIVABLES AND PAYABLES

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 343	\$ 12,768
Food Service Fund	12,768	
Payroll Agency Fund		6,066
Unemployment Compensation Trust	5,723	
	\$ 18,834	\$ 18,834

The interfund receivable in the General Fund of \$343 is interest earned in the Payroll Agency Fund not remitted to the General Fund. The \$12,768 interfund receivable in the Food Service Fund is current year subsidy claims not remitted from the General Fund. The \$5,723 interfund receivable in the Unemployment Compensation Trust Fund is current year employees' contributions not remitted from the Payroll Agency Fund.

NOTE 15. TAX CALENDAR

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

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

OGDENSBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

NOTE 16. 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, 2017, there were encumbrances as detailed below in the governmental funds.

General Fund	Total Governmental Funds
\$ 218	\$ 218

NOTE 17. ACCOUNTS PAYABLE

Payables, as of June 30, 2017, were as follows:

	Governmental Funds		District Contribution Subsequent to Measurement Date	Total Governmental Activities	Business-Type Activities
	General Fund	Special Revenue Fund			Proprietary Funds
Vendors	\$ 309	\$ 6,930		\$ 7,239	\$ 3,063
Due to:					
State of New Jersey			\$ 49,000	49,000	
	\$ 309	\$ 6,930	\$ 49,000	\$ 56,239	\$ 3,063

OGDENSBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

NOTE 18. PRIOR PERIOD ADJUSTMENT

The District made a correction to accumulated depreciation on equipment as of June 30, 2016. As a result, the District's financial statements as of June 30, 2016 have been restated as follows:

	Balance June 30, 2016 as Previously Reported	Retroactive Adjustments	Balance June 30, 2016 as Restated
<u>Statement of Net Position - Governmental Activities:</u>			
Assets:			
Capital Assets, Net:			
Depreciable Site Improvements, Buildings and Building Improvements and Machinery and Equipment	\$ 1,149,697	\$ (46,237)	\$ 1,103,460
Total Assets	1,473,305	(46,237)	1,427,068
Net Position:			
Net Investment in Capital Assets	1,072,236	(46,237)	1,025,999
Total Net Position	91,466	(46,237)	45,229

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 THREE FISCAL YEARS
UNAUDITED

	Fiscal Year Ending June 30,		
	2015	2016	2017
District's proportion of the net pension liability	0.0060888984%	0.0062295008%	0.0064774792%
District's proportionate share of the net pension liability	\$ 1,140,008	\$ 1,398,398	\$ 1,918,444
District's covered employee payroll	\$ 428,776	\$ 445,580	\$ 341,823
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	265.87%	313.84%	561.24%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	47.93%	40.14%

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 THREE FISCAL YEARS
UNAUDITED

	Fiscal Year Ending June 30,		
	2015	2016	2017
Contractually required contribution	\$ 50,196	\$ 53,557	\$ 57,545
Contributions in relation to the contractually required contribution	<u>(50,196)</u>	<u>(53,557)</u>	<u>(57,545)</u>
Contribution deficiency/(excess)	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
District's covered employee payroll	\$ 445,580	\$ 341,823	\$ 306,331
Contributions as a percentage of covered employee payroll	11.27%	15.67%	18.79%

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 STATE'S PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY ATTRIBUTABLE TO THE DISTRICT
TEACHERS' PENSION AND ANNUITY FUND
LAST THREE FISCAL YEARS
UNAUDITED

	Fiscal Year Ending June 30,		
	2015	2016	2017
State's proportion of the net pension liability attributable to the District	0.0204468736%	0.0202466869%	0.0218972437%
State's proportionate share of the net pension liability attributable to the District	\$ 10,928,188	\$ 12,796,771	\$ 17,225,766
District's covered employee payroll	\$ 2,179,535	\$ 2,061,316	\$ 1,918,969
State's proportionate share of the net pension liability attributable to the District as a percentage of its covered employee payroll	501.40%	620.81%	897.66%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%	22.33%

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 BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF STATE CONTRIBUTIONS
TEACHERS' PENSION AND ANNUITY FUND
LAST THREE FISCAL YEARS
UNAUDITED

	Ending June 30,		
	2015	2016	2017
Contractually required contribution	\$ 588,039	\$ 781,358	\$ 1,294,277
Contributions in relation to the contractually required contribution	(109,461)	(175,318)	(218,656)
Contribution deficiency/(excess)	<u>\$ 478,578</u>	<u>\$ 606,040</u>	<u>\$ 1,075,621</u>
District's covered employee payroll	\$ 2,061,316	\$ 1,918,969	\$ 2,159,938
Contributions as a percentage of covered employee payroll	5.31%	9.14%	10.12%

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, 2017
UNAUDITED

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Assumptions

	<u>As of June 30,</u>	
	<u>2016</u>	<u>2015</u>
Discount Rate	3.98%	4.90%
Municipal Bond Rate	2.85%	3.80%
Inflation Rate	3.08%	3.04%
Long-Term Expected Rate of Return on Pension Plan Investments	7.65%	7.90%
Salary Increases Based on Age:		
Through 2026	1.65% - 4.15%	
2012 - 2021		2.15% - 4.40%
Thereafter	2.65% - 5.15%	3.15% - 5.40%

The mortality rates in the July 1, 2014 actuarial valuation were based on the following:

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 mortality rates in the July 1, 2015 actuarial valuation were based on the following:

Pre-retirement mortality rates were based on the RP-2000 Employee Pre-retirement Mortality Table for male and female active participants. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward one year for females).

OGDENSBURG BOROUGH SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
UNAUDITED
(Continued)

B. TEACHERS PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Assumptions

	<u>As of June 30,</u>	
	<u>2016</u>	<u>2015</u>
Discount Rate	3.22%	4.13%
Municipal Bond Rate	2.85%	3.80%
Long-Term Expected Rate of Return on Pension Plan Investments	7.65%	7.90%

The mortality rates in the July 1, 2014 actuarial valuation were based on the following:

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 mortality rates in the July 1, 2015 actuarial valuation were based on the following:

Pre-retirement, post-retirement and disabled mortality rates were based on the experience of TPAF members reflecting mortality improvement on a generational basis based on a 60-year average of Social Security data from 1953 to 2013.

BUDGETARY COMPARISON SCHEDULES

OGDENSBURG BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 2,358,402		\$ 2,358,402	\$ 2,358,402	
Tuition from Individuals	12,000		12,000	14,205	\$ 2,205
Interest on Capital Reserve Funds	300		300	314	14
Unrestricted Miscellaneous Revenues	600		600	7,196	6,596
Total - Local Sources	2,371,302		2,371,302	2,380,117	8,815
State Sources:					
Categorical Special Education Aid	162,828		162,828	162,828	
Equalization Aid	1,369,767		1,369,767	1,369,767	
Categorical Security Aid	27,247		27,247	27,247	
Adjustment Aid	463,801		463,801	463,801	
Categorical Transportation Aid	17,372		17,372	17,372	
School Choice Aid	256,521		256,521	256,521	
Per Pupil Growth Aid	2,840		2,840	2,840	
PARCC Readiness Aid	2,840		2,840	2,840	
Professional Learning Community Aid	2,500		2,500	2,500	
Additional Nonpublic Transportation Aid				522	522
On-Behalf TPAF Contributions (Non-Budgeted):					
Pension				218,656	218,656
Post-Retirement Medical Benefits				188,791	188,791
Non-Contributory Insurance				7,922	7,922
Long-Term Disability Insurance				764	764
Reimbursed TPAF Social Security Contributions (Non-Budgeted)				155,983	155,983
Total - State Sources	2,305,716		2,305,716	2,878,354	572,638
TOTAL REVENUES	4,677,018		4,677,018	5,258,471	581,453

OGDENSBURG BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Regular Programs - Instruction:					
Kindergarten - Salaries of Teachers	\$ 147,660	\$ (21,598)	\$ 126,062	\$ 126,062	
Grades 1-5 - Salaries of Teachers	639,739	35,201	674,940	666,978	\$ 7,962
Grades 6-8 - Salaries of Teachers	459,921	(5,639)	454,282	447,880	6,402
Regular Programs - Undistributed Instruction:					
General Supplies	80,925	4,157	85,082	85,082	
Textbooks	10,492	(10,405)	87	87	
Other Objects	280	73	353	323	30
Total Regular Programs - Instruction	1,339,017	1,789	1,340,806	1,326,325	14,481
Special Education - Instruction:					
Multiple Disabilities:					
Salaries of Teachers	57,189	(27,733)	29,456	29,456	
General Supplies	500	(8)	492	492	
Total Multiple Disabilities	57,689	(27,741)	29,948	29,948	
Resource Room/Resource Center:					
Salaries of Teachers	263,337	25,910	289,247	289,247	
Other Salaries for Instruction	158,784	(14,900)	143,884	143,884	
General Supplies	5,175	(11)	5,164	5,164	
Total Resource Room/Resource Center	427,296	10,999	438,295	438,295	

