

**OGDENSBURG BOROUGH
SCHOOL DISTRICT**

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

**Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2019**

**Comprehensive Annual
Financial Report**

of the

OGDENSBURG BOROUGH SCHOOL DISTRICT

Ogdensburg, New Jersey

For the Fiscal Year Ended June 30, 2019

Prepared by

**Ogdensburg Borough Board of Education
Finance Department**

OGDENSBURG BOROUGH BOARD OF EDUCATION
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INTRODUCTORY SECTION

OGDENSBURG BOROUGH BOARD OF EDUCATION

100 Main Street
Ogdensburg NJ 07439

obboe.org

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

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

November 11, 2019

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, 2019 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 2018/2019 school year with an average daily enrollment of 235 students; 2 students more than the prior year. Our enrollment for September 2019 is projected to increase. Incoming kindergarten enrollment is projected at 23 students.

The District continued to upgrade technology during the 2018/2019 school year purchasing more Chromebooks and teacher laptops for the school. Each student in grades 3rd-8th has a Chromebook.

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

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 approximately sixty students with special education needs. A multiple disabled program was developed to help students remain in district.

The District now has more than 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, 2019.

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.

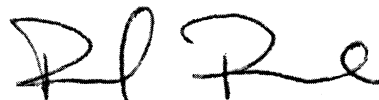
9. OTHER INFORMATION: **Independent Audit** - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nisivoccia LLP, CPAs, was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principals, 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,

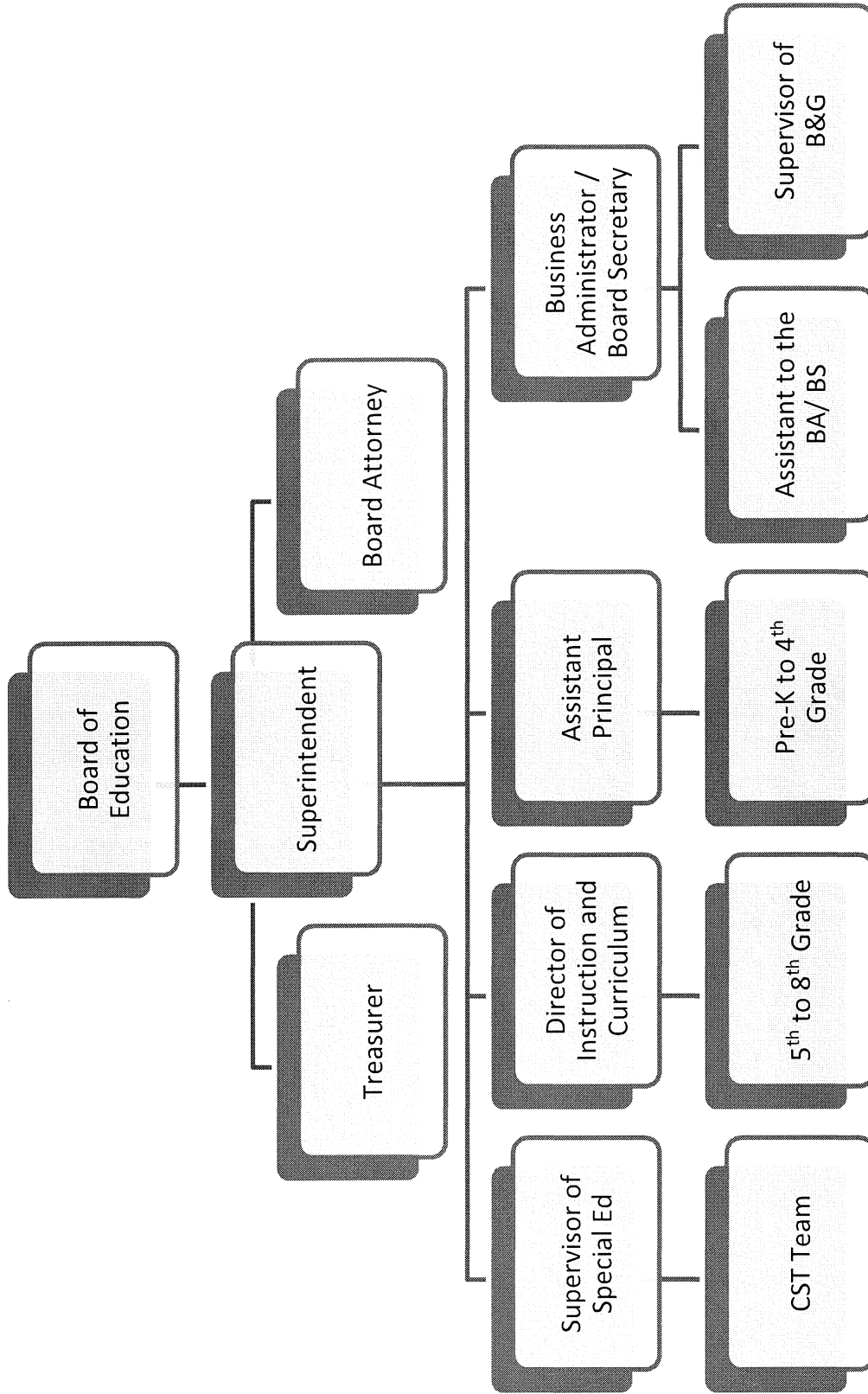


David Astor
Superintendent /Principal



Richard Rennie
Business Administrator/Board Secretary

Ogdensburg Board of Education Organization Chart 2018 / 2019 School Year



OGDENSBURG BOROUGH BOARD OF EDUCATION
ROSTER OF OFFICIALS
JUNE 30, 2019

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Toni Corban, President	2021
Brendan Donegan, Vice President	2019
Joshua Conklin	2020
Susan Dolan	2019
Mary Donegan	2021
Jennifer Gough	2020
Stacy Walsh	2021

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, 2019

Audit Firm

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

And

Lawrence Business Park
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Newton, New Jersey 07860

Attorney

Matthew Giacobbe
Cleary, Giacobbe, Alfieri, Jacobs
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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 Board of Education
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, 2019, 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 District, as of June 30, 2019, 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 and post-retirement schedules in Exhibits L-1 through L-5 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 other supplementary schedules 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 other supplementary schedules 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 other 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 Board of Education
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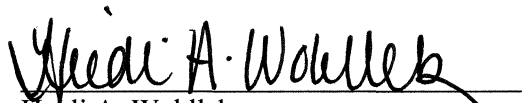
The accompanying other information such as the introductory and statistical sections has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 11, 2019 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's 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.

November 11, 2019
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, 2019

(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, 2019. 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.

Overview of the Financial Statements

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

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

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

Figure A-1

Organization of Ogdensburg Borough School District's Financial Report

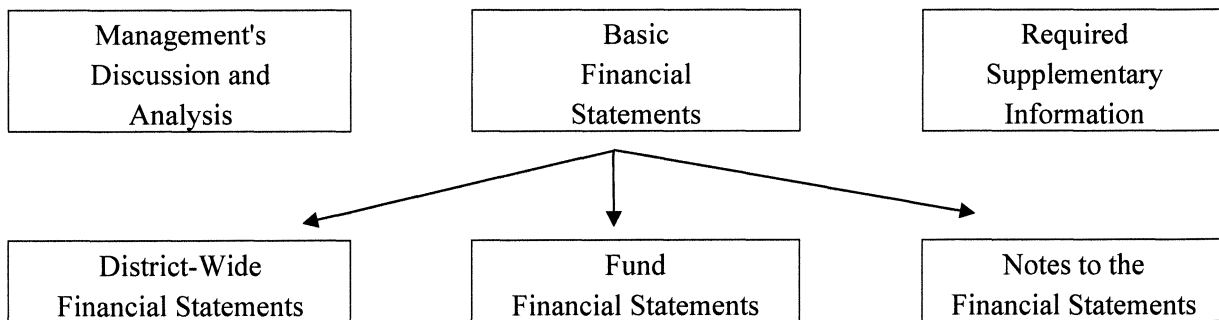


Figure A-2 summarizes the major features of the District’s financial statements, including the portion of the District’s activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights that structure and contents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

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

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

District-wide Statements

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

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

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

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

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

Fund Financial Statements

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

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

The District has three kinds of funds:

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

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

Financial Analysis of the District as a Whole

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

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

Net Position. The District's combined net position increased by \$90,131. Net position from governmental activities increased by \$98,768 and net position from business activities decreased by \$8,637. Net investment in capital assets decreased by \$64,470, restricted net position increased by \$114,903, and unrestricted net position increased by \$39,698.

The following tables present financial position and operating information for June 30, 2019 and the fiscal year then ended as compared with the prior fiscal year.

Table 1
Condensed Statement of Net Position

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2019	2018	2019	2018	2019	2018	2018/2019
Current and Other Assets	\$ 646,178	\$ 494,506	\$ 25,206	\$ 33,758	\$ 671,384	\$ 528,264	
Capital Assets, Net	940,060	983,048	9,556	12,215	949,616	995,263	
Total Assets	<u>1,586,238</u>	<u>1,477,554</u>	<u>34,762</u>	<u>45,973</u>	<u>1,621,000</u>	<u>1,523,527</u>	6.40%
Deferred Outflows of Resources	<u>256,996</u>	<u>386,814</u>			<u>256,996</u>	<u>386,814</u>	-33.56%
Other Liabilities	74,470	65,277	3,542	6,116	78,012	71,393	
Long-term Liabilities	999,093	1,257,907			999,093	1,257,907	
Total Liabilities	<u>1,073,563</u>	<u>1,323,184</u>	<u>3,542</u>	<u>6,116</u>	<u>1,077,105</u>	<u>1,329,300</u>	-18.97%
Deferred Inflows of Resources	<u>602,629</u>	<u>517,534</u>			<u>602,629</u>	<u>517,534</u>	16.44%
Net Position:							
Net Investment in Capital							
Assets	908,992	970,803	9,556	12,215	918,548	983,018	
Restricted	555,457	440,554			555,457	440,554	
Unrestricted/(Deficit)	<u>(1,342,031)</u>	<u>(1,387,707)</u>	<u>21,664</u>	<u>27,642</u>	<u>(1,320,367)</u>	<u>(1,360,065)</u>	
Total Net Position/(Deficit)	<u>\$ 122,418</u>	<u>\$ 23,650</u>	<u>\$ 31,220</u>	<u>\$ 39,857</u>	<u>\$ 153,638</u>	<u>\$ 63,507</u>	141.92%

Changes in Net Position. The District's combined net position is \$153,638 on June 30, 2019, or \$90,131 more than it was the year before. The decrease in net investment in capital assets is due primarily to current year depreciation expense offset by the capital additions and the current year maturities of capital leases. The increase in restricted net position is due to increases in the maintenance and capital reserves offset by a decrease in excess surplus. The increase in unrestricted net position is due primarily to the increase in pension deferred inflows and decrease in pension deferred outflows offset by the unexpended General Fund budget balances as well as a decrease in the net pension liability. (See Table 1).

Table 2
Changes in Net Position from Operating Results

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2019	2018	2019	2018	2019	2018	2018/2019
Revenue:							
Program Revenue:							
Charges for Services			\$ 55,140	\$ 50,794	\$ 55,140	\$ 50,794	
Operating Grants and Contributions	\$ 1,719,162	\$ 2,033,531	43,447	36,430	1,762,609	2,069,961	
Capital Grants and Contributions							
General Revenue:							
Property Taxes	2,453,681	2,405,570			2,453,681	2,405,570	
Tuition	4,160	16,334			4,160	16,334	
Unrestricted Federal and State Aid	2,033,885	2,084,612			2,033,885	2,084,612	
Other	1,572	3,739	32	43	1,604	3,782	
Total Revenue	<u>6,212,460</u>	<u>6,543,786</u>	<u>98,619</u>	<u>87,267</u>	<u>6,311,079</u>	<u>6,631,053</u>	-4.83%
Expenses:							
Instruction	3,757,336	3,984,168			3,757,336	3,984,168	
Pupil and Instruction Services	859,843	925,493			859,843	925,493	
Administrative and Business	512,311	636,097			512,311	636,097	
Maintenance and Operations	628,784	650,779			628,784	650,779	
Transportation	171,235	168,259			171,235	168,259	
Capital Outlay	30,605				30,605		
Other	153,578	130,820	107,256	84,810	260,834	215,630	
Total Expenses	<u>6,113,692</u>	<u>6,495,616</u>	<u>107,256</u>	<u>84,810</u>	<u>6,220,948</u>	<u>6,580,426</u>	-5.46%
Increase/(Decrease) in Net Position	<u>\$ 98,768</u>	<u>\$ 48,170</u>	<u>\$ (8,637)</u>	<u>\$ 2,457</u>	<u>\$ 90,131</u>	<u>\$ 50,627</u>	<u>78.03%</u>

Governmental Activities

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

Table 3**Net Cost of Governmental Activities**

	Total Cost of Services		Net Cost of Services	
	2019	2018	2019	2018
Instruction	\$ 3,757,336	\$ 3,984,168	\$ 2,233,130	\$ 2,275,791
Pupil & Instruction Services	859,843	925,493	782,084	783,171
Administrative and Business	512,311	636,097	433,642	519,047
Maintenance & Operations	628,784	650,779	612,046	606,214
Transportation	171,235	168,259	149,445	147,042
Capital Outlay	30,605		30,605	
Other	153,578	130,820	153,578	130,820
Total	\$ 6,113,692	\$ 6,495,616	\$ 4,394,530	\$ 4,462,085

Business-Type Activities

Net position from the District's business-type activities decreased by \$8,637. (Refer to Table 2). The most significant factors contributing to these results was an increase in expenses not offset by increases in charges for services and federal and state breakfast and lunch reimbursements.

Financial Analysis of the District's Funds

The District's financial position improved primarily due to the utilization of fund balance offset by unexpended budget appropriations. 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 2019, the School District had \$949,616 invested in sites, buildings and building improvements and machinery and equipment. Table 4 shows fiscal year 2019 balances compared to 2018.

Table 4**Capital Assets (net of depreciation)**

	Governmental Activities		Business-Type Activities		Total School District		Percentage Change 2018/2019
	2019	2018	2019	2018	2019	2018	
Sites and Site Improvements	\$ 9,865	\$ 9,865			\$ 9,865	\$ 9,865	
Buildings & Building Improvements	775,764	822,846			775,764	822,846	
Machinery and Equipment	154,431	150,337	\$ 9,556	\$ 12,215	163,987	162,552	
Total	\$ 940,060	\$ 983,048	\$ 9,556	\$ 12,215	\$ 949,616	\$ 995,263	-4.59%

Overall, capital assets decreased by \$45,647 from fiscal year 2018 to fiscal year 2019. The net decrease in capital assets is due to \$82,013 of depreciation expense offset by \$36,366 of capital additions.

Long – Term Liabilities

At June 30, 2019, the School District had \$999,093 of long-term liabilities. Of this amount, \$109,145 is for compensated absences, \$31,068 is for a capital lease and \$858,880 is for the Net Pension Liability.

**Table 5
Long-Term Liabilities**

	Total School District		Percentage
	2019	2018	Change 2018/2019
Net Pension Liability	\$ 858,880	\$ 1,127,518	
Other Long Term Liabilities	140,213	130,389	
Total	<u>\$ 999,093</u>	<u>\$ 1,257,907</u>	<u>-20.57%</u>

Factors Bearing on the District’s Future

Reduction of state aid continues to remain the main concern impacting the District’s future. 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’s population. We have had many inquires about our Choice program but have not been able to accept all students interested due to open seats being filled by families moving out of town and/or siblings of Choice students.

Fortunately for the District, the District remains very attractive to parents as well as other school districts looking for an established special needs program. We are a State recognized Future Ready School (the only one in Sussex County) and are one of only six schools in the State to have a middle school Future Business Leaders of America Chapter (FBLA).

Professional development of teachers, coupled with updated curriculum and innovative instruction provide opportunities for student growth and improved test scores. 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. Due to budget cuts, the District might not be able to rehire for those positions.

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, 2019

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 148,744	\$ 21,505	\$ 170,249
Receivables, net:			
Receivables from State Government	16,930	51	16,981
Receivables from Federal Government		1,920	1,920
Interfund Receivable	364		364
Inventories		1,730	1,730
Restricted Assets:			
Cash and Cash Equivalents	480,140		480,140
Capital Assets, Net:			
Sites (Land)	9,865		9,865
Depreciable Site Improvements, Buildings and Building Improvements and Machinery and Equipment	930,195	9,556	939,751
Total Assets	<u>1,586,238</u>	<u>34,762</u>	<u>1,621,000</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows Related to Pensions	202,931		202,931
District Contribution Subsequent to the Measurement Date - Pensions	54,065		54,065
Total Deferred Outflows of Resources	<u>256,996</u>		<u>256,996</u>
LIABILITIES			
Accounts Payable	74,470	3,353	77,823
Unearned Revenue		189	189
Noncurrent Liabilities:			
Due Within One Year	16,711		16,711
Due Beyond One Year	982,382		982,382
Total Liabilities	<u>1,073,563</u>	<u>3,542</u>	<u>1,077,105</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to Pensions	602,629		602,629
Total Deferred Inflows of Resources	<u>602,629</u>		<u>602,629</u>
NET POSITION			
Net Investment in Capital Assets	908,992	9,556	918,548
Restricted for:			
Capital Projects	330,140		330,140
Maintenance Reserve	150,000		150,000
Excess Surplus	75,317		75,317
Unrestricted/(Deficit)	(1,342,031)	21,664	(1,320,367)
Total Net Position	<u>\$ 122,418</u>	<u>\$ 31,220</u>	<u>\$ 153,638</u>

OGDENSBURG BOROUGH SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Functions/Programs	Expenses	Program Revenue			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 2,509,295	\$	911,097		\$ (1,598,198)	\$	(1,598,198)
Special Education	990,785		538,726		(452,059)		(452,059)
Other Special Instruction	110,984		34,853		(76,131)		(76,131)
School-Sponsored/Other Instruction	146,272		39,530		(106,742)		(106,742)
Support Services:							
Tuition	32,843				(32,843)		(32,843)
Student & Instruction Related Services	827,000		77,914		(749,086)		(749,086)
General Administrative Services	194,161		54,195		(139,966)		(139,966)
School Administrative Services	172,037		16,846		(155,191)		(155,191)
Central Services	143,433		7,473		(135,960)		(135,960)
Administrative Information Technology	2,680				(2,680)		(2,680)
Plant Operations and Maintenance	628,784		16,738		(612,046)		(612,046)
Pupil Transportation	171,235		21,790		(149,445)		(149,445)
Capital Outlay	30,605				(30,605)		(30,605)
Transfer to Charter School	153,578				(153,578)		(153,578)
Total Governmental Activities	6,113,692		1,719,162		(4,394,530)		(4,394,530)
Business-Type Activities:							
Food Service	107,256	\$ 55,140	43,447			\$ (8,669)	(8,669)
Total Business-Type Activities	107,256	55,140	43,447			(8,669)	(8,669)
Total Primary Government	\$ 6,220,948	\$ 55,140	\$ 1,762,609	\$ -0-	(4,394,530)	(8,669)	(4,403,199)

OGDENSBURG BOROUGH SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-type Activities	Total
General Revenue:			
Taxes:			
Property Taxes, Levied for General Purposes, Net	\$ 2,453,681		\$ 2,453,681
Tuition	4,160		4,160
Federal and State Aid not Restricted	2,033,885		2,033,885
Interest Income	604	\$ 32	636
Miscellaneous Income	968		968
Total General Revenue	4,493,298	32	4,493,330
Change in Net Position	98,768	(8,637)	90,131
Net Position - Beginning	23,650	39,857	63,507
Net Position - Ending	\$ 122,418	\$ 31,220	\$ 153,638

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, 2019

	General Fund	Special Revenue Fund	Total Governmental Funds
ASSETS:			
Cash and Cash Equivalents	\$ 124,117	\$ 24,627	\$ 148,744
Interfund Receivable:			
Fiduciary Fund - Payroll	364		364
Intergovernmental Receivable:			
State	16,930		16,930
Restricted Assets:			
Cash and Cash Equivalents	480,140		480,140
Total Assets	<u>\$ 621,551</u>	<u>\$ 24,627</u>	<u>\$ 646,178</u>
LIABILITIES AND FUND BALANCES:			
Liabilities:			
Accounts Payable	\$ 11,720	\$ 8,685	\$ 20,405
Unearned Revenue		44,624	44,624
Total Liabilities	<u>11,720</u>	<u>53,309</u>	<u>65,029</u>
Fund Balances:			
Restricted:			
Capital Reserve Account	330,140		330,140
Maintenance Reserve Account	150,000		150,000
Excess Surplus	75,317		75,317
Assigned:			
Encumbrances	12,695		12,695
Unassigned/(Deficit)	41,679	(28,682)	12,997
Total Fund Balances/(Deficit)	<u>609,831</u>	<u>(28,682)</u>	581,149
Total Liabilities and Fund Balances	<u>\$ 621,551</u>	<u>\$ 24,627</u>	
Amounts Reported for <i>Governmental Activities</i> 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.			940,060
The Net Pension Liability for PERS is not Due and Payable in the Current Period and is not Reported in the Governmental Funds.			(858,880)
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:			
Deferred Outflows:			
Changes in Assumptions - Pensions			141,529
Difference between Expected and Actual Experience - Pensions			16,379
Changes in Proportions - Pensions			45,023
Deferred Inflows:			
Changes in Assumptions - Pensions			(274,624)
Difference between Expected and Actual Experience - Pensions			(4,429)
Net Difference Between Projected and Actual Investment Earnings - Pensions			(8,056)
Changes in Proportions - Pensions			(315,520)
Long-Term Liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds.			<u>(140,213)</u>
Net Position of Governmental Activities			<u>\$ 122,418</u>

OGDENSBURG BOROUGH SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	General Fund	Special Revenue Fund	Total Governmental Funds
REVENUE:			
Local Sources:			
Local Tax Levy	\$ 2,453,681		\$ 2,453,681
Tuition from Individuals	4,160	\$ 4,730	8,890
Interest Earned on Capital Reserve Funds	604		604
Miscellaneous	968		968
Total - Local Sources	2,459,413	4,730	2,464,143
State Sources	3,009,789	208,646	3,218,435
Federal Sources	123,097	123,097	123,097
Total Revenue	5,469,202	336,473	5,805,675
EXPENDITURES:			
Current:			
Regular Instruction	1,153,774	316,678	1,470,452
Special Education Instruction	488,780	74,310	563,090
Other Special Instruction	58,365		58,365
School Sponsored/Other Instruction	78,965		78,965
Support Services and Undistributed Costs:			
Tuition	32,843		32,843
Student & Instruction Related Services	613,938		613,938
General Administration	160,318		160,318
School Administration	100,244		100,244
Central Services	108,282		108,282
Administration Information Technology	2,680		2,680
Plant Operations and Maintenance	542,417		542,417
Pupil Transportation	162,761		162,761
Unallocated Benefits	1,617,215		1,617,215

OGDENSBURG BOROUGH SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	General Fund	Special Revenue Fund	Total Governmental Funds
EXPENDITURES:			
Capital Outlay	\$ 69,554		\$ 69,554
Transfer of Funds to Charter Schools	153,578		153,578
Total Expenditures	5,343,714	\$ 390,988	5,734,702
Excess/(Deficit) of Revenue Over/(Under) Expenditures	125,488	(54,515)	70,973
Other Financing Sources/(Uses):			
Capital Leases (Non-budgeted)	23,947		23,947
Transfer to Special Revenue Fund - Preschool Education Expansion Grant	(25,833)	25,833	
Total Other Financing Sources/(Uses)	(1,886)	25,833	23,947
Excess/(Deficit) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	123,602	(28,682)	94,920
Fund Balance—July 1	486,229		486,229
Fund Balance/(Deficit)—June 30	\$ 609,831	\$ (28,682)	\$ 581,149

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, 2019

Total Net Change in Fund Balances - Governmental Funds (from B-2) \$ 94,920

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	\$	(79,354)
	Deletions/Adjustments, net of depreciation expense		
	Disposal of assets with carrying value		
	Capital outlays		36,366
			(42,988)

Capital leases entered into by the District are an other financing source in the governmental funds, but the acquisition 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 (+)

8,999

Leases entered into by the District are an other financing source in the Governmental Funds, but the acquisition increases Long-Term Liabilities in the Statement of Net Position and is not reported in the Statement of Activities.