OGDENSBURG BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Special Education - Instruction:					
Preschool Disabilities - Part Time:					
Salaries of Teachers	\$ 27,225	\$ 4,808	\$ 32,033	\$ 32,033	
Other Salaries for Instruction	13,532	871	14,403	14,403	
General Supplies	2,275	(180)	2,095	2,095	
Total Preschool Disabilities - Part Time	43,032	5,499	48,531	48,531	
Total Special Education Instruction	528,017	(11,243)	516,774	516,774	
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	86,694	(35,018)	51,676	50,339	\$ 1,337
Purchased Technical Services	6,500		6,500	5,130	1,370
General Supplies	1,200	(39)	1,161	944	217
Total Basic Skills/Remedial - Instruction	94,394	(35,057)	59,337	56,413	2,924
School-Sponsored Cocurricular Activities - Instruction:					
Salaries	19,582	5,280	24,862	24,862	
Supplies and Materials	2,415	(149)	2,266	2,266	
Total School-Sponsored Cocurricular Activities - Instruction	21,997	5,131	27,128	27,128	

OGDENSBURG BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
School-Sponsored Athletics - Instruction:					
Salaries	\$ 23,902		\$ 23,902	\$ 20,347	\$ 3,555
Supplies and Materials	1,225		1,225	1,215	10
Other Objects	825	\$ (85)	740	675	65
Transfer to Cover Deficit (Agency Funds)	2,200	85	2,285	2,285	
Total School-Sponsored Athletics - Instruction	<u>28,152</u>		<u>28,152</u>	<u>24,522</u>	<u>3,630</u>
Summer School - Instruction:					
Salaries of Teachers	8,724	920	9,644	9,644	
Other Salaries for Instruction	3,031	627	3,658	3,658	
Purchased Professional and Technical Services	2,125	(297)	1,828	1,828	
General Supplies	1,000	(654)	346	346	
Total Summer School - Instruction	<u>14,880</u>	<u>596</u>	<u>15,476</u>	<u>15,476</u>	
Summer School - Support Services:					
Salaries	1,322	2,680	4,002	4,002	
Total Summer School - Support Services	<u>1,322</u>	<u>2,680</u>	<u>4,002</u>	<u>4,002</u>	
Total Instruction	<u>2,027,779</u>	<u>(36,104)</u>	<u>1,991,675</u>	<u>1,970,640</u>	<u>21,035</u>

OGDENSBURG BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(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	\$ 4,071	\$ 9,550	\$ 9,550	\$ 8,367	\$ 1,183
Tuition to Private School for the Disabled Within State		(1,003)	3,068	2,814	254
Total Undistributed Expenditures - Instruction	4,071	8,547	12,618	11,181	1,437
Health Services:					
Salaries	67,087	3,358	70,445	70,445	
Purchased Professional and Technical Services	4,800	(360)	4,440	4,440	
Other Purchased Services (400-500 Series)	210	815	1,025	905	120
Supplies and Materials	2,575	(1,252)	1,323	1,323	
Other Objects	180	(2)	178	178	
Total Health Services	74,852	2,559	77,411	77,291	120
Speech, OT, PT and Other Related Services:					
Salaries	43,632	10,363	53,995	53,995	
Purchased Professional- Educational Services	16,000	19,000	35,000	33,370	1,630
Supplies and Materials	800	(208)	592	486	106
Speech, OT, PT and Other Related Services	60,432	29,155	89,587	87,851	1,736

OGDENSBURG BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures:					
Other Support Services - Students - Extraordinary Services:					
Purchased Professional - Educational Services	\$ 26,065	\$ 10	\$ 26,075	\$ 26,075	
Total Other Support Services - Students - Extraordinary Services	26,065	10	26,075	26,075	
Child Study Teams:					
Salaries of Other Professional Staff	173,185	17,499	190,684	190,684	
Salaries of Secretarial and Clerical Assistants	42,230	2,770	45,000	45,000	
Purchased Professional Educational Services	1,500	(464)	1,036	1,036	
Other Purchased Professional and Technical Services	700	(616)	84	84	
Supplies and Materials	3,885	(2,728)	1,157	1,157	
Other Objects	550	2,175	2,725	2,725	
Total Child Study Teams	222,050	18,636	240,686	240,686	
Improvement of Instructional Services:					
Salaries of Supervisor of Instruction	102,000	(5,929)	96,071	96,071	
Salaries of Other Professional Staff	2,175	(1,432)	743	743	
Total Improvement of Instructional Services	104,175	(7,361)	96,814	96,814	

OGDENSBURG BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures:					
Educational Media Services/School Library:					
Salaries	\$ 25,220	\$ 6,274	\$ 31,494	\$ 31,494	
Salaries of Technology Coordinators	7,500	6,505	14,005	14,005	
Purchased Professional and Technical Services	36,150	12,109	48,259	48,259	
Supplies and Materials	1,000	(567)	433	433	
Other Objects		95	95	95	
Total Educational Media Services/School Library	69,870	24,416	94,286	94,286	
Instructional Staff Training Services:					
Salaries of Other Professional Staff	1,500		1,500	145	\$ 1,355
Purchased Professional - Educational Services	4,000	2,500	6,500	4,000	2,500
Other Purchased Services (400-500 Series)	10,816	(2,500)	8,316	2,831	5,485
Supplies and Materials	500		500	500	
Total Instructional Staff Training Services	16,816		16,816	6,976	9,840

OGDENSBURG BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures:					
Support Services - General Administration:					
Salaries	\$ 96,261	\$ (3,919)	\$ 92,342	\$ 92,342	
Legal Services	9,000	(1,272)	7,728	5,771	\$ 1,957
Audit Fees	23,750		23,750	21,550	2,200
Architectural/Engineering Services	5,000	(2,727)	2,273	2,000	273
Other Purchased Professional Services	21,190	(4,388)	16,802	16,539	263
Communications/Telephone	21,800		21,800	15,110	6,690
BOE Other Purchased Services	1,000		1,000		1,000
Miscellaneous Purchased Services	500		500	468	32
General Supplies	3,950	(475)	3,475	3,394	81
BOE In-House Training/Meeting Supplies	250		250	140	110
Miscellaneous Expenditures	2,000	1,174	3,174	3,174	
BOE Memberships and Dues	3,200	1,333	4,533	4,533	
Total Support Services - General Administration	187,901	(10,274)	177,627	165,021	12,606
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	80,025	18,551	98,576	98,576	
Salaries of Other Professional Staff	28,209	(28,209)			
Salaries of Secretarial and Clerical Assistants		20,833	20,833	20,833	
Supplies and Materials	1,500	(30)	1,470	1,470	
Other Objects	1,000	(621)	379	379	
Total Support Services - School Administration	110,734	10,524	121,258	121,258	

OGDENSBURG BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures:					
Central Services:					
Salaries	\$ 128,582	\$ (8,582)	\$ 120,000	\$ 120,000	
Purchased Professional Services	12,550	(580)	11,970	11,927	\$ 43
Miscellaneous Purchased Services (400-500 Series)	500	335	835	835	
Supplies and Materials	2,000	(1,100)	900	900	
Miscellaneous Expenditures	1,250	2,821	4,071	4,071	
Total Central Services	144,882	(7,106)	137,776	137,733	43
Administration Information Technology:					
Salaries	7,500	(7,500)			
Purchased Technical Services	7,450		7,450	7,172	278
Other Purchased Services (400-500 Series)	1,000	(421)	579	579	
Total Administration Information Technology	15,950	(7,921)	8,029	7,172	857
Required Maintenance of School Facilities:					
Salaries	8,456	8,808	17,264	17,264	
Cleaning, Repair and Maintenance Services	24,406	1,631	26,037	26,037	
General Supplies	1,691	1,653	3,344	3,344	
Total Required Maintenance of School Facilities	34,553	12,092	46,645	46,645	

OGDENSBURG BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures:					
Custodial Services:					
Salaries	\$ 182,740	\$ (1,555)	\$ 181,185	\$ 181,004	\$ 181
Salaries of Non-Instructional Aides	19,450	2,823	22,273	19,683	2,590
Purchased Professional and Technical Services	26,925	(13,851)	13,074	7,478	5,596
Cleaning, Repair and Maintenance Services	24,848	3,102	27,950	27,718	232
Insurance	35,550	1,804	37,354	37,354	
Miscellaneous Purchased Services	3,761		3,761	3,140	621
General Supplies	27,400	(3,731)	23,669	20,386	3,283
Other Objects		250	250	250	
Energy (Natural Gas)	34,000		34,000	33,522	478
Energy (Electricity)	42,000	(4,250)	37,750	36,747	1,003
Lease Purchase Pymts - Energy Savings Improvement Program	11,417	1,107	12,524	12,524	
Total Custodial Services	408,091	(14,301)	393,790	379,806	13,984
Care and Upkeep of Grounds:					
Salaries	27,073		27,073	27,073	
Purchased Professional and Technical Services	500		500	129	371
General Supplies	2,500		2,500		2,500
Other Objects	4,500		4,500	1,687	2,813
Total Care and Upkeep of Grounds	34,573		34,573	28,889	5,684

OGDENSBURG BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures:					
Security:					
Purchased Professional and Technical Services	\$ 1,200	\$ 770	\$ 1,970	\$ 1,970	
Cleaning, Repair and Maintenance Services	2,500	(30)	2,470	2,170	\$ 300
General Supplies	3,000	(740)	2,260	2,168	92
Total Security	6,700		6,700	6,308	392
Student Transportation Services:					
Salary for Pupil Transportation (Other than between Home & School)		8,000	8,000	8,000	
Management Fee - ESC Transportation Programs	4,500	(470)	4,030	3,046	984
Other Between Home and School - Vendors	7,000	3,882	10,882	10,882	
Special Education Students - Vendors	38,500	27,000	65,500	61,209	4,291
Regular Students - ESC & CTSA	13,000	(1,812)	11,188	10,066	1,122
Aid in Lieu Payments - Nonpublic School Students	4,420		4,420	1,326	3,094
Total Student Transportation Services	67,420	36,600	104,020	94,529	9,491

OGDENSBURG BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures:					
Unallocated Benefits:					
Social Security Contributions	\$ 72,000		\$ 72,000	\$ 64,504	\$ 7,496
Other Retirement Contribution - PERS	49,000	8,545	57,545	57,545	
Other Retirement Contribution - Regular	11,500	1,800	13,300	13,087	213
Workmen's Compensation	49,300		49,300	49,254	46
Health Benefits	780,199	(73,602)	706,597	676,386	30,211
Tuition Reimbursement	20,500		20,500	16,986	3,514
Other Employee Benefits		10,400	10,400	10,400	
Total Unallocated Benefits	<u>982,499</u>	<u>(52,857)</u>	<u>929,642</u>	<u>888,162</u>	<u>41,480</u>
On-Behalf TPAF Contributions (Non-Budgeted):					
Pension				218,656	(218,656)
Post-Retirement Medical Benefits				188,791	(188,791)
Non-Contributory Insurance				7,922	(7,922)
Long-Term Disability Insurance				764	(764)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)				155,983	(155,983)
Total Personal Services - Employee Benefits				<u>572,116</u>	<u>(572,116)</u>
Total Undistributed Expenses	<u>2,571,634</u>	<u>42,719</u>	<u>2,614,353</u>	<u>3,088,799</u>	<u>(474,446)</u>
TOTAL GENERAL CURRENT EXPENSE	<u>4,599,413</u>	<u>6,615</u>	<u>4,606,028</u>	<u>5,059,439</u>	<u>(453,411)</u>

OGDENSBURG BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CAPITAL OUTLAY					
Equipment:					
Undistributed Expenditures - Instruction	\$ 17,500		\$ 17,500	\$ 17,500	
Required Maintenance of School Facilities	43,928	\$ 32,928	32,928	19,050	\$ 13,878
Custodial Services	15,954	(43,928)	15,954	4,808	11,146
Care and Upkeep of Grounds					
Total Equipment	<u>77,382</u>	<u>(11,000)</u>	<u>66,382</u>	<u>41,358</u>	<u>25,024</u>
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>	
TOTAL CAPITAL OUTLAY	<u>84,039</u>	<u>(11,000)</u>	<u>73,039</u>	<u>48,015</u>	<u>25,024</u>
Transfer of Funds to Charter Schools	41,900	4,385	46,285	46,285	
TOTAL EXPENDITURES	<u>4,725,352</u>		<u>4,725,352</u>	<u>5,153,739</u>	<u>(428,387)</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(48,334)		(48,334)	104,732	153,066
Other Financing Uses:					
Transfer to Debt Service Fund from Capital Reserve		(21,645)	(21,645)	(21,645)	
Total Other Financing Uses		<u>(21,645)</u>	<u>(21,645)</u>	<u>(21,645)</u>	

OGDENSBURG BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(UNAUDITED)

	<u>Original</u>	<u>Budget</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
	<u>Budget</u>	<u>Transfers</u>	<u>Budget</u>	<u>Budget</u>	<u>Final to Actual</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures and Other Financing Uses	\$ (48,334)	\$ (21,645)	\$ (69,979)	\$ 83,087	\$ 153,066
Fund Balance, July 1	<u>530,583</u>		<u>530,583</u>	<u>530,583</u>	
Fund Balance, June 30	<u>\$ 482,249</u>	<u>\$ (21,645)</u>	<u>\$ 460,604</u>	<u>\$ 613,670</u>	<u>\$ 153,066</u>

Recapitulation:

Restricted:					
Capital Reserve				\$ 101,416	
Maintenance Reserve				50,000	
Excess Surplus				56,198	
Excess Surplus - Designated for Subsequent Year's Expenditures				105,358	
Assigned:					
Year-End Encumbrances				218	
Designated for Subsequent Year's Expenditures				3,844	
Additional Assigned Fund Balance - Designated for Subsequent					
Year's Expenditures July 1, 2017 - August 1, 2017				46,114	
Unassigned				<u>250,522</u>	
				<u>613,670</u>	
Reconciliation to Governmental Funds Statements (GAAP):					
Last Two State Aid Payments not Recognized on GAAP Basis				<u>(229,905)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 383,765</u>	

OGDENSBURG BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenue:					
Federal Sources	\$ 120,000	\$ 3,754	\$ 123,754	\$ 123,754	
Total Revenue	120,000	3,754	123,754	123,754	
Expenditures:					
Instruction:					
Salaries of Teachers	24,000	2,654	26,654	26,654	
Tuition	75,000	(15,929)	59,071	59,071	
General Supplies	5,000	(4,665)	335	335	
Total Instruction	104,000	(17,940)	86,060	86,060	
Support Services:					
Personal Services - Employee Benefits	7,000	(70)	6,930	6,930	
Purchased Professional/Technical Services		20,360	20,360	20,360	
Purchased Professional - Educational Services	3,000	429	3,429	3,429	
Other Purchased Services	6,000	975	6,975	6,975	
Total Support Services	16,000	21,694	37,694	37,694	
Total Expenditures	120,000	3,754	123,754	123,754	
Excess (Deficiency) of Revenue Over (Under) Expenditures	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-

OGDENSBURG BOROUGH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(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	\$ 5,258,471	\$ 123,754
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>(229,905)</u>	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 5,256,829</u>	<u>\$ 123,754</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	<u>\$ 5,083,415</u>	<u>\$ 123,754</u>
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 5,083,415</u>	<u>\$ 123,754</u>

OGDENSBURG BOROUGH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(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, 2017 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, 2017

	No Child Left Behind		IDEA Part B		
	Title I	Title II Part A	Basic	Preschool	Totals
REVENUE:					
Federal Sources	\$ 33,584	\$ 10,567	\$ 76,174	\$ 3,429	\$ 123,754
Total Revenue	33,584	10,567	76,174	3,429	123,754
EXPENDITURES:					
Instruction:					
Salaries of Teachers	26,654				26,654
Tuition			59,071		59,071
General Supplies		335			335
Total Instruction	26,654	335	59,071		86,060
Support Services:					
Personal Services - Employee Benefits	6,930				6,930
Purchased Professional/Technical Services		3,257	17,103		20,360
Purchased Professional - Educational Services				3,429	3,429
Other Purchased Services		6,975			6,975
Total Support Services	6,930	10,232	17,103	3,429	37,694
Total Expenditures	\$ 33,584	\$ 10,567	\$ 76,174	\$ 3,429	\$ 123,754

CAPITAL PROJECTS FUND
(NOT APPLICABLE)

PROPRIETARY FUNDS

OGDENSBURG BOROUGH SCHOOL DISTRICT
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF NET POSITION
JUNE 30, 2017

ASSETS:

Current Assets:

Cash and Cash Equivalents	\$ 10,050
Intergovernmental Accounts Receivable:	
State	54
Federal	1,607
Interfund Receivable - General Fund	12,768
Inventories	4,157
	<hr/>
Total Current Assets	28,636
	<hr/>

Non-Current Assets:

Capital Assets	60,770
Less: Accumulated Depreciation	(46,650)
	<hr/>
Total Non-Current Assets	14,120
	<hr/>