(23,947)

Repayment of 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. (+)

5,124

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, 2019

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	\$ 268,638
Change in Deferred Outflows	(126,883)
Change in Deferred Inflows	<u>(85,095)</u>
Change in Net Position - Governmental Activities (from A-2)	<u>\$ 98,768</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, 2019

	Business-type Activities - Enterprise Food Service
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	\$ 21,505
Intergovernmental Accounts Receivable:	
State	51
Federal	1,920
Inventories	1,730
	25,206
Total Current Assets	25,206
Non-Current Assets:	
Capital Assets	60,770
Less: Accumulated Depreciation	(51,214)
	9,556
Total Non-Current Assets	9,556
Total Assets	34,762
LIABILITIES:	
Current Liabilities:	
Accounts Payable	3,353
Unearned Revenue	189
	3,542
Total Current Liabilities	3,542
NET POSITION:	
Investment in Capital Assets	9,556
Unrestricted	21,664
	31,220
Total Net Position	\$ 31,220

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, 2019

	Business-type Activities - Enterprise Funds Food Service
Operating Revenue:	
Local Sources:	
Daily Sales - Reimbursable Programs	\$ 29,108
Daily Sales - Non-Reimbursable Programs	26,032
	55,140
Total Operating Revenue	55,140
Operating Expenses:	
Cost of Sales - Reimbursable	31,324
Cost of Sales - Nonreimbursable	12,912
Salaries, Benefits & Payroll Taxes	35,491
Supplies, Insurance & Other Costs	17,660
Management Fee	7,210
Depreciation Expense	2,659
	107,256
Total Operating Expenses	107,256
Operating Loss	(52,116)
Non-Operating Income:	
Local Sources:	
Interest Income	32
State Sources:	
State School Lunch Program	934
Federal Sources:	
National School Lunch Program	30,083
School Breakfast Program	3,203
Food Distribution Program	9,227
	43,479
Total Non-Operating Income	43,479
Change in Net Position	(8,637)
Net Position - Beginning of Year	39,857
Net Position - End of Year	\$ 31,220

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, 2019

	Business-type Activities - Enterprise Food Service
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 55,140
Partial Settlement of Interfund Payable	488
Payments to Food Service Contractor	(80,727)
Payments to Other Suppliers	(14,962)
Net Cash Used for Operating Activities	(40,061)
Cash Flows by Investing Activities:	
Local Sources:	
Interest Income	32
Net Cash Provided by Investing Activities	32
Cash Flows from Noncapital Financing Activities:	
State Sources:	
State School Lunch Program - Received in Food Service Food	948
Federal Sources:	
National School Lunch and School Breakfast Programs - Received in Food Service Fund	33,538
Net Cash Provided by Noncapital Financing Activities	34,486
Net Decrease in Cash and Cash Equivalents	(5,543)
Cash and Cash Equivalents, July 1	27,048
Cash and Cash Equivalents, June 30	\$ 21,505
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:	
Operating Loss	\$ (52,116)
Adjustment to Reconcile Operating Loss to Net Cash Used for Operating Activities:	
Depreciation	2,659
Food Distribution Program	9,227
Changes in Assets and Liabilities:	
Decrease in Inventories	2,255
Decrease in Interfund Receivable	488
(Decrease) in Unearned Revenue	(1,807)
(Decrease) in Accounts Payable	(767)
Net Cash Used for Operating Activities	\$ (40,061)

Noncash Investing and Financing Activities:

The Food Service Enterprise Fund received U.S.D.A. Commodities through the Food Distribution Program valued at \$7,420 and utilized U.S.D.A. Commodities valued at \$9,227.

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, 2019

	Agency Fund	Unemployment Compensation Trust	Private Purpose Scholarship Trust
ASSETS:			
Cash and Cash Equivalents	\$ 19,528	\$ 86,593	\$ 4,126
Total Assets	<u>19,528</u>	<u>86,593</u>	<u>4,126</u>
LIABILITIES:			
Interfund Payable:			
General Fund	364		
Payroll Deductions and Withholdings	447		
Due to Athletics Account	905		
Due to Student Groups	<u>17,812</u>		
Total Liabilities	<u>19,528</u>		
NET POSITION:			
Held in Trust for Unemployment Claims		86,593	
Restricted for Scholarships			<u>4,126</u>
Total Net Position	<u>\$ -0-</u>	<u>\$ 86,593</u>	<u>\$ 4,126</u>

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, 2019

	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Scholarship Trust</u>
Additions:		
Contributions:		
Plan Member Contributions	\$ 5,326	
Total Contributions	<u>5,326</u>	
Investment Earnings:		
Interest	164	\$ 2
Net Investment Earnings	<u>164</u>	<u>2</u>
Total Additions	<u>5,490</u>	<u>2</u>
Deductions:		
Unemployment Compensation Claims	135	
Scholarships Awarded		600
Total Deductions	<u>135</u>	<u>600</u>
Change in Net Position	5,355	(598)
Net Position - Beginning of the Year	<u>81,238</u>	<u>4,724</u>
Net Position - End of the Year	<u>\$ 86,593</u>	<u>\$ 4,126</u>

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

OGDENSBURG BOROUGH BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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, 2019
(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 BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(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, 2019
(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, 2019 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, 2019
(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 and special revenue 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	\$ 5,469,154	\$ 379,216
Differences - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognizes Encumbrances as Expenditures and Revenue, Whereas the GAAP Basis does not:		
Current Year Encumbrances		(14,061)
Prior Year State Aid Payments Recognized for GAAP Statements	225,299	
Current Year State Aid Payment Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(225,251)	(28,682)
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	\$ 5,469,202	\$ 336,473
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 5,352,525	\$ 405,049
Differences - Budget to GAAP:		
Encumbrances for Supplies and Equipment Ordered but Not Received are Reported in the Year the Order is Placed for Budgetary Purposes, but in the Year the Supplies are Received for Financial Reporting Purposes:		
Current Year Encumbrances		(14,061)
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 5,352,525	\$ 390,988

OGDENSBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(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, 2019
(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, 2019.

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 acquisition value. 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, 2019
(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:

	Estimated Useful Life
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, 2019.

N. Compensated Absences:

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by GASB. 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, 2019
(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 \$609,831 General Fund fund balance at June 30, 2019, \$330,140 is restricted in the capital reserve account; \$150,000 is restricted in the maintenance reserve account; \$54,820 is prior fiscal year excess surplus and is included as anticipated revenue for the fiscal year ending June 30, 2020; \$20,497 is current year excess surplus and will be anticipated and included as anticipated revenue for the fiscal year ending June 30, 2021; \$12,695 is assigned for encumbrances; and \$41,679 is unassigned which is \$225,251 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, 2020.

Special Revenue Fund: There is a deficit fund balance of \$28,682 at June 30, 2019 in the Special Revenue Fund on a GAAP basis due to the June state aid payments that are not recognized until the fiscal year ending June 30, 2020.

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 \$225,251, 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, 2019 related to pensions.

OGDENSBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(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 had deferred inflows of resources related to pensions at June 30, 2019.

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 Fund Balance/Net Position:

The District has a deficit in unassigned fund balance in the Special Revenue Fund of \$28,682 as of June 30, 2019 due to the June state aid payments that were not recognized on the GAAP basis as explained in Note 1P on the previous page. The District's governmental activities has a \$1,342,031 deficit in unrestricted net position, primarily due to the accrual of compensated absences payable, deferred inflows of resources related to pensions and net pension liability, offset by deferred outflows of resources related to pensions and Governmental Funds unassigned, committed and assigned fund balances. These deficits 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.

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, 2019.

OGDENSBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

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

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

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, 2019 in the General Fund for encumbrances.

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, 2019
(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, 2019
(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 of the school district or bonds or other obligations of the local unit or units within which the school district is located.
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law", P.L. 1983, c.313 (C.40A:5A-1 et seq.). Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investment in the Department of the Treasury for investment by local units;
- (6) Local government investment pools;
- (7) 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
- (8) Agreements for the repurchase of fully collateralized securities if:
 - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a. or are bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the requirements of the "Local Authorities Fiscal Control Law," P.L. 1983, c. 313 (C.40A:5A-1 et seq.); ;
 - (b) the custody of collateral is transferred to a third party;

OGDENSBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

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

Investments (Cont'd):

- (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; or
- (9) Deposit of funds in accordance with the following conditions:
- (a) The funds are initially invested through a public depository as defined in section 1 of P.L. 1970, c. 236 (C.17:9-41) designated by the school district;
 - (b) The designated public depository arranges for the deposit of the funds in deposit accounts in one or more federally insured banks, savings banks or savings and loan associations or credit unions for the account of the school district;
 - (c) 100 percent of the principal and accrued interest of each deposit is insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund;
 - (d) The designated public depository acts as custodian for the school district with respect to these deposits; and
 - (e) On the same date that the school district's funds are deposited pursuant to subparagraph (b) of this paragraph, the designated public depository receives an amount of deposits from customers of other financial institutions, wherever located, equal to the amounts of funds initially invested by the school district through the designated public depository.

As of June 30, 2019, cash and cash equivalents and of the District consisted of the following:

	Cash and Cash Equivalents			Total
	Capital Reserve	Maintenance Reserve	Unrestricted	
Checking Accounts	\$ 330,140	\$ 150,000	\$ 280,496	\$ 760,636

During the period ended June 30, 2019, the District did not hold any investments. The carrying amount of the District's cash and cash equivalents at June 30, 2019, was \$760,636 and the bank balance was \$820,964.

OGDENSBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

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, 2018 to June 30, 2019 fiscal year is as follows:

Balance at June 30, 2018	\$	229,536
Deposits:		
Interest Earnings		604
June 4, 2019 Board Resolution		100,000
Balance at June 30, 2019	\$	330,140

The balance in the capital reserve at June 30, 2019 did not exceed the balance of local support costs of uncompleted capital projects in the District’s approved Long Range Facilities Plan.

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.

OGDENSBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 5. MAINTENANCE RESERVE ACCOUNT (Cont'd)

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, 2018 to June 30, 2019 fiscal year is as follows:

Balance at June 30, 2018	\$ 100,000
Deposits:	
June 4, 2019 Board Resolution	100,000
	200,000
Decreased by:	
Budgeted Withdrawal	50,000
	150,000
Balance at June 30, 2019	\$ 150,000

OGDENSBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 6. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2019 were as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets not being Depreciated:				
Sites (Land)	\$ 9,865			\$ 9,865
Total Capital Assets not Being Depreciated	<u>9,865</u>			<u>9,865</u>
Capital Assets Being Depreciated:				
Site Improvements	116,730			116,730
Buildings and Building Improvements	2,485,376			2,485,376
Machinery and Equipment	465,152	\$ 36,366		501,518
Total Capital Assets Being Depreciated	<u>3,067,258</u>	<u>36,366</u>		<u>3,103,624</u>
Governmental Activities Capital Assets	<u>3,077,123</u>	<u>36,366</u>		<u>3,113,489</u>
Less Accumulated Depreciation for:				
Site Improvements	(116,730)			(116,730)
Buildings and Building Improvements	(1,662,530)	(47,082)		(1,709,612)
Machinery and Equipment	(314,815)	(32,272)		(347,087)
Total Accumulated Depreciation	<u>(2,094,075)</u>	<u>(79,354)</u>		<u>(2,173,429)</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 983,048</u>	<u>\$ (42,988)</u>	<u>\$ -0-</u>	<u>\$ 940,060</u>
Business Type Activities:				
Capital Assets Being Depreciated:				
Machinery and Equipment	\$ 60,770			\$ 60,770
Less Accumulated Depreciation	(48,555)	\$ (2,659)		(51,214)
Business Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 12,215</u>	<u>\$ (2,659)</u>	<u>\$ -0-</u>	<u>\$ 9,556</u>
GRAND TOTAL	<u>\$ 995,263</u>	<u>\$ (45,647)</u>	<u>\$ -0-</u>	<u>\$ 949,616</u>

OGDENSBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

(Continued)

NOTE 6. CAPITAL ASSETS (Cont'd)

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$	58,521
Student and Instruction Related Services		750
School Administration		1,374
Operations and Maintenance of Plant		13,423
Central Services		5,286
	\$	79,354

NOTE 7. TRANSFERS TO CAPITAL OUTLAY

During the fiscal year ended June 30, 2019, there were transfers to the capital outlay account for construction services for which county superintendent approval was obtained.

NOTE 8. LONG TERM LIABILITIES

During the fiscal year ended June 30, 2019, the following changes occurred in liabilities reported in the district-wide financial statements:

	Balance 6/30/2018	Accrued	Retired	Balance 6/30/2019
Compensated Absences Payable	\$ 118,144		\$ 8,999	\$ 109,145
Net Pension Liability	1,127,518		268,638	858,880
Obligations Under Capital Leases	12,245	\$ 23,947	5,124	31,068
	\$ 1,257,907	\$ 23,947	\$ 282,761	\$ 999,093

A. Bonds Payable:

The District had no bonds outstanding as of June 30, 2019.

B. Bonds Authorized But Not Issued:

As of June 30, 2019, 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, 2019
(Continued)

NOTE 8. LONG TERM LIABILITIES (Cont'd)

C. Capital Leases Payable:

As of June 30, 2019, the District has two capital leases. A capital lease for computer equipment, snow blowers, rooftop fans, and bathroom sinks. The other capital lease is a new lease for a school van. Both leases are for five years with the final payments occurring in fiscal years 2019-20 and 2022-23.

The future minimum lease obligations as of June 30, 2019 were as follows:

<u>Year Ending</u>	<u>Amount</u>
June 30, 2020	\$ 17,657
June 30, 2021	5,125
June 30, 2022	5,124
June 30, 2023	<u>5,124</u>
Total future minimum lease payments	33,030
Less: amount representing interest	<u>1,962</u>
Present value of minimum representing interest	<u>\$ 31,068</u>

The current portion of the capital leases payable is \$16,711 and the long-term portion is \$14,357.

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, 2019. Thus, the entire balance of compensated absences of \$109,145 is a long-term portion.

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, 2019, 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, 2019 is \$-0- and the long-term portion is \$858,880. 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, 2019
(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/financial-reports.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:

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

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, 2019
(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 is to be paid by the employer in level annual payments over a period of 15 years, which began 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 \$43,490 for fiscal year 2019.

The employee contribution rate was 7.50% effective July 1, 2018.

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

At June 30, 2019, the District reported a liability of \$858,880 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017 which was rolled forward to June 30, 2018. 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, 2018, the District's proportion was 0.00436%, which was a decrease of 0.00048% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the District recognized pension expense of \$-13,272. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

OGDENSBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

Pension Liabilities and Pension Expense (Cont'd)

	Deferral Year	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions:				
	2014	6.44	\$ 6,798	
	2015	5.72	30,682	
	2016	5.57	104,049	
	2017	5.48		\$ 158,328
	2018	5.63		116,296
Subtotal			141,529	274,624
Changes in Proportion:				
	2014	6.44	14,161	
	2015	5.72	8,133	
	2016	5.57	22,729	
	2017	5.48		226,208
	2018	5.63		89,312
Subtotal			45,023	315,520
Difference Between Expected and Actual Experience:				
	2015	5.72	8,513	
	2016	5.57	3,157	
	2017	5.48	4,709	
	2018	5.63		4,429
Subtotal			16,379	4,429
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments:				
	2015	5.00		(5,190)
	2016	5.00		(29,014)
	2017	5.00		26,114
	2018	5.00		16,146
Subtotal				8,056
District Contribution Subsequent to the Measurement Date				
	2018	1.00	54,065	
			\$ 256,996	\$ 602,629

OGDENSBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

Pension Liabilities and Pension Expense (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
2019	\$ 5,961
2020	(8,253)
2021	(59,182)
2022	(51,300)
2023	(16,427)
	\$ (129,201)

Actuarial Assumptions

The total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017 which was rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	2.25%
Salary Increases:	
Through 2026	1.65 – 4.15% based on age
Thereafter	2.65 – 5.15% based on age
Investment Rate of Return	7.00%

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 Conduent modified 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. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from 2012 to 2013 using Projection Scale AA and a generational approach based on the Conduent 2014 projection scale thereafter. 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, 2019
(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, 2017 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 (7.00% at June 30, 2018) 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, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Asset	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Market Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%

OGDENSBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(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 5.66% as of June 30, 2018. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.87% as of June 30, 2018 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 June 30, 2046. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through June 30, 2046, 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, 2018 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, 2018		
	1% Decrease (4.66%)	Current Discount Rate (5.66%)	1% Increase (6.66%)
District's proportionate share of the Net Pension Liability	\$ 1,079,942	\$ 858,880	\$ 673,422

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/financial-reports.shtml.

OGDENSBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
 (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
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 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 2018, the State's pension contribution was less than the actuarial determined amount.

OGDENSBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

Contributions (Cont'd)

Special Funding Situation

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 2019, the State of New Jersey contributed \$429,744 to the TPAF for normal pension benefits on behalf of the District, which is less than the contractually required contribution of \$666,316.

The employee contribution rate was 7.50% effective July 1, 2018.

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

At June 30, 2019, the State's proportionate share of the net pension liability associated with the District was \$11,429,778. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017 which was rolled forward to June 30, 2018. 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, 2018, the District's proportion was 0.017966%, which was a decrease of 0.002177% from its proportion measured as of June 30, 2017.

District's Proportionate Share of the Net Pension Liability	\$ -0-
State's Proportionate Share of the Net Pension Liability Associated with the District	11,429,778
Total	\$ 11,429,778

For the fiscal year ended June 30, 2019, the State recognized pension expense on behalf of the District in the amount of \$666,316 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2019 financial statements.

OGDENSBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(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:

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions:				
	2014	8.5	\$ 1,076,424,469	
	2015	8.3	3,063,649,492	
	2016	8.3	6,913,685,892	
	2017	8.3		\$ 10,084,192,916
	2018	8.29		5,994,557,085
			<u>\$ 11,053,759,853</u>	<u>\$ 16,078,750,001</u>
Difference Between Expected and Actual Experience:				
	2014	8.5		10,252,211
	2015	8.3	189,214,650	
	2016	8.3		85,977,601
	2017	8.3	179,419,108	
	2018	8.29	1,051,605,259	
			<u>1,420,239,017</u>	<u>96,229,812</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments:				
	2015	5.0		(192,642,062)
	2016	5.0		(863,710,381)
	2017	5.0		678,024,787
	2018	5.0		384,121,486
				<u>5,793,830</u>
			<u>\$ 12,473,998,870</u>	<u>\$ 16,180,773,643</u>

OGDENSBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(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
2019	\$ 401,574,312
2020	208,932,249
2021	(222,922,941)
2022	(149,225,008)
2023	(735,040,983)
Thereafter	(3,210,092,402)
	\$ (3,706,774,773)

Actuarial Assumptions

The total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017 which was rolled forward to June 30, 2017. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.25%
Salary Increases:	
2011-2026	1.55-4.55%
Thereafter	2.00-5.45%
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the RP-2006 Employee White Collar Mortality Tables, set back 3 years for males and 5 years for females, projected on a generational basis from a base year of 2006 using a 60 year average of improvement rates based on Social Security data from 1953 to 2013. Post-retirement mortality rates were based on the RP-2006 Healthy Annuitant White Collar Mortality Tables, with adjustments as described in the latest experience study, projected on a generational basis from a base year of 2006 using a 60 year average of improvement rates based on Social Security data from 1953 to 2013. Disabled mortality rates were based on the RP-2006 Disabled Retiree Mortality Tables with rates adjusted by 90%. No mortality improvement is assumed for disabled retiree mortality.

The actuarial assumptions used in the July 1, 2017 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, 2019
 (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 (7.00% at June 30, 2018) 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, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Asset	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Market Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%

OGDENSBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(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 4.86% as of June 30, 2018. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.87% as of June 30, 2018 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 50% 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 2040. Therefore, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through 2040, 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, 2018 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, 2018		
	1% Decrease (3.86%)	Current Discount Rate (4.86%)	1% Increase (5.86%)
State's Proportionate Share of the Net Pension Liability Associated with the District	\$ 13,509,780	\$ 11,429,778	\$ 9,705,506

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 TPAF, 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, 2019
(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 \$8,371 for the fiscal year ended June 30, 2019. Employee contributions to DCRP amounted to \$14,441 for the fiscal year ended June 30, 2019.

NOTE 10. DEFERRED COMPENSATION

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

The plan administrators are as follows:

AXA Equivest	Equitable
Valic	MetLife

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

NOTE 11. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, errors and omissions; injuries to employees; and natural disasters.

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.

The District is also a member of the Schools Health Insurance Fund ("HIF"). The HIF provides its members with Health Benefit coverage.

OGDENSBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 11. RISK MANAGEMENT (Cont'd)

Property, Liability and Health Benefits

Both the SAIF and the HIF are risk-sharing funds that are 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 and HIF are elected.

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

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

The June 30, 2019 audit reports are not available as of the date of this report. Selected summarized financial information for the SAIF and the HIF as of June 30, 2018 is as follows:

	<u>School Alliance Insurance Fund</u>	<u>Schools Health Insurance Fund</u>
Total Assets	\$ 45,062,979	\$ 87,163,320
Net Position	\$ 12,432,937	\$ 69,052,551
Total Revenue	\$ 42,084,945	\$ 190,677,550
Total Expenses	\$ 39,779,381	\$ 166,824,453
Change in Net Position	\$ 2,305,564	\$ 18,918,686
Members Dividends	\$ -0-	\$ 4,934,411

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

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

OGDENSBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 11. RISK MANAGEMENT (Cont'd)

Financial Statements for the HIF are available at PERMA’s Executive Director’s Office:

PERMA Risk Management Services
9 Campus Drive
Suite 216
Parsippany, NJ 07054

New Jersey Unemployment Compensation Insurance

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

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

<u>Fiscal Year</u>	<u>Employee Contributions</u>	<u>Interest Earned</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2018-2019	\$ 5,326	\$ 164	\$ 135	86,593
2017-2018	5,087	155	5,550	81,238
2016-2017	5,723	155	9,721	81,546

NOTE 12. ECONOMIC DEPENDENCY

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

NOTE 13. INTERFUND RECEIVABLES AND PAYABLES

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 364	
Payroll Agency Fund		364
	<u>\$ 364</u>	<u>\$ 364</u>

The interfund receivable in the General Fund of \$364 is interest earned in the Payroll Agency Fund not remitted to the General Fund.

OGDENSBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 14. TAX CALENDAR

Property taxes are levied as of January 1 on property values assessed as of the previous calendar year. The tax levy is divided into two billings. The first billing is an estimate of the current year's levy based on the prior year's taxes. The second billing reflects adjustments to the current year's actual levy. The final tax bill is usually mailed on or before June 14th, along with the first half estimated tax bills for the subsequent year. The first half estimated taxes are divided into two due dates, February 1 and May 1. The final tax bills are also divided into two due dates, September 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.

NOTE 15. CONTINGENT LIABILITIES

Grant Programs

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

Litigation

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

Encumbrances

At June 30, 2019, there were encumbrances as detailed below in the governmental funds.

General Fund	Special Revenue Fund	Total Governmental Funds
\$ 12,695	\$ 14,061	\$ 26,756

On the District's Governmental Funds Balance Sheet as of June 30, 2019, \$-0- is assigned for encumbrances in the Special Revenue Fund, which is \$14,061 less than the actual encumbrances on a budgetary basis. On the GAAP basis, encumbrances are not recognized until paid and this non-recognition of encumbrances on a GAAP basis is also reflected as either a reduction in grants receivable or an increase in unearned revenue in the Special Revenue Fund.

OGDENSBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 16. ACCOUNTS PAYABLE (Cont'd)

Payables, as of June 30, 2019, were as follows:

	<u>Governmental Funds</u>		District Contribution Subsequent to	Total	Business-Type
	General	Special	Measurement	Governmental	Activities
	Fund	Revenue	Date	Activities	Proprietary
		Fund			Funds
Vendors	\$ 11,720	\$8,685		\$ 20,405	\$ 3,353
Due to:					
State of New Jersey			\$ 54,065	54,065	
	<u>\$ 11,720</u>	<u>\$8,685</u>	<u>\$ 54,065</u>	<u>\$ 74,470</u>	<u>\$ 3,353</u>

NOTE 17. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund)

General Information about the OPEB Plan

Plan Description and Benefits Provided

The District is in a “special funding situation”, as described in GASB Codification Section P50, in that OPEB contributions and expenses are legally required to be made by and are the sole responsibility of the State of New Jersey, not the District.

The State of New Jersey reports a liability as a result of its statutory requirements to pay other post-employment (health) benefits for the State Health Benefit Local Education Retired Education Plan. The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in GASB Codification Section P50. The State Health Benefits Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A. 52:14-17.32f. According to N.J.S.A. 52:14-17.32f, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Teachers’ Pension and Annuity Fund (TPAF), the Public Employees’ Retirement System (PERS), the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (ABP). Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 years or more of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on

OGDENSBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 17. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund)
(Cont'd)

Plan Description and Benefits Provided (Cont'd)

based on the retiree’s annual retirement benefit and level of coverage.

The total nonemployer OPEB liability does not include certain other postemployment benefit obligations that are provided by the local education employers. The reporting of these benefits, if any, is the responsibility of the individual education employers.

For additional information about the State Health Benefit Local Education Retired Education Plan, please refer to the Division’s Comprehensive Annual Financial Report (CAFR) which can be found at

Employees Covered by Benefit Terms

At June 30, 2017, the plan membership consisted of the following:

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	145,050
Active Plan Members	<u>217,131</u>
Total	<u><u>362,181</u></u>

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2018 was determined by an actuarial valuation as of June 30, 2017, which was rolled forward to June 30, 2018. The total nonemployer OPEB liability as of June 30, 2017 was determined by an actuarial valuation as of June 30, 2016 which was rolled forward to June 30, 2017.

Actuarial Assumptions and Other Inputs

The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.50%
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OGDENSBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 17. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund)
(Cont'd)

Actuarial Assumptions and Other Inputs (Cont'd)

	<u>TPAF/ABP</u>	<u>PERS</u>
Salary Increases:		
Through 2026	1.55 - 4.55% based on years of service	2.15 - 4.15% based on age
Thereafter	2.00 - 5.45% based on years of service	3.15 - 5.15% based on age

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of actuarial experience studies for the periods July 1, 2012 - June 30, 2015 and July 1, 2011 – June 30, 2014 for TPAF and PERS, respectively.

100% of all retirees who currently have healthcare coverage are assumed to continue with that coverage. 100% of active members are considered to participate in the Plan upon retirement, having a coverage blend of 85% and 15% in PPO and HMO, respectively.

Mortality Rates

Pre-retirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Employee Male/Female Mortality Table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Post-retirement mortality rates were based on the RP-2006 Headcount-Weighted Health Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2006 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using MP-2017 scale.

Health Care Trend Assumptions

For pre-Medicare preferred provider organization (PPO) medical benefits and health maintenance organization (HMO) medical benefits, trend rate is initially 5.8% and decreases to a 5.0% long term trend rate after eight years. For self-insured post-65 PPO and HMO medical benefits, the trend rate is 4.5%. For prescription drug benefits, the initial trend rate is 8.0% decreasing to a 5.0% long term rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

Discount Rate

The discount rates for June 30, 2018 and 2017 were 3.87% and 3.58%, respectively, a change of +.29%. This represents the municipal bond rate as chosen by the State of New Jersey Division of Pensions and

OGDENSBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 17. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund)
(Cont'd)

Discount Rate (Cont'd)

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.

Changes in the State's Proportionate Share of the Total OPEB Liability Associated with the District

	Total OPEB Liability
Balance at June 30, 2017	\$ 11,948,773
Changes for Year:	
Service Cost	351,615
Interest	435,689
Changes of Assumptions	(1,168,688)
Differences between Expected and Actual Experience	(1,120,282)
Gross Benefit Payments by the State	(272,322)
Contributions from Members	9,412
Net Changes	(1,764,576)
Balance at June 30, 2018	\$ 10,184,197

Sensitivity of the Total Nonemployer OPEB Liability Attributable to the District to Changes in the Discount Rate

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2018, calculated using the discount rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District 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, 2018		
	At 1% Decrease (2.87%)	At Discount Rate (3.87%)	At 1% Increase (4.87%)
Total OPEB Liability Attributable to the District	\$ 12,039,794	\$ 10,184,197	\$ 8,709,189

OGDENSBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 17. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund)
(Cont'd)

Sensitivity of the Total Nonemployer OPEB Liability Attributable to the District to Changes in the Healthcare Trend Rate

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2018, calculated using the healthcare trend rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2018		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability Attributable to the District	\$ 8,417,832	\$ 10,184,197	\$ 12,520,282

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2019 the District recognized OPEB expense of \$365,144 as determined by the State of New Jersey Division of Pensions and Benefits. This expense and the related offsetting revenue are for benefits provided by the State through a defined benefit OPEB plan that meets the criteria in GASB Codification Section P50, in which there is a special funding situation.

In accordance with GASB Codification Section P50, as the District's proportionate share of the OPEB liability is \$-0-, there is no recognition of the allocation of the proportionate share of the deferred inflows and outflows of resources. At June 30, 2018 the State had deferred outflows of resources and deferred inflows of resources related to OPEB associated with the District from the following sources:

	Year of Deferral	Original Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2017	9.54		\$ (1,237,043)
Changes in Assumptions	2018	9.51		(1,045,797)
			-0-	(2,282,840)
Differences Between Expected and Actual Experience	2018	9.51		(988,604)
Changes in Proportion	N/A	N/A		(151,090)
			\$ -0-	\$ (3,422,534)

N/A - Not Available

OGDENSBURG BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 17. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund)
(Cont'd)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB
(Cont'd)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30,	Total
2019	\$ (403,124)
2020	(403,124)
2021	(403,124)
2022	(403,124)
2023	(403,124)
Thereafter	(1,255,823)
	\$ (3,271,444)

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 FIVE FISCAL YEARS
UNAUDITED

	Fiscal Year Ending June 30,				
	2015	2016	2017	2018	2019
District's proportion of the net pension liability	0.0060888984%	0.0062295008%	0.0064774792%	0.0048436236%	0.0043621199%
District's proportionate share of the net pension liability	\$ 1,140,008	\$ 1,398,398	\$ 1,918,444	\$ 1,127,518	\$ 858,880
District's covered employee payroll	\$ 428,776	\$ 445,580	\$ 341,823	306,331	387,772
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	265.87%	313.84%	561.24%	368.07%	221.49%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	47.93%	40.14%	48.10%	53.60%

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 FIVE FISCAL YEARS
UNAUDITED

	Fiscal Year Ending June 30,				
	2015	2016	2017	2018	2019
Contractually required contribution	\$ 50,196	\$ 53,557	\$ 57,545	\$ 45,200	\$ 43,490
Contributions in relation to the contractually required contribution	<u>(50,196)</u>	<u>(53,557)</u>	<u>(57,545)</u>	<u>(45,200)</u>	<u>(43,490)</u>
Contribution deficiency/(excess)	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
District's covered employee payroll	\$ 445,580	\$ 341,823	\$ 306,331	\$ 387,772	\$ 378,572
Contributions as a percentage of covered employee payroll	11.27%	15.67%	18.79%	11.66%	11.49%

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 FIVE 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%
			25.41%
			628.80%
			2,159,938
			2,060,932
			\$ 11,429,778
			0.0179663055%
			0.0201438309%
			2019

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 FIVE FISCAL YEARS
UNAUDITED

	Ending June 30,				
	2015	2016	2017	2018	2019
Contractually required contribution	\$ 588,039	\$ 781,358	\$ 1,294,277	\$ 940,871	\$ 666,316
Contributions in relation to the contractually required contribution	(109,461)	(175,318)	(218,656)	(264,580)	(429,744)
Contribution deficiency/(excess)	<u>\$ 478,578</u>	<u>\$ 606,040</u>	<u>\$ 1,075,621</u>	<u>\$ 676,291</u>	<u>\$ 236,572</u>
District's covered employee payroll	\$ 2,061,316	\$ 1,918,969	\$ 2,159,938	\$ 2,060,932	\$ 2,140,025
Contributions as a percentage of covered employee payroll	5.31%	9.14%	10.12%	12.84%	20.08%

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 CHANGES IN THE STATE'S PROPORTIONATE SHARE OF THE TOTAL OPEB LIABILITY
ASSOCIATED WITH THE DISTRICT AND RELATED RATIOS
LAST TWO FISCAL YEARS
UNAUDITED

	<u>Fiscal Years Ending June 30,</u>	
	<u>2017</u>	<u>2018</u>
Service Cost	\$ 421,685	\$ 351,615
Interest	377,414	435,689
Changes in Assumptions	(1,537,031)	(1,168,688)
Differences between Expected and Actual Experience		(1,120,282)
Member Contributions	10,191	9,412
Gross Benefit Payments	<u>(276,759)</u>	<u>(272,322)</u>
Net Change in Total OPEB Liability	(1,004,500)	(1,764,576)
Total OPEB Liability - Beginning	<u>12,953,273</u>	<u>11,948,773</u>
Total OPEB Liability - Ending	<u>\$ 11,948,773</u>	<u>\$ 10,184,197</u>
District's Covered Employee Payroll *	\$ 2,403,139	\$ 2,466,269
Total OPEB Liability as a Percentage of Covered Employee Payroll	497%	413%

* - Covered payroll for the fiscal years ending June 30, 2017 and June 30, 2018 are based on the payroll on the June 30, 2016 and June 30, 2017 census data.

Note: This schedule does not contain ten years of information as GASB No. 75 was implemented during the fiscal year ended June 30, 2018.

OGDENSBURG BOROUGH SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
UNAUDITED

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate changed from 5.00% as of June 30, 2017 to 5.66% as of June 30, 2018. The municipal bond rate changed from 3.58% to 3.87%.