Total Assets

42,756

LIABILITIES:

Current Liabilities:

Accounts Payable	3,063
Unearned Revenue	2,293
	<hr/>
Total Current Liabilities	5,356
	<hr/>

NET POSITION:

Investment in Capital Assets	14,120
Unrestricted	23,280
	<hr/>
Total Net Position	\$ 37,400
	<hr/> <hr/>

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, 2017

Operating Revenue:	
Local Sources:	
Daily Sales - Reimbursable Programs	\$ 47,535
Daily Sales - Non-Reimbursable Programs	6,756
	<hr/>
Total Operating Revenue	54,291
	<hr/>
Operating Expenses:	
Cost of Sales - Reimbursable Programs	41,163
Cost of Sales - Nonreimbursable Programs	1,379
Salaries, Benefits & Payroll Taxes	33,657
Supplies, Insurance & Other Costs	7,192
Management Fee	7,000
Depreciation Expense	1,906
	<hr/>
Total Operating Expenses	92,297
	<hr/>
Operating Loss	(38,006)
	<hr/>
Non-Operating Income:	
Local Sources:	
Interest Income	35
State Sources:	
State School Lunch Program	905
Federal Sources:	
National School Lunch Program	27,247
School Breakfast Program	1,612
Food Distribution Program	7,503
	<hr/>
Total Non-Operating Income	37,302
	<hr/>
Change in Net Position Before Capital Contribution and Other Item	(704)
	<hr/>
Capital Contribution	8,800
Other Item - Cancellation of Accounts Receivable - Food Service Vendor	(614)
	<hr/>
Change in Net Position After Capital Contribution and Other Item	7,482
	<hr/>
Net Position - Beginning of Year	29,918
	<hr/>
Net Position - End of Year	\$ 37,400
	<hr/> <hr/>

OGDENSBURG BOROUGH SCHOOL DISTRICT
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Cash Flows from Operating Activities:	
Receipts from Customers	\$ 54,291
Payments to Food Service Contractor	(77,100)
Payments to Other Suppliers	<u>(2,837)</u>
Net Cash Used for Operating Activities	<u>(25,646)</u>
Cash Flows by Investing Activities:	
Local Sources:	
Interest Income	<u>35</u>
Net Cash Provided by Investing Activities	<u>35</u>
Cash Flows from Noncapital Financing Activities:	
State Sources:	
State School Lunch Program - Received in Food Service Fund	491
Federal Sources:	
National School Lunch and School Breakfast Programs - Received in Food Service Fund	<u>15,694</u>
Net Cash Provided by Noncapital Financing Activities	<u>16,185</u>
Net Decrease in Cash and Cash Equivalents	(9,426)
Cash and Cash Equivalents, July 1	<u>19,476</u>
Cash and Cash Equivalents, June 30	<u>\$ 10,050</u>
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:	
Operating Loss	\$ (38,006)
Adjustment to Reconcile Operating Loss to Net Cash Used for Operating Activities:	
Depreciation	1,906
Food Distribution Program	7,503
Changes in Assets and Liabilities:	
Decrease in Inventories	215
(Decrease) in Unearned Revenue	(327)
Increase in Accounts Payable	<u>3,063</u>
Net Cash Used for Operating Activities	<u>\$ (25,646)</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 \$7,176 and utilized U.S.D.A. Commodities valued at \$7,503.

Noncash Capital and Related Financing Activities:

The General Fund made a capital contribution of \$8,800 of equipment to the Food Service Fund.

FIDUCIARY FUNDS

OGDENSBURG BOROUGH SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2017

	Student Activity Fund	Agency Payroll Agency Fund	Total Agency Funds	Unemployment Compensation Trust	Private Purpose Scholarship Trust
ASSETS:					
Cash and Cash Equivalents	\$ 18,564	\$ 6,563	\$ 25,127	\$ 75,823	\$ 5,121
Interfund Receivable:					
Payroll Agency Fund				5,723	
Total Assets	\$ 18,564	\$ 6,563	\$ 25,127	\$ 81,546	\$ 5,121
LIABILITIES:					
Interfund Payable:					
General Fund		\$ 343	\$ 343		
Unemployment Compensation Trust		5,723	5,723		
Payroll Deductions and Withholdings		497	497		
Due to Athletics Account	\$ 40		40		
Due to Student Groups	18,524		18,524		
Total Liabilities	18,564	6,563	25,127		
NET POSITION:					
Held in Trust for Unemployment Claims				\$ 81,546	\$ 5,121
Restricted for Scholarships					
Total Net Position	\$ -0-	\$ -0-	\$ -0-	\$ 81,546	\$ 5,121

OGDENSBURG BOROUGH SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Scholarship Trust</u>
Additions:		
Contributions:		
Plan Member Contributions	\$ 5,723	
Donations		\$ 750
Total Contributions	<u>5,723</u>	<u>750</u>
Investment Earnings:		
Interest	<u>155</u>	<u>2</u>
Net Investment Earnings	<u>155</u>	<u>2</u>
Total Additions	<u>5,878</u>	<u>752</u>
Deductions:		
Unemployment Compensation Claims	9,721	
Scholarships Awarded		600
Total Deductions	<u>9,721</u>	<u>600</u>
Change in Net Position	(3,843)	152
Net Position - Beginning of the Year	<u>85,389</u>	<u>4,969</u>
Net Position - End of the Year	<u>\$ 81,546</u>	<u>\$ 5,121</u>

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

	<u>Balance</u> <u>July 1, 2016</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>June 30, 2017</u>
<u>ASSETS:</u>				
Cash and Cash Equivalents	\$ 24,793	\$ 28,368	\$ 34,597	\$ 18,564
Total Assets	<u>\$ 24,793</u>	<u>\$ 28,368</u>	<u>\$ 34,597</u>	<u>\$ 18,564</u>
<u>LIABILITIES:</u>				
Due to Athletics Account	\$ 19	\$ 2,286	\$ 2,265	\$ 40
Due to Student Groups	<u>24,774</u>	<u>26,082</u>	<u>32,332</u>	<u>18,524</u>
Total Liabilities	<u>\$ 24,793</u>	<u>\$ 28,368</u>	<u>\$ 34,597</u>	<u>\$ 18,564</u>

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

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2017</u>
<u>ASSETS:</u>				
Cash and Cash Equivalents	\$ 63,519	\$ 3,378,900	\$ 3,435,856	\$ 6,563
Total Assets	<u>\$ 63,519</u>	<u>\$ 3,378,900</u>	<u>\$ 3,435,856</u>	<u>\$ 6,563</u>
<u>LIABILITIES:</u>				
Interfund Payable:				
Unemployment Compensation Trust	\$ 5,087	\$ 5,723	\$ 5,087	\$ 5,723
General Fund	57,980	117	57,754	343
Payroll Deductions and Withholdings	452	3,373,060	3,373,015	497
Total Liabilities	<u>\$ 63,519</u>	<u>\$ 3,378,900</u>	<u>\$ 3,435,856</u>	<u>\$ 6,563</u>

LONG-TERM DEBT

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

Purpose	Date of Issue	Original Issue	Interest Rate	Balance July 1, 2016	Retired or Matured	Balance June 30, 2017
Americans with Disabilities Upgrade, Replacement of Windows, Removal of Existing Playground and Installation of a New Playground	07/15/08	\$ 275,000	4.30%	\$ 40,000	\$ 40,000	
				\$ 40,000	\$ 40,000	\$ -0-

OGDENSBURG BOROUGH SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

<u>Series</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Balance July 1, 2016</u>	<u>Issued</u>	<u>Retired or Matured</u>	<u>Balance June 30, 2017</u>
Computer Equipment, Snow blowers, Rooftop Fans, and Bathroom Sinks	2.34%	\$ 59,857	\$ 47,326		\$ 11,424	\$ 35,902
			<u>\$ 47,326</u>	<u>\$ -0-</u>	<u>\$ 11,424</u>	<u>\$ 35,902</u>

OGDENSBURG BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUE:					
Local Sources:					
Local Tax Levy	\$ 19,215		\$ 19,215	\$ 19,215	
Total Revenue	19,215		19,215	19,215	
EXPENDITURES:					
Regular Debt Service:					
Interest	860		860	860	
Redemption of Principal	40,000		40,000	40,000	
Total Regular Debt Service	40,860		40,860	40,860	
Total Expenditures	40,860		40,860	40,860	
Deficit of Revenue Under Expenditures	(21,645)		(21,645)	(21,645)	
Other Financing Sources:					
Transfer from Capital Reserve	21,645		21,645	21,645	
Total Other Financing Sources	21,645		21,645	21,645	
Excess of Revenues and Other Financing Sources Over Expenditures	-0-	\$ -0-	-0-	-0-	\$ -0-
Fund Balance, July 1	-0-		-0-		
Fund Balance, June 30	\$ 21,645	\$ -0-	\$ -0-	\$ -0-	\$ -0-

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

	<u>Exhibit</u>
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.	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,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016 (Restated)	
Governmental Activities										
Net Investment in Capital Assets	\$ 794,077	\$ 502,738	\$ 522,473	\$ 550,367	\$ 858,407	\$ 999,590	\$ 1,038,098	\$ 1,135,494	\$ 1,025,999	\$ 1,007,786
Restricted/(Deficit)	(255,502)	51,896	59,022	144,091	131	50,132	55,098	91,723	228,105	312,972
Unrestricted/(Deficit)	4,741	(84,375)	(95,353)	(137,714)	33,699	(97,346)	(1,124,221)	(1,168,908)	(1,208,875)	(1,345,278)
Total Governmental Activities Net Position/(Deficit)	\$ 543,316	\$ 470,259	\$ 486,142	\$ 556,744	\$ 892,237	\$ 952,376	\$ (31,025)	\$ 58,309	\$ 45,229	\$ (24,520)
Business-Type Activities										
Net Investment in Capital Assets	\$ 11,140	\$ 10,139	\$ 9,005	\$ 7,871	\$ 12,707	\$ 11,182	\$ 9,863	\$ 8,545	\$ 7,226	\$ 14,120
Unrestricted	5,974	6,033	8,116	8,839	12,405	16,865	22,401	26,380	22,692	23,280
Total Business-Type Activities Net Position	\$ 17,114	\$ 16,172	\$ 17,121	\$ 16,710	\$ 25,112	\$ 28,047	\$ 32,264	\$ 34,925	\$ 29,918	\$ 37,400
District-Wide										
Net Investment in Capital Assets	\$ 805,217	\$ 512,877	\$ 531,478	\$ 558,238	\$ 871,114	\$ 1,010,772	\$ 1,047,961	\$ 1,144,039	\$ 1,033,225	\$ 1,021,906
Restricted/(Deficit)	(255,502)	51,896	59,022	144,091	131	50,132	55,098	91,723	228,105	312,972
Unrestricted/(Deficit)	10,715	(78,342)	(87,237)	(128,875)	46,104	(80,481)	(1,101,820)	(1,142,528)	(1,186,183)	(1,321,998)
Total District Net Position	\$ 560,430	\$ 486,431	\$ 503,263	\$ 573,454	\$ 917,349	\$ 980,423	\$ 1,239	\$ 93,234	\$ 75,147	\$ 12,880

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,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses:										
Governmental activities:										
Instruction:										
Regular	\$ 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	\$ 2,790,583
Special Education	824,628	847,685	849,772	721,931	697,382	738,859	812,554	975,883	974,239	1,164,523
Other Special Instruction	116,718	42,841	77,103	111,445	125,812	115,795	136,861	94,533	113,336	111,815
School Sponsored/Other Instruction	50,423	50,007	59,265	48,334	75,181	98,187	115,870	124,506	131,475	142,810
Support Services:										
Tuition	95,995	59,839	63,665	99,846	96,859	10,142	13,096	33,933	9,852	11,181
Student & Instruction Related Services	679,253	563,354	674,800	595,834	626,820	664,013	651,418	702,673	670,280	943,919
General Administrative Services	243,619	224,207	210,098	177,700	188,514	195,285	209,961	244,488	232,904	261,194
School Administrative Services	204,309	170,961	197,756	174,094	189,586	204,144	198,187	215,527	143,936	188,097
Central Services	167,328	152,650	161,712	167,781	172,321	173,095	182,299	202,096	228,637	196,502
Administrative Information Technology	43,499	21,322	17,569	23,215	9,764	42,955	27,535	24,592	9,744	7,172
Plant Operations And Maintenance	433,849	423,803	463,204	455,141	498,800	514,459	505,315	511,123	596,764	584,078
Pupil Transportation	128,439	107,776	96,174	69,455	69,924	81,177	58,423	56,221	72,720	96,937
Capital Outlay	14,467	8,200	8,200	30,996	18,448	12,686	25,803	13,857	64,125	46,285
Charter Schools	9,311		22,753	53,042	83,556	44,086	68,888	51,878	1,795	
Interest On Long-Term Debt	26,348	31,930	17,933	14,674	11,252	7,995	5,564	3,608		72
Total Governmental Activities Expenses	5,059,456	4,645,955	4,845,265	4,536,548	4,667,021	4,961,132	5,031,621	5,642,128	5,918,243	6,545,168
Business-type activities:										
Food Service	84,238	84,423	88,407	83,230	89,766	87,004	92,956	93,369	92,606	92,297
Total Business-Type Activities Expense	84,238	84,423	88,407	83,230	89,766	87,004	92,956	93,369	92,606	92,297
Total District Expenses	\$ 5,143,694	\$ 4,730,378	\$ 4,933,672	\$ 4,619,778	\$ 4,756,787	\$ 5,048,136	\$ 5,124,577	\$ 5,735,497	\$ 6,010,849	\$ 6,637,465

OGDENSBURG BOROUGH SCHOOL DISTRICT
CHANGES IN NET POSITION, LAST TEN FISCAL YEARS

UNAUDITED
(accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Program Revenues:										
Governmental Activities:										
Operating Grants and Contributions	\$ 1,159,312	\$ 610,499	\$ 697,375	\$ 592,341	\$ 728,709	\$ 739,825	\$ 704,557	\$ 1,222,984	\$ 1,456,421	\$ 1,952,045
Capital Grants and Contributions					138,259	34,565		25,596		
Total Governmental Activities Program Revenues	\$ 1,159,312	\$ 610,499	\$ 697,375	\$ 592,341	\$ 866,968	\$ 774,390	\$ 704,557	\$ 1,248,580	\$ 1,456,421	\$ 1,952,045
Business-Type Activities:										
Charges for Services:										
Food Service	\$ 60,163	\$ 59,116	\$ 60,749	\$ 58,402	\$ 58,633	\$ 52,276	\$ 54,323	\$ 49,695	\$ 51,532	\$ 54,291
Operating Grants and Contributions	26,322	24,307	28,544	24,385	33,534	37,631	42,816	46,288	36,019	37,267
Capital Grants and Contributions	3,990									8,800
Total Business-Type Activities Program Revenues	\$ 90,475	\$ 83,423	\$ 89,293	\$ 82,787	\$ 92,167	\$ 89,907	\$ 97,139	\$ 95,983	\$ 87,551	\$ 100,358
Total District Program Revenues	\$ 1,249,787	\$ 693,922	\$ 786,668	\$ 675,128	\$ 959,135	\$ 864,297	\$ 801,696	\$ 1,344,563	\$ 1,543,972	\$ 2,052,403
Net (Expense)/Revenue:										
Governmental Activities	\$ (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)	\$ (4,593,123)
Business-Type Activities	6,237	(1,000)	886	(443)	2,401	2,903	4,183	2,614	(5,055)	8,061
Total District-Wide Net (Expense)/Revenue	\$ (3,893,907)	\$ (4,036,456)	\$ (4,147,004)	\$ (3,944,650)	\$ (3,797,652)	\$ (4,183,839)	\$ (4,322,881)	\$ (4,390,934)	\$ (4,466,877)	\$ (4,585,062)

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

	Fiscal Year Ending June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 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	\$ 2,358,402
Taxes Levied for Debt Service	57,714	66,037	67,556	73,124	73,763	67,210	55,824	68,703	25,413	19,215
Tuition	2,572	3,464			24,440	17,105	19,650	8,910	13,520	14,205
Unrestricted Grants and Contributions	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	2,124,042
Investment Earnings	7	136	128						234	979
Miscellaneous Income	17,141	8,671	9,915	4,535	9,052	27,615	3,059	4,354	6,863	6,531
Transfers	(3,990)				(5,970)					
Total Governmental Activities	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	4,523,374
Business-Type Activities:										
Investment Earnings	102	58	63	32	31	32	34	47	48	35
Other Item										(614)
Transfers					5,970					
Total Business-Type Activities	102	58	63	32	31	32	34	47	48	(579)
Total District-Wide	\$ 3,661,393	\$ 3,962,457	\$ 4,163,836	\$ 4,014,841	\$ 4,141,547	\$ 4,246,913	\$ 4,444,080	\$ 4,482,929	\$ 4,495,027	\$ 4,522,795
Change in Net Position:										
Governmental Activities	\$ (238,853)	\$ (73,057)	\$ 15,883	\$ 70,602	\$ 335,493	\$ 60,139	\$ 116,982	\$ 89,334	\$ 33,157	\$ (69,749)
Business-Type Activities	6,339	(942)	949	(411)	8,402	2,935	4,217	2,661	(5,007)	7,482
Total District	\$ (232,514)	\$ (73,999)	\$ 16,832	\$ 70,191	\$ 343,895	\$ 63,074	\$ 121,199	\$ 91,995	\$ 28,150	\$ (62,267)