The mortality rates utilized in the July 1, 2016 valuation were as follows: 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).

The mortality rates utilized in the July 1, 2017 valuation were as follows: 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 Conduent modified 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. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from 2012 to 2013 using Projection Scale AA and a generational approach based on the Conduent 2014 projection scale thereafter. 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).

B. TEACHERS PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate changed from 4.25% as of June 30, 2017 to 4.86% as of June 30, 2018. The municipal bond rate changed from 3.58 to 3.87%.

OGDENSBURG BOROUGH SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
UNAUDITED
(Continued)

B. TEACHERS PENSION AND ANNUITY FUND (Cont'd)

Changes of Actuarial Assumptions (Cont'd)

The salary increases in the July 1, 2016 valuation were as follows: 2012-2021 and thereafter – varies based on experience. The salary increases in the July 1, 2017 valuation are as follows: 2011-2026 – 1.55% - 4.55% and thereafter – 2% - 5.45%.

The mortality rates utilized in the July 1, 2016 valuation were as follows: 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 mortality rates utilized in the July 1, 2017 valuation were as follows: Pre-retirement mortality rates were based on the RP-2006 Employee White Collar Mortality Tables, set back 3 years for males and 5 years for females, projected on a generational basis from a base year of 2006 using a 60 year average of improvement rates based on Social Security data from 1953 to 2013. Post-retirement mortality rates were based on the RP-2006 Healthy Annuitant White Collar Mortality Tables, with adjustments as described in the latest experience study, projected on a generational basis from a base year of 2006 using a 60 year average of improvement rates based on Social Security data from 1953 to 2013. Disabled mortality rates were based on the RP-2006 Disabled Retiree Mortality Tables with rates adjusted by 90%. No mortality improvement is assumed for disabled retiree mortality.

State Health Benefit Local Education Retired Employees OPEB Plan

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate changed from 3.58% as of June 30, 2017 to 3.87% as of June 30, 2018.

The mortality rates in the valuation as of June 30, 2017 were based on the following:

Preretirement mortality rates were based on the RP-2014 Headcount-Weighted Healthy Employee Male/Female Mortality Table with fully generational mortality improvement projections from the central year using MP-2017 scale. Postretirement mortality rates were based on the RP-2014 Headcount-Weighted Health Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2014 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

The mortality rates in the valuation as of June 30, 2018 were based on the following:

Pre-retirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Employee Male/Female Mortality Table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Post-retirement mortality rates were based on the RP-2006 Headcount-Weighted Health Annuitant Male/Female mortality table with fully generational improvement projections

OGDENSBURG BOROUGH SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
UNAUDITED
(Continued)

State Health Benefit Local Education Retired Employees OPEB Plan (Cont'd)

from the central year using the MP-2017 scale. Disability mortality was based on the RP-2006 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using MP-2017 scale.

The health care trend rates in the valuation as of June 30, 2017 were based on the following:

For pre-Medicare preferred provider organization (PPO) medical benefits, this amount initially is 5.9% and decreases to a 5.0% long term trend rate after nine years. For self-insured post 65 PPO medical benefits, the trend rate is 4.5%. For health maintenance organization (HMO) medical benefits, the trend rate is initially 5.9% and decreases to a 5.0% long term rate after eight years. For prescription drug benefits, the initial trend rate is 8.0% decreasing to a 5.0% long term rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

The health care trend rates in the valuation as of June 30, 2018 were based on the following:

For pre-Medicare preferred provider organization (PPO) medical benefits and health maintenance organization (HMO) medical benefits, trend rate is initially 5.8% and decreases to a 5.0% long term trend rate after eight years. For self-insured post-65 PPO and HMO medical benefits, the trend rate is 4.5%. For prescription drug benefits, the initial trend rate is 8.0% decreasing to a 5.0% long term rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

BUDGETARY COMPARISON SCHEDULES

OGDENSBURG BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 2,453,681		\$ 2,453,681	\$ 2,453,681	
Tuition from Individuals	23,400		23,400	4,160	\$ (19,240)
Interest on Capital Reserve Funds				604	604
Unrestricted Miscellaneous Revenues	3,498		3,498	968	(2,530)
Total - Local Sources	2,480,579		2,480,579	2,459,413	(21,166)
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	391,357	\$ (45,324)	346,033	346,033	
Categorical Transportation Aid	17,372		17,372	17,372	
School Choice Aid	291,031		291,031	291,031	
Extraordinary Aid				14,013	14,013
Additional Nonpublic Transportation Aid				2,917	2,917
On-Behalf TPAF Contributions (Non-Budgeted):					
Pension				420,933	420,933
Post-Retirement Medical Benefits				194,931	194,931
Non-Contributory Insurance				8,811	8,811
Long-Term Disability Insurance				635	635
Reimbursed TPAF Social Security Contributions (Non-Budgeted)				153,223	153,223
Total - State Sources	2,259,602	(45,324)	2,214,278	3,009,741	795,463
TOTAL REVENUES	4,740,181	(45,324)	4,694,857	5,469,154	774,297

OGDENSBURG BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Regular Programs - Instruction:					
Kindergarten - Salaries of Teachers	\$ 163,674	\$ (28,461)	\$ 135,213	\$ 135,213	
Grades 1-5 - Salaries of Teachers	527,324	(1,523)	525,801	520,552	\$ 5,249
Grades 6-8 - Salaries of Teachers	404,200	30,877	435,077	434,489	588
Regular Programs - Undistributed Instruction:					
General Supplies	55,774	6,248	62,022	62,022	
Textbooks	3,216	(1,807)	1,409	1,409	
Other Objects	1,026	(937)	89	89	
Total Regular Programs - Instruction	1,155,214	4,397	1,159,611	1,153,774	5,837
Special Education - Instruction:					
Multiple Disabilities:					
Salaries of Teachers	68,300	325	68,625	68,625	
General Supplies	1,760	(75)	1,685	1,651	34
Total Multiple Disabilities	70,060	250	70,310	70,276	34
Resource Room/Resource Center:					
Salaries of Teachers	268,050	7,121	275,171	272,647	2,524
Other Salaries for Instruction	118,000	18,132	136,132	135,124	1,008
General Supplies	3,470	17	3,487	3,487	
Total Resource Room/Resource Center	389,520	25,270	414,790	411,258	3,532

OGDENSBURG BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(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	\$ 31,000	\$ (25,595)	\$ 5,405	\$ 4,468	\$ 937
Other Salaries for Instruction	22,200	(19,949)	2,251	2,251	
General Supplies	926		926	527	399
Total Preschool Disabilities - Part Time	54,126	(45,544)	8,582	7,246	1,336
Total Special Education Instruction	513,706	(20,024)	493,682	488,780	4,902
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	99,100	(16,365)	82,735	57,837	24,898
Purchased Technical Services	4,009		4,009	4,009	
General Supplies	559		559	528	31
Total Basic Skills/Remedial - Instruction	103,668	(16,365)	87,303	58,365	28,938
School-Sponsored Cocurricular Activities - Instruction:					
Salaries	24,365	7,663	32,028	27,574	4,454
Supplies and Materials	5,219	(1,578)	3,641	3,406	235
Total School-Sponsored Cocurricular Activities - Instruction	29,584	6,085	35,669	30,980	4,689

OGDENSBURG BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
School-Sponsored Athletics - Instruction:					
Salaries	\$ 26,302		\$ 26,302	\$ 23,104	\$ 3,198
Supplies and Materials	1,000	(367)	633	189	444
Other Objects	1,350	367	1,717	1,717	
Transfer to Cover Deficit (Agency Funds)	3,760		3,760	3,600	160
Total School-Sponsored Athletics - Instruction	32,412		32,412	28,610	3,802
Summer School - Instruction:					
Salaries of Teachers	10,000		10,000	8,378	1,622
Other Salaries for Instruction	3,660	(644)	3,016	2,883	133
Purchased Professional and Technical Services	1,950	430	2,380	2,380	
General Supplies	500	289	789	773	16
Total Summer School - Instruction	16,110	75	16,185	14,414	1,771
Summer School - Support Services:					
Salaries	5,900		5,900	4,961	939
Total Summer School - Support Services	5,900		5,900	4,961	939
Total Instruction	1,856,594	(25,832)	1,830,762	1,779,884	50,878

OGDENSBURG BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures:					
Instruction:					
Tuition to Private School for the Disabled Within State	\$ 101,584	\$ (50,448)	\$ 51,136	\$ 32,843	\$ 18,293
Total Undistributed Expenditures - Instruction	101,584	(50,448)	51,136	32,843	18,293
Attendance and Social Work Services:	25,792		25,792	25,452	340
Salaries of Family Support Teams					
Total Attendance and Social Work Services	25,792		25,792	25,452	340
Health Services:					
Salaries	74,720	300	75,020	68,506	6,514
Purchased Professional and Technical Services	4,800	(150)	4,650	4,609	41
Other Purchased Services (400-500 Series)	210	50	260	260	
Supplies and Materials	689	178	867	867	
Other Objects	184		184	184	
Total Health Services	80,603	378	80,981	74,426	6,555
Speech, OT, PT and Other Related Services:					
Salaries	56,200		56,200	55,622	578
Purchased Professional- Educational Services	49,200	(514)	48,686	37,726	10,960
Supplies and Materials	350	514	864	864	
Speech, OT, PT and Other Related Services	105,750		105,750	94,212	11,538

OGDENSBURG BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(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	\$ 27,893		\$ 27,893	\$ 27,893	
Total Other Support Services - Students - Extraordinary Services	27,893		27,893	27,893	
Child Study Teams:					
Salaries of Other Professional Staff	188,800	\$ (16,864)	171,936	171,936	
Salaries of Secretarial and Clerical Assistants	47,500		47,500	47,500	
Purchased Professional Educational Services	1,250	3,540	4,790	4,790	
Other Purchased Professional and Technical Services	300		300	300	
Supplies and Materials	4,527	(2,547)	1,980	1,980	
Other Objects	845	(324)	521	150	\$ 371
Total Child Study Teams	243,222	(16,195)	227,027	226,656	371
Improvement of Instructional Services:					
Salaries of Supervisor of Instruction	49,904	(743)	49,161	41,965	7,196
Salaries of Other Professional Staff		743	743	743	
Total Improvement of Instructional Services	49,904		49,904	42,708	7,196

OGDENSBURG BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures:					
Educational Media Services/School Library:					
Salaries	\$ 35,048		\$ 35,048	\$ 32,693	\$ 2,355
Salaries of Technology Coordinators	32,000		32,000	30,178	1,822
Purchased Professional and Technical Services	60,111		60,111	54,163	5,948
Supplies and Materials	4,272		4,272	1,601	2,671
Total Educational Media Services/School Library	131,431		131,431	118,635	12,796
Instructional Staff Training Services:					
Salaries of Other Professional Staff	1,000	\$ (725)	275	275	
Purchased Professional - Educational Services	4,000	(560)	3,440	3,440	
Other Purchased Services (400-500 Series)	1,320	6,000	7,320	241	7,079
Supplies and Materials	500	(500)			
Total Instructional Staff Training Services	6,820	4,215	11,035	3,956	7,079