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,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Fund:										
Reserved/Restricted	\$ 34,474	\$ 51,208	\$ 59,020	\$ 35,129	\$ 129	\$ 50,129	\$ 55,097	\$ 72,513	\$ 228,105	\$ 312,972
Assigned				(26,512)	185,648	34,109	117,484	42,421	48,634	50,176
Unassigned/(Deficit)	142,645	45,953	35,121					23,904	25,581	20,617
Unreserved										
Total General Fund	\$ 177,119	\$ 97,161	\$ 94,141	\$ 8,617	\$ 185,777	\$ 84,238	\$ 172,581	\$ 138,838	\$ 302,320	\$ 383,765
All Other Governmental Funds:										
Restricted				\$ 3	\$ 2	\$ 3	\$ 1	\$ 19,210		
Committed				108,959	(29,669)	4,896				
Unassigned/(Deficit)	\$ (293,419)									
Unreserved/(Deficit), Reported In:										
Capital Projects Fund	3,443									
Debt Service Fund		688								
Total All Other Governmental Funds	\$ (289,976)	\$ 688	\$ 2	\$ 108,962	\$ (29,667)	\$ 4,899	\$ 1	\$ 19,210	\$ -0-	\$ -0-
Total Governmental Funds:										
Reserved/Restricted	\$ 34,474	\$ 51,208	\$ 59,020	\$ 35,132	\$ 131	\$ 50,132	\$ 55,098	\$ 91,723	\$ 228,105	\$ 312,972
Committed				108,959		4,896				
Assigned				(26,512)	185,648	34,109	117,484	42,421	48,634	50,176
Unassigned/(Deficit)	(147,331)	46,641	35,123		(29,669)			23,904	25,581	20,617
Unreserved/(Deficit)										
Total Governmental Funds/(Deficit)	\$ (112,857)	\$ 97,849	\$ 94,143	\$ 117,579	\$ 156,110	\$ 89,137	\$ 172,582	\$ 158,048	\$ 302,320	\$ 383,765

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,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenue:										
Tax Levy	\$ 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	\$ 2,377,617
Tuition Charges	2,572	3,464			24,440	17,105	19,650	8,910	13,520	14,205
Interest Earnings	7	136	128					204	234	314
Miscellaneous	21,831	9,476	9,915	8,032	10,979	27,615	3,716	4,150	9,936	7,196
State Sources	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	2,876,712
Federal Sources	127,737	124,287	447,928	119,856	186,019	115,406	131,217	128,127	129,834	123,754
Total Revenue	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	5,399,798
Expenditures:										
Instruction:										
Regular Instruction	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	1,370,476
Special Education Instruction	603,956	629,143	639,442	527,085	501,450	517,604	573,725	602,215	560,374	596,377
Other Special Instruction	76,136	40,114	53,686	83,040	85,777	77,094	93,769	54,531	63,654	56,413
School Sponsored/Other Instruction	41,084	36,853	57,571	31,705	55,585	71,064	84,777	81,521	74,238	71,128
Tuition	95,995	59,839	63,665	99,846	95,429	11,572	13,096	33,933	9,852	11,181
Student & Instruction Related Services	507,448	448,313	524,261	467,718	492,916	532,295	501,513	513,145	506,175	629,979
General Administrative Services	194,250	196,173	186,411	153,991	165,184	171,980	184,313	192,578	177,241	165,021
School Administrative Services	134,226	123,430	138,095	123,324	133,471	140,826	140,223	148,474	94,225	121,258
Central Services	117,188	124,107	129,273	130,382	135,371	136,621	141,404	144,023	160,380	137,733
Administrative Information Technology	43,499	21,322	17,569	23,215	9,764	39,829	22,905	20,673	9,744	7,172
Plant Operations And Maintenance	386,323	372,283	404,642	398,091	399,006	486,781	470,749	471,107	480,763	461,648
Pupil Transportation	128,439	107,776	96,174	69,455	69,924	81,177	58,423	56,221	72,720	94,529
Unallocated Benefits	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	1,460,278
Charter Schools	9,311	22,753	22,753	53,042	83,556	44,036	68,888	51,878	64,125	46,285
Capital Outlay	94,186	6,208	30,323	59,159	454,634	191,297	46,692	107,690	72,257	48,015
Debt Service:										
Redemption of Principal	68,086	69,384	76,155	81,360	84,576	79,807	52,051	45,000	42,000	40,000
Interest And Other Charges	27,126	27,354	19,201	16,018	12,662	9,332	6,589	4,494	2,623	860
Total Expenditures	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	5,318,353

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,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Excess/(Deficit) of Revenues Under/(Over) Expenditures	\$ (305,635)	\$ (82,713)	\$ (3,706)	\$ 23,436	\$ (59,454)	\$ (145,108)	\$ 83,445	\$ (14,543)	\$ 84,415	\$ 81,445
Other Financing Sources/(Uses)					103,955	78,135			59,857	
Capital Leases (non-budgeted)	17,308	18,419								
Budget Appropriations		275,000								
Bond Proceeds				139,955	60,000		4,896			21,645
Transfers In	(3,990)			(139,955)	(65,970)		(4,896)			(21,645)
Transfers Out	13,318	293,419			97,985	78,135			59,857	
Total Other Financing Sources/(Uses)										
Net Change In Fund Balances	\$ (292,317)	\$ 210,706	\$ (3,706)	\$ 23,436	\$ 38,531	\$ (66,973)	\$ 83,445	\$ (14,543)	\$ 144,272	\$ 81,445
Debt Service As A Percentage Of Noncapital Expenditures	1.89%	2.08%	1.97%	2.15%	2.11%	1.79%	1.17%	0.96%	0.86%	0.78%

Source: School District Financial Reports

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

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Refunds</u>	<u>Tuition</u>	<u>Miscellaneous</u>	<u>Total</u>
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
2017	979		14,205	6,531	21,715

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		Farm		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)
	\$		\$													
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	1.183	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	1.196	195,475,339
2016	2,049,300		178,136,500	279,200		13,500	11,944,200	1,912,300	1,905,900		196,240,900	400,323	196,641,223	21,433,100	1.203	190,649,453

* - 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	
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	* 1.148	0.035	1.183	0.555	1.088	0.530	3.356
2015	1.183	0.013	1.196	0.605	1.088	0.512	3.401
2016	1.193	0.010	1.203	0.631	1.102	0.538	3.474

* - 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

	2016		2007	
Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value	Taxpayer	Taxable Assessed Value
Jimmy Dobbins PL	\$ 2,136,200	1.09%	Estate of John Dobbins	\$ 1,603,400
Ogdensburg Associates	1,598,500	0.81%	Ogdensburg Associates	1,004,700
Pokorny Properties LLC	1,514,300	0.77%	Sterling Hill Mining Museum, Inc	900,000
Sterling Hill Mining Museum, Inc	1,127,000	0.57%	Individual Taxpayer #1	685,600
83 Main St. LLC	556,900	0.28%	AA-1 Self Storage LLC	432,000
Individual Taxpayer #1	528,400	0.27%	Individual Taxpayer #2	381,400
Individual Taxpayer #2	501,400	0.25%	Individual Taxpayer #3	350,000
Sterling Hill Mining Museum, Inc	501,000	0.25%	Individual Taxpayer #4	333,900
Individual Taxpayer #3	456,700	0.23%	100 Pane St. LLC	320,900
Individual Taxpayer #4	453,700	0.23%	Individual Taxpayer #5	308,700
Total	\$ 9,374,100	4.77%	Total	\$ 6,320,600
				5.47%

Notes: Individual taxpayers may be different in 2016 and 2007. A revaluation was effective in 2009 and 2014.

Source: Ogdensburg Borough Tax Assessor

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

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Taxes Levied</u> <u>for the</u> <u>Fiscal Year</u>	<u>Collected within the Fiscal</u> <u>Year of the Levy^a</u>		<u>Collections in</u> <u>Subsequent</u> <u>Years</u>
		<u>Amount</u>	<u>Percentage</u> <u>of Levy</u>	
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 -
2017	2,377,617	2,364,911	99.47%	12,706

- 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						Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Loans	Bond Anticipation Notes (BANs)		Business-Type Activities				
			Capital Leases	Capital Leases	Capital Leases	Capital Leases			
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	
2017	-0-	-0-	35,902	-0-	-0-	35,902	0.03%	15.65	

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

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

Source: School District Financial Reports

OGDENSBURG BOROUGH SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST 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
2017	- 0 -	-0-	- 0 -	0.00%	0.00

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

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

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

Source: School District Financial Reports

OGDENSBURG BOROUGH SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2016
UNAUDITED

<u>Governmental Unit</u>	<u>Debt</u> <u>Outstanding</u>	<u>Estimated</u> <u>Percentage</u> <u>Applicable ^a</u>	<u>Estimated</u> <u>Share of</u> <u>Overlapping</u> <u>Debt</u>
Debt Repaid With Property Taxes			
Wallkill Valley Regional School District	\$ 3,135,000	9.42%	\$ 295,403
Borough of Ogdensburg	631,504	100.00%	631,504
Sussex County General Obligation Debt	84,645,963	1.13%	<u>957,433</u>
Subtotal, Overlapping Debt			1,884,339
Ogdensburg Borough Board of Education School District Direct Debt			<u>- 0 -</u>
Total Direct And Overlapping Debt			<u>\$ 1,884,339</u>

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that that is borne by the residents and businesses of Ogdensburg. This process recognizes that, when considering the District's ability to issue and repay long-term, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping unit.

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

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

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

Legal Debt Margin Calculation for Fiscal Year 2017

Equalized valuation basis	
2016	\$ 184,766,877
2015	188,774,057
2014	193,576,108
	<u>\$ 567,117,042</u>
Average Equalized Valuation of Taxable Property	<u>\$ 189,039,014</u>
Debt Limit (3% of average equalization value)	a \$ 5,671,170
Net Bonded School Debt	- 0 -
Legal Debt Margin	<u>\$ 5,671,170</u>

	<u>Fiscal Year</u>				
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Debt Limit	\$ 6,860,767	\$ 6,444,083	\$ 6,076,008	\$ 5,814,922	\$ 5,671,170
Total Net Debt Applicable to Limit	<u>172,000</u>	<u>127,000</u>	<u>82,000</u>	<u>40,000</u>	<u>- 0 -</u>
Legal Debt Margin	<u>\$ 6,688,767</u>	<u>\$ 6,317,083</u>	<u>\$ 5,994,008</u>	<u>\$ 5,774,922</u>	<u>\$ 5,671,170</u>
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	2.51%	1.97%	1.35%	0.69%	0.00%

	<u>Fiscal Year</u>				
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Debt Limit	\$ 6,638,199	\$ 7,150,017	\$ 7,340,751	\$ 7,259,213	\$ 7,154,945
Total Net Debt Applicable to Limit	<u>531,419</u>	<u>468,000</u>	<u>398,000</u>	<u>323,000</u>	<u>245,000</u>
Legal Debt Margin	<u>\$ 6,106,780</u>	<u>\$ 6,682,017</u>	<u>\$ 6,942,751</u>	<u>\$ 6,936,213</u>	<u>\$ 6,909,945</u>
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	8.01%	6.55%	5.42%	4.45%	3.42%

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

Year	Population ^a	Borough Personal Income ^b	Sussex County Per Capita Personal Income ^c	Unemployment Rate ^d
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	126,866,142	55,497	6.90%
2016	2,294	127,310,118 ***	55,497 *	4.60%
2017	2,294 **	127,310,118 ***	55,497 *	N/A

* - Latest Sussex County per capita personal income available (2015) was used for calculation purposes.

** - Latest population data available (2016) was used for calculation purposes.

*** - Latest available population data (2016) and latest available Sussex County per capita personal income (2015) was used for calculation purposes

N/A - Information Unavailable

Sources:

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

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

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

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

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

<u>Employer</u>	<u>2016</u>	
	<u>Employees</u>	<u>Percentage of Total Employment</u>
Newton Medical Center	1,000-4,999	1.38%-6.91%
County of Sussex	500-999	0.69%-1.38%
Thorlabs	500-999	0.69%-1.38%
Sussex County Community College	250-499	0.35%-0.69%
Newton 213 LLC, C/O Ronetco	100-249	0.14%-0.34%
Bristol Glen	100-249	0.14%-0.34%
Barn Hill Care Center	100-249	0.14%-0.34%
Home Depot	100-249	0.14%-0.34%
Kohls	100-249	0.14%-0.34%
Superior Court of Newton	100-249	0.14%-0.34%
	<u>2,850-8,990</u>	<u>3.94%-12.42%</u>

<u>Employer</u>	<u>2007</u>	
	<u>Employees</u>	<u>Percentage of Total Employment</u>
Newton Memorial Hospital	1,109	1.37%
County of Sussex	770	0.95%
Ronetco Supermarkets, Inc. (Shop Rite)	672	0.83%
Sussex County Community College	516	0.64%
Wal-Mart	426	0.53%
Newton Board of Education	266	0.33%
Lakeland Bank	226	0.28%
Kittatinny Regional High School	169	0.21%
Thorlabs	150	0.19%
All Quality Care, Inc.	150	0.19%
	<u>4,454</u>	<u>5.50%</u>
Total Employment	<u>81,045</u>	

Source: County of Sussex

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

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Instruction										
Regular	31	32.5	24.5	23.8	22.9	23.1	23	23.5	20	19
Special Education	7	3.5	5	5	5	5	6	6	6.5	6.6
Other Special Education	4		7.5	6.5	4.5	8	8.7	9.5	9.5	10.4
Support Services:										
Instructional Support Staff			2.2	2.2	2.2	2.2	2.2	2.2	2	2.2
School Administrative Services	2	4	4	3.2	3.3	3.4	3.5	4	1	1.5
General and Business Administrative Services	2	3	3	3	3	3	3	3	2	2
Plant Operations and Maintenance	3.5	3.5	3.5	2.5	3.5	4	4	4	4	3.9
Total	49.5	46.5	49.7	46.2	44.4	48.7	50.4	52.2	45.0	45.6

Source: District Personnel Records

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

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil ^d	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Elementary				
2008	310.0	\$ 4,940,830	\$ 15,938	9.32%	37.2	1:8.3	309.4	295.7	-3.61%	95.57%	
2009	324.0	4,552,665	14,051	-11.84%	36.0	1:9.0	324.0	308.8	4.72%	95.31%	
2010	312.0	4,739,175	15,190	8.10%	32.0	1:9.8	312.0	299.6	-3.70%	96.03%	
2011	287.0	4,427,177	15,426	1.55%	31.0	1:9.2	286.5	273.2	-8.17%	95.36%	
2012	301.2	4,516,066	14,994	-2.80%	30.1	1:10	301.2	286.9	5.13%	95.25%	
2013	317.0	4,885,943	15,413	2.80%	30.3	1:10.3	312.5	295.3	3.75%	94.50%	
2014	290.0	4,959,826	17,103	10.96%	31.2	1:9.3	289.1	272.7	-7.49%	94.33%	
2015	277.0	5,110,243	18,449	7.87%	31.7	1:8.6	273.7	258.2	-5.33%	94.32%	
2016	266.0	5,144,065	19,339	4.82%	32.0	1:8.3	263.7	249.7	-3.65%	94.69%	
2017	252.0	5,229,478	20,752	7.31%	28.0	1:9.0	250.7	235.9	-4.93%	94.10%	

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<u>District Buildings</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	310	324	312	287	304	317	290	277	266	252

Number of Schools at June 30, 2017
 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

Fiscal Year Ended June 30,	Ogdensburg Public School
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
2017	46,645

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

Source: Ogdensburg Borough School District records

ODGENSBURG BOROUGH SCHOOL DISTRICT
INSURANCE SCHEDULE
AS OF JUNE 30, 2017
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			1,000
General Liability including Auto, Employee Benefits	5,000,000		
Each Occurance			
General Aggregate			
Product Completed Ops	100,000	Fund Aggregate	
Personal Injury			
Fire Damage			
Medical Expenses	2,500,000		
(Excluding Students Taking Part in Athletics)	10,000		
Automobile Coverage			
Combined Single Limit			
Hired/Non Owned			
Environmental Impairment Liability	1,000,000/25,000,000	Fund Aggregate	10,000
	First party Fungi & Legionella		100,000
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, 2017, 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 29, 2017.

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 29, 2017
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, 2017. 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 federal and state statutes, regulations, and the terms and conditions of its federal and state awards 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.

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

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, 2017.

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.