OGDENSBURG BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures:					
Support Services - General Administration:					
Salaries	\$ 84,277	\$ (2,019)	\$ 82,258	\$ 82,258	\$ 3,572
Legal Services	8,000		8,000	4,428	
Audit Fees	23,500	1,000	24,500	24,500	
Architectural/Engineering Services	2,855	6,845	9,700	9,700	
Other Purchased Professional Services	15,100	(1,500)	13,600	13,580	20
Communications/Telephone	20,300	(5,608)	14,692	13,849	843
BOE Other Purchased Services	3,500	(2,934)	566	566	
Miscellaneous Purchased Services	1,400	(276)	1,124	1,033	91
General Supplies	4,815	168	4,983	4,983	
BOE In-House Training/Meeting Supplies	250	(52)	198	128	70
Miscellaneous Expenditures	2,000	160	2,160	2,160	
BOE Memberships and Dues	3,200		3,200	3,133	67
Total Support Services - General Administration	169,197	(4,216)	164,981	160,318	4,663
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	78,946	7,150	86,096	85,130	966
Salaries of Secretarial and Clerical Assistants	16,105	64	16,169	13,173	2,996
Supplies and Materials	1,000	(1,000)			
Other Objects	2,020	(79)	1,941	1,941	
Total Support Services - School Administration	98,071	6,135	104,206	100,244	3,962

OGDENSBURG BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures:					
Central Services:					
Salaries	\$ 109,394	6	\$ 109,400	\$ 93,903	\$ 15,497
Purchased Professional Services	12,850	(195)	12,655	11,729	926
Miscellaneous Purchased Services (400-500 Series)	500		500	274	226
Supplies and Materials	2,000		2,000	1,137	863
Miscellaneous Expenditures	1,250		1,250	1,239	11
Total Central Services	125,994	(189)	125,805	108,282	17,523
Administration Information Technology:					
Purchased Technical Services	3,750		3,750	2,680	1,070
Total Administration Information Technology	3,750		3,750	2,680	1,070
Required Maintenance of School Facilities:					
Salaries	8,668	325	8,993	8,986	7
Cleaning, Repair and Maintenance Services	40,132	6,870	47,002	46,302	700
General Supplies	1,200	(405)	795	795	
Total Required Maintenance of School Facilities	50,000	6,790	56,790	56,083	707

OGDENSBURG BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures:					
Custodial Services:					
Salaries	\$ 203,008	\$ (16,671)	\$ 186,337	\$ 179,957	\$ 6,380
Salaries of Non-Instructional Aides	48,135	(7,611)	40,524	39,881	643
Purchased Professional and Technical Services	9,925	1,204	11,129	11,105	24
Cleaning, Repair and Maintenance Services	24,330	33,303	57,633	44,971	12,662
Lease Purchase Pymts - Energy Savings Improvement Program		37,188	37,188	37,188	
Insurance	47,000		47,000	47,000	
Miscellaneous Purchased Services	4,100	(1,713)	2,387	2,053	334
General Supplies	24,923	(8,030)	16,893	15,556	1,337
Energy (Natural Gas)	37,000	(1,820)	35,180	34,126	1,054
Energy (Electricity)	42,000	(2,452)	39,548	39,548	
Other Objects	300		300	275	25
Total Custodial Services	440,721	33,398	474,119	451,660	22,459
Care and Upkeep of Grounds:					
Salaries	29,038		29,038	28,538	500
General Supplies	7,000	(3,113)	3,887	2,109	1,778
Other Objects		1,750	1,750	1,750	
Total Care and Upkeep of Grounds	36,038	(1,363)	34,675	32,397	2,278

OGDENSBURG BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures:					
Security:					
Purchased Professional and Technical Services	\$ 2,100		\$ 2,100	\$ 1,620	\$ 480
Cleaning, Repair and Maintenance Services	1,000		1,000		1,000
General Supplies	1,500		1,500	657	843
Total Security	4,600		4,600	2,277	2,323
Student Transportation Services:					
Salary for Pupil Transportation (Other than between Home & School)	25,626		25,626	25,620	6
Management Fee - ESC Transportation Programs	4,500	\$ 403	4,903	4,903	
Other Between Home and School - Vendors	10,500	655	11,155	11,155	
Special Education Students - Vendors	110,000	(788)	109,212	101,478	7,734
Regular Students - ESC & CTSA	18,500	1,600	20,100	19,605	495
Aid in Lieu Payments - Nonpublic School Students	4,420	(1,870)	2,550		2,550
Total Student Transportation Services	173,546		173,546	162,761	10,785

OGDENSBURG BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures:					
Unallocated Benefits:					
Social Security Contributions	\$ 74,000		\$ 74,000	\$ 63,305	\$ 10,695
Other Retirement Contribution - PERS	57,000	\$ (11,100)	45,900	43,490	2,410
Other Retirement Contribution - Regular	12,500		12,500	8,371	4,129
Workmen's Compensation	54,600	(2,844)	51,756	48,226	3,530
Health Benefits	672,796	(8,285)	664,511	645,236	19,275
Tuition Reimbursement	25,000	(263)	24,737	24,069	668
Other Employee Benefits	1,000	4,985	5,985	5,985	
Total Unallocated Benefits	896,896	(17,507)	879,389	838,682	40,707
On-Behalf TPAF Contributions (Non-Budgeted):					
Pension				420,933	(420,933)
Post-Retirement Medical Benefits				194,931	(194,931)
Non-Contributory Insurance				8,811	(8,811)
Long-Term Disability Insurance				635	(635)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)				153,223	(153,223)
Total Personal Services - Employee Benefits				778,533	(778,533)
Total Undistributed Expenses	2,771,812	(39,002)	2,732,810	3,340,698	(607,888)
TOTAL GENERAL CURRENT EXPENSE	4,628,406	(64,834)	4,563,572	5,120,582	(557,010)

OGDENSBURG BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CAPITAL OUTLAY					
Facilities Acquisition and Construction Services:					
Construction Services	\$ 14,354	\$ 24,596	\$ 38,950	\$ 38,950	
Debt Service Assessment for SDA Funding	6,657		6,657	6,657	
Total Facilities Acquisition and Construction Services	21,011	24,596	45,607	45,607	
Assets Acquired Under Capital Leases (non-budgeted)					
Undistributed Expenditures:					
Transportation				23,947	\$ (23,947)
Assets Acquired Under Capital Leases (non-budgeted)				23,947	(23,947)
TOTAL CAPITAL OUTLAY	21,011	24,596	45,607	69,554	(23,947)
Transfer of Funds to Charter Schools	214,774	(30,919)	183,855	153,578	30,277
TOTAL EXPENDITURES	4,864,191	(71,157)	4,793,034	5,343,714	(550,680)
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(124,010)	25,833	(98,177)	125,440	223,617
Other Financing Sources (Uses):					
Transfer to Special Revenue Fund - Preschool Education Expansion Grant		(25,833)	(25,833)	(25,833)	
Capital Leases (Non-budgeted)				23,947	23,947
Total Other Financing Sources (Uses)		(25,833)	(25,833)	(1,886)	23,947

OGDENSBURG BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures and Other Financing Uses	\$ (124,010)	\$ -0-	\$ (124,010)	\$ 123,554	\$ 247,564
Fund Balance, July 1	335,089		335,089	711,528	376,439
Fund Balance, June 30	<u>\$ 211,079</u>	<u>\$ -0-</u>	<u>\$ 211,079</u>	<u>\$ 835,082</u>	<u>\$ 624,003</u>
 <u>Recapitulation:</u>					
Restricted:					
Capital Reserve				\$ 330,140	
Maintenance Reserve				150,000	
Excess Surplus				20,497	
Excess Surplus - Designated for Subsequent Year's Expenditures				54,820	
Assigned:					
Year-End Encumbrances				12,695	
Unassigned				<u>266,930</u>	
				<u>835,082</u>	
Reconciliation to Governmental Funds Statements (GAAP):					
Last Two State Aid Payments not Recognized on GAAP Basis				<u>(225,251)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 609,831</u>	

OGDENSBURG BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenue:					
Federal Sources	\$ 93,200	\$ 29,897	\$ 123,097	\$ 123,097	
Local Sources		4,730	4,730	4,730	
State Sources		281,952	281,952	251,389	\$ (30,563)
Total Revenue	93,200	316,579	409,779	379,216	(30,563)
Other Financing Sources:					
Transfer In - General Fund		25,833	25,833	25,833	
Total Revenue and Other Financing Sources	93,200	342,412	435,612	405,049	(30,563)
Expenditures:					
Instruction:					
Salaries of Teachers	20,000	91,345	111,345	95,616	15,729
Other Salaries for Instruction		80,872	80,872	66,038	14,834
Purchased Professional - Educational Services		2,945	2,945	2,945	
Purchased Professional/Technical Services		8,280	8,280	8,280	
Tuition	60,000		60,000	60,000	
General Supplies		15,272	15,272	15,272	
Total Instruction	80,000	198,714	278,714	248,151	30,563
Support Services:					
Salaries of Supervisors of Instruction		5,300	5,300	5,300	
Salaries of Other Professional Staff		20,101	20,101	20,101	
Salaries of Secretarial and Clerical Assistants		5,291	5,291	5,291	
Salaries of Family/Parent Liaison		9,675	9,675	9,675	
Salaries of Facilitator/Coach		5,607	5,607	5,607	
Personal Services - Employee Benefits	6,400	36,509	42,909	42,909	
Purchased Professional/Technical Services		2,000	2,000	2,000	
Purchased Professional - Educational Services	2,800	11,510	14,310	14,310	
Cleaning, Repair and Maintenance Services		34,188	34,188	34,188	
Contracted Services - Transportation (Field Trips)		373	373	373	
Other Purchased Services	4,000	(744)	3,256	3,256	
Travel		378	378	378	
Supplies and Materials		13,510	13,510	13,510	
Total Support Services	13,200	143,698	156,898	156,898	
Total Expenditures	93,200	342,412	435,612	405,049	30,563
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, 2019
(UNAUDITED)

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 5,469,154	\$ 379,216
Differences - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis recognizes Encumbrances as Revenue and Expenditures, whereas the GAAP Basis does not:		
Current Year Encumbrances		(14,061)
Prior Year State Aid Payments Recognized for GAAP Statements	225,299	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(225,251)	(28,682)
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	\$ 5,469,202	\$ 336,473
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 5,343,714	\$ 405,049
Differences - Budget to GAAP		
Encumbrances for Supplies and Equipment Ordered but Not Received are Reported in the Year the Order is Placed for Budgetary Purposes, but in the Year the Supplies are Received for Financial Reporting Purposes:		
Current Year Encumbrances		(14,061)
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 5,343,714	\$ 390,988

OGDENSBURG BOROUGH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(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, 2019 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, 2019

	Elementary and Secondary Education Act			IDEA Part B		Totals
	Title I	Title II Part A	Title IV	Basic	Preschool	
REVENUE:						
Local Sources						
Federal Sources	\$ 33,531	\$ 5,256	\$ 10,000	\$ 70,912	\$ 3,398	\$ 4,730
State Sources						251,389
Total Revenue	33,531	5,256	10,000	70,912	3,398	379,216
Other Financing Sources:						
Transfer In - General Fund						25,833
Total Revenue and Other Financing Sources	33,531	5,256	10,000	70,912	3,398	405,049
EXPENDITURES:						
Instruction:						
Salaries of Teachers	25,596					70,020
Other Salaries for Instruction						66,038
Purchased Professional/Educational Services			8,280			2,945
Purchased Professional/Technical Services			1,720	60,000		8,280
Tuition						60,000
General Supplies						13,552
Total Instruction	25,596		10,000	60,000		152,555
Support Services:						
Salaries of Supervisors of Instruction						5,300
Salaries of Other Professional Staff						20,101
Salaries of Secretarial and Clerical Assistants						5,291
Salaries of Family/Parent Liaison						9,675
Salaries of Facilitator/Coach						5,607
Personal Services - Employee Benefits	7,935					42,909
Purchased Professional/Technical Services		2,000				2,000
Purchased Professional - Educational Services				10,912	3,398	14,310
Cleaning, Repair and Maintenance Services						34,188
Contracted Services - Transportation (Field Trips)						373
Other Purchased Services		3,256				3,256
Travel						378
Supplies and Materials						13,510
Total Support Services	7,935	5,256		10,912	3,398	156,898
Total Expenditures	\$ 33,531	\$ 5,256	\$ 10,000	\$ 70,912	\$ 3,398	\$ 405,049

OGDENSBURG BOROUGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
PRESCHOOL EDUCATION EXPANSION AID SCHEDULE OF EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

District-wide Total

	Budgeted	Actual	Variance
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$ 85,749	\$ 70,020	\$ 15,729
Other Salaries for Instruction	80,872	66,038	14,834
Purchased Professional/Educational Services	2,945	2,945	
General Supplies	13,552	13,552	
Total Instruction	183,118	152,555	30,563
Support Services:			
Salaries of Supervisors of Instruction	5,300	5,300	
Salaries of Other Professional Staff	20,101	20,101	
Salaries of Secretarial and Clerical Assistants	5,291	5,291	
Salaries of Family/Parent Liaison	9,675	9,675	
Salaries of Facilitator/Coach	5,607	5,607	
Personal Services - Employee Benefits	34,974	34,974	
Cleaning, Repair and Maintenance Services	34,188	34,188	
Contracted Services - Transportation (Field Trips)	373	373	
Travel	378	378	
Supplies and Materials	13,510	13,510	
Total Support Services	129,397	129,397	
Total Expenditures	\$ 312,515	\$ 281,952	\$ 30,563

SUMMARY OF LOCATION TOTALS

Total Revised 2018-19 Preschool Education Expansion Aid Allocation	\$ 281,952
Actual Preschool Education Expansion Aid Carryover (June 30, 2018)	-0-
Add: Budgeted Transfer from General Fund 2018-19	25,833
Add: Budgeted Tuition 2018-19	4,730
Total Preschool Education Expansion Aid Funds Available for 2018-19	312,515
Less: 2018-19 Budgeted Preschool Education Expansion Aid Funds	(312,515)
Available & Unbudgeted Preschool Education Expansion Aid Funds as of June 30, 2019	-0-
Add: June 30, 2019 Unexpended Preschool Education Expansion Aid	30,563
Less: 2018-19 Commissioner Approved Transfer to the General Fund	-
2018-19 Carryover - Preschool Education Expansion Aid	\$ 30,563
2018-19 Carryover - Preschool Education Expansion Aid Budgeted for Preschool Programs in 2019-2020	\$ -0-

CAPITAL PROJECTS FUND
(NOT APPLICABLE)

PROPRIETARY FUNDS

OGDENSBURG BOROUGH SCHOOL DISTRICT
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF NET POSITION
JUNE 30, 2019

ASSETS:

Current Assets:

Cash and Cash Equivalents	\$ 21,505
Intergovernmental Accounts Receivable:	
State	51
Federal	1,920
Inventories	1,730

Total Current Assets	<u>25,206</u>
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Non-Current Assets:

Capital Assets	60,770
Less: Accumulated Depreciation	<u>(51,214)</u>

Total Non-Current Assets	<u>9,556</u>
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Total Assets	<u>34,762</u>
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LIABILITIES:

Current Liabilities:

Accounts Payable	3,353
Unearned Revenue	189

Total Current Liabilities	<u>3,542</u>
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NET POSITION:

Investment in Capital Assets	9,556
Unrestricted	<u>21,664</u>

Total Net Position	<u>\$ 31,220</u>
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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, 2019

Operating Revenue:	
Local Sources:	
Daily Sales - Reimbursable Programs	\$ 29,108
Daily Sales - Non-Reimbursable Programs	26,032
	<hr/>
Total Operating Revenue	55,140
	<hr/>
Operating Expenses:	
Cost of Sales - Reimbursable Programs	31,324
Cost of Sales - Nonreimbursable Programs	12,912
Salaries, Benefits & Payroll Taxes	35,491
Supplies, Insurance & Other Costs	17,660
Management Fee	7,210
Depreciation Expense	2,659
	<hr/>
Total Operating Expenses	107,256
	<hr/>
Operating Loss	(52,116)
	<hr/>
Non-Operating Income:	
Local Sources:	
Interest Income	32
State Sources:	
State School Lunch Program	934
Federal Sources:	
National School Lunch Program	30,083
School Breakfast Program	3,203
Food Distribution Program	9,227
	<hr/>
Total Non-Operating Income	43,479
	<hr/>
Change in Net Position	(8,637)
	<hr/>
Net Position - Beginning of Year	39,857
	<hr/>
Net Position - End of Year	\$ 31,220
	<hr/> <hr/>

OGDENSBURG BOROUGH SCHOOL DISTRICT
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Cash Flows from Operating Activities:	
Receipts from Customers	\$ 55,140
Partial Settlement of Interfund Payable	488
Payments to Food Service Contractor	(80,727)
Payments to Other Suppliers	(14,962)
	<hr/>
Net Cash Used for Operating Activities	(40,061)
Cash Flows by Investing Activities:	
Local Sources:	
Interest Income	32
	<hr/>
Net Cash Provided by Investing Activities	32
Cash Flows from Noncapital Financing Activities:	
State Sources:	
State School Lunch Program - Received in Food Service Fund	948
Federal Sources:	
National School Lunch and School Breakfast Programs - Received in Food Service Fund	33,538
	<hr/>
Net Cash Provided by Noncapital Financing Activities	34,486
	<hr/>
Net Decrease in Cash and Cash Equivalents	(5,543)
Cash and Cash Equivalents, July 1	27,048
	<hr/>
Cash and Cash Equivalents, June 30	\$ 21,505
	<hr/> <hr/>
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:	
Operating Loss	\$ (52,116)
Adjustment to Reconcile Operating Loss to Net Cash Used for Operating Activities:	
Depreciation	2,659
Food Distribution Program	9,227
Changes in Assets and Liabilities:	
Decrease in Inventories	2,255
Decrease in Interfund Receivable	488
(Decrease) in Unearned Revenue	(1,807)
(Decrease) in Accounts Payable	(767)
	<hr/>
Net Cash Used for Operating Activities	\$ (40,061)
	<hr/> <hr/>

Noncash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received U.S.D.A. Commodities through the Food Distribution Program valued at \$7,420 and utilized U.S.D.A. Commodities valued at \$9,227.

FIDUCIARY FUNDS

OGDENSBURG BOROUGH SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2019

		Agency Payroll Agency Fund	Total Agency Funds	Unemployment Compensation Trust	Private Purpose Scholarship Trust
ASSETS:					
Cash and Cash Equivalents	\$ 18,717	\$ 811	\$ 19,528	\$ 86,593	\$ 4,126
Total Assets	<u>\$ 18,717</u>	<u>\$ 811</u>	<u>\$ 19,528</u>	<u>\$ 86,593</u>	<u>\$ 4,126</u>
LIABILITIES:					
Interfund Payable:					
General Fund		\$ 364	\$ 364		
Payroll Deductions and Withholdings		447	447		
Due to Athletics Account	\$ 905		905		
Due to Student Groups	17,812		17,812		
Total Liabilities	18,717	811	19,528		
NET POSITION:					
Held in Trust for Unemployment Claims Restricted for Scholarships				\$ 86,593	\$ 4,126
Total Net Position	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 86,593</u>	<u>\$ 4,126</u>

OGDENSBURG BOROUGH SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Scholarship Trust</u>
Additions:		
Contributions:		
Plan Member Contributions	\$ 5,326	
Total Contributions	<u>5,326</u>	
Investment Earnings:		
Interest	164	\$ 2
Net Investment Earnings	<u>164</u>	<u>2</u>
Total Additions	<u>5,490</u>	<u>2</u>
Deductions:		
Unemployment Compensation Claims	135	
Scholarships Awarded		600
Total Deductions	<u>135</u>	<u>600</u>
Change in Net Position	5,355	(598)
Net Position - Beginning of the Year	<u>81,238</u>	<u>4,724</u>
Net Position - End of the Year	<u>\$ 86,593</u>	<u>\$ 4,126</u>

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

	<u>Balance</u> <u>July 1, 2018</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>June 30, 2019</u>
<u>ASSETS:</u>				
Cash and Cash Equivalents	\$ 16,410	\$ 39,467	\$ 37,160	\$ 18,717
Total Assets	<u>\$ 16,410</u>	<u>\$ 39,467</u>	<u>\$ 37,160</u>	<u>\$ 18,717</u>
<u>LIABILITIES:</u>				
Due to Athletics Account	\$ 112	\$ 3,603	\$ 2,810	\$ 905
Due to Student Groups	<u>16,298</u>	<u>35,864</u>	<u>34,350</u>	<u>17,812</u>
Total Liabilities	<u>\$ 16,410</u>	<u>\$ 39,467</u>	<u>\$ 37,160</u>	<u>\$ 18,717</u>

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

	<u>Balance</u> <u>July 1, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2019</u>
<u>ASSETS:</u>				
Cash and Cash Equivalents	\$ 746	\$ 3,248,056	\$ 3,247,991	\$ 811
Total Assets	<u>\$ 746</u>	<u>\$ 3,248,056</u>	<u>\$ 3,247,991</u>	<u>\$ 811</u>
<u>LIABILITIES:</u>				
Interfund Payable:				
General Fund	\$ 299	\$ 65		\$ 364
Payroll Deductions and Withholdings	447	3,247,991	\$ 3,247,991	447
Total Liabilities	<u>\$ 746</u>	<u>\$ 3,248,056</u>	<u>\$ 3,247,991</u>	<u>\$ 811</u>

LONG-TERM DEBT

OGDENSBURG BOROUGH SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

<u>Series</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Balance July 1, 2018</u>	<u>Issued</u>	<u>Retired or Matured</u>	<u>Balance June 30, 2019</u>
School Van	3.50%	\$23,947		\$ 23,947	\$ 5,124	\$ 18,823
Computer Equipment, Snow blowers, Rooftop Fans, and Bathroom Sinks	2.34%	59,857	\$ 12,245			12,245
			<u>\$ 12,245</u>	<u>\$ 23,947</u>	<u>\$ 5,124</u>	<u>\$ 31,068</u>

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

<u>Loan</u>	<u>Interest Rate</u>	<u>Amount of Original Loan</u>	<u>Balance July 1, 2018</u>	<u>Retired or Matured</u>	<u>Balance June 30, 2019</u>
Small Project	5.288%	\$ 76,950	\$ -		\$ -0-
Safe Program	1.500%	25,650	-		
			<u>\$ -</u>	<u>\$ -</u>	<u>\$ -0-</u>

STATISTICAL SECTION
(UNAUDITED)

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

Contents

	<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,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental Activities										
Net Investment in Capital Assets	\$ 522,473	\$ 550,367	\$ 858,407	\$ 999,590	\$ 1,038,098	\$ 1,135,494	\$ 1,025,999	\$ 1,007,786	\$ 970,803	\$ 908,992
Restricted/(Deficit)	59,022	144,091	131	50,132	55,098	91,723	228,105	312,972	440,554	555,457
Unrestricted/(Deficit)	(95,353)	(137,714)	33,699	(97,346)	(1,124,221)	(1,168,908)	(1,208,875)	(1,345,278)	(1,387,707)	(1,342,031)
Total Governmental Activities Net Position/(Deficit)	\$ 486,142	\$ 556,744	\$ 892,237	\$ 952,376	\$ (31,025)	\$ 58,309	\$ 45,229	\$ (24,520)	\$ 23,650	\$ 122,418
Business-Type Activities										
Net Investment in Capital Assets	\$ 9,005	\$ 7,871	\$ 12,707	\$ 11,182	\$ 9,863	\$ 8,545	\$ 7,226	\$ 14,120	\$ 12,215	\$ 9,556
Unrestricted	8,116	8,839	12,405	16,865	22,401	26,380	22,692	23,280	27,642	21,664
Total