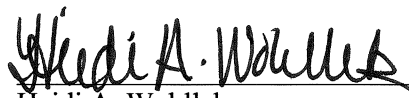
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement 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 29, 2017
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, 2017

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, 2016			Balance at June 30, 2017		
					Budgetary Accounts Receivable	Budgetary Unearned Revenue	Cash Received	Budgetary Accounts Receivable	Budgetary Unearned Revenue	Amounts Paid to Subrecipients
U.S. Department of Education Passed-through State Department of Education:										
Special Revenue Fund:										
No Child Left Behind Consolidated Grant:										
Title I	84.010A	NCLB-3840-16	7/1/15-6/30/16	\$ 34,222	\$ (6,724)	\$ 6,724				
Title I	84.010A	NCLB-3840-17	7/1/16-6/30/17	33,584		26,654	\$ (33,584)	\$ (6,930)		
Title II, Part A	84.367A	NCLB-3840-17	7/1/16-6/30/17	10,567		10,567	(10,567)			
Special Education Cluster:										
I.D.E.A. Part B, Basic	84.027	IDEA-3840-17	7/1/16-6/30/17	76,174		76,174	(76,174)			
I.D.E.A. Part B, Preschool	84.173	IDEA-3840-17	7/1/16-6/30/17	3,429		3,429	(3,429)			
Total Special Education Cluster						79,603	(79,603)			
Total Special Education Fund					(6,724)	123,548	(123,754)	(6,930)		
Total U.S. Department of Education					(6,724)	123,548	(123,754)	(6,930)		
U.S. Department of Agriculture:										
Passed-through State Department of Agriculture:										
Child Nutrition Cluster:										
Food Distribution Program	10.555	N/A	7/1/15-6/30/16	9,012			(2,620)			
Food Distribution Program	10.555	N/A	7/1/16-6/30/17	7,176		7,176	(4,883)	\$ 2,293		
National School Lunch Program	10.555	N/A	7/1/15-6/30/16	25,665	(751)	751				
National School Lunch Program	10.555	N/A	7/1/16-6/30/17	27,247		25,718	(27,247)	(1,529)		
School Breakfast Program	10.553	N/A	7/1/15-6/30/16	2,040	(71)	71				
School Breakfast Program	10.553	N/A	7/1/16-6/30/17	1,612		1,534	(1,612)	(78)		
Total Child Nutrition Cluster					(822)	35,250	(36,362)	(1,607)	2,293	
Total U.S. Department of Agriculture					(822)	35,250	(36,362)	(1,607)	2,293	
Total Federal Awards					\$ (7,546)	\$ 2,620	\$ (160,116)	\$ (8,537)	\$ 2,293	\$ -0-
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, 2017

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2016		Cash Received	Budgetary Expenditures	Balance at June 30, 2017		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	16-495-034-5120-089	7/1/15 - 6/30/16	\$ 161,211	\$ (16,074)	\$ 16,074						\$ 161,211
Equalization Aid	16-495-034-5120-078	7/1/15 - 6/30/16	1,364,286	(136,029)	136,029						1,364,286
Security Aid	16-495-034-5120-084	7/1/15 - 6/30/16	27,019	(2,694)	2,694						27,019
Adjustment Aid	16-495-034-5120-085	7/1/15 - 6/30/16	471,185	(46,980)	46,980						471,185
Transportation Aid	16-495-034-5120-014	7/1/15 - 6/30/16	17,314	(1,726)	1,726						17,314
School Choice Aid	16-495-034-5120-068	7/1/15 - 6/30/16	242,655	(24,194)	24,194						242,655
PARCC Readiness Aid	16-495-034-5120-098	7/1/15 - 6/30/16	2,840	(283)	283						2,840
Per Pupil Growth Aid	16-495-034-5120-097	7/1/15 - 6/30/16	2,840	(283)	283						2,840
Additional Nonpublic Transportation Aid	16-495-034-5120-014	7/1/15 - 6/30/16	3,844	(3,844)	3,844						3,844
Special Education Categorical Aid	17-495-034-5120-089	7/1/16 - 6/30/17	162,828		146,592	\$ (162,828)					162,828
Equalization Aid	17-495-034-5120-078	7/1/16 - 6/30/17	1,369,767	1,233,186	1,233,186	(1,369,767)					1,369,767
Security Aid	17-495-034-5120-084	7/1/16 - 6/30/17	27,247	24,530	24,530	(27,247)					27,247
Adjustment Aid	17-495-034-5120-085	7/1/16 - 6/30/17	463,801	417,555	417,555	(463,801)					463,801
Transportation Aid	17-495-034-5120-014	7/1/16 - 6/30/17	17,372	15,640	15,640	(17,372)					17,372
School Choice Aid	17-495-034-5120-068	7/1/16 - 6/30/17	256,521	230,943	230,943	(256,521)					256,521
PARCC Readiness Aid	17-495-034-5120-098	7/1/16 - 6/30/17	2,840	2,557	2,557	(2,840)					2,840
Per Pupil Growth Aid	17-495-034-5120-097	7/1/16 - 6/30/17	2,840	2,557	2,557	(2,840)					2,840
Professional Learning Community Aid	17-495-034-5120-101	7/1/16 - 6/30/17	2,500		2,251	(2,500)					2,500
Additional Nonpublic Transportation Aid	17-495-034-5120-014	7/1/16 - 6/30/17	522			(522)					522
On-Behalf TPAF Contributions:											
Post-Retirement Medical	17-495-034-5094-001	7/1/16 - 6/30/17	188,791		188,791	(188,791)					188,791
Pension	17-495-034-5094-002	7/1/16 - 6/30/17	218,656		218,656	(218,656)					218,656
Non-Contributory Insurance	17-495-034-5094-004	7/1/16 - 6/30/17	7,922		7,922	(7,922)					7,922
Long-Term Disability Insurance	17-495-034-5094-004	7/1/16 - 6/30/17	764		764	(764)					764
Reimbursed TPAF Contributions:											
Social Security Aid	17-495-034-5094-003	7/1/16 - 6/30/17	155,983		155,983	(155,983)					155,983
Total General Fund State Aid				(232,107)	2,880,034	(2,878,354)					5,171,548
Enterprise Fund:											
State School Lunch Program	17-100-010-3350-023	7/1/16 - 6/30/17	905		851	(905)					905
State School Lunch Program	16-100-010-3350-023	7/1/15 - 6/30/16	949	(28)	28						949
Total Enterprise Fund				(28)	879	(905)					949
TOTAL STATE AWARDS SUBJECT TO SINGLE AUDIT DETERMINATION				\$ (232,135)	\$ -0-	\$ (2,879,259)					\$ 5,173,402
Less - State Awards Not Subject to Single Audit Major Program Determination:											
On-Behalf TPAF Pension System Contributions:											
Post-Retirement Medical	17-495-034-5094-001	7/1/16 - 6/30/17	188,791			188,791					
Pension	17-495-034-5094-002	7/1/16 - 6/30/17	218,656			218,656					
Non-Contributory Insurance	17-495-034-5094-004	7/1/16 - 6/30/17	7,922			7,922					
Long-Term Disability Insurance	17-495-034-5094-004	7/1/16 - 6/30/17	764			764					
Subtotal On-Behalf TPAF Pension System Contributions						416,133					
TOTAL STATE AWARDS SUBJECT TO SINGLE AUDIT MAJOR PROGRAM DETERMINATION						\$ (2,463,126)					

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, 2017

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, 2017. 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 not 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.

The net adjustment to reconcile revenue from the budgetary basis to the GAAP basis is \$(1,642) for the general fund. See Note 1D for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general fund.

OGDENSBURG BOROUGH SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(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:

	Federal	State	Total
General Fund		\$ 2,876,712	\$ 2,876,712
Special Revenue Fund	\$ 123,754		123,754
Food Service Fund	36,362	905	37,267
Total Awards	\$ 160,116	\$ 2,877,617	\$ 3,037,733

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, 2017.

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, 2017.

OGDENSBURG BOROUGH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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 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, 2017 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:

	Grant Number	Grant Period	Award Amount	Budgetary Expenditures
<u>General Fund State Aid:</u>				
Special Education Categorical Aid	17-495-034-5120-089	7/1/16 - 6/30/17	\$ 162,828	\$ 162,828
Equalization Aid	17-495-034-5120-078	7/1/16 - 6/30/17	1,369,767	1,369,767
Security Aid	17-495-034-5120-084	7/1/16 - 6/30/17	27,247	27,247
Adjustment Aid	17-495-034-5120-085	7/1/16 - 6/30/17	463,801	463,801
School Choice Aid	17-495-034-5120-068	7/1/16 - 6/30/17	256,521	256,521
Per Pupil Growth Aid	17-495-034-5120-097	7/1/16 - 6/30/17	2,840	2,840
PARCC Readiness Aid	17-495-034-5120-098	7/1/16 - 6/30/17	2,840	2,840
Professional Learning Community Aid	17-495-034-5120-101	7/1/16 - 6/30/17	2,500	2,500

- 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.

OGDENSBURG BOROUGH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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

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

Findings and Questioned Costs for Federal Awards:

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

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, 2017

Status of Prior Year Findings:

There were no prior year audit findings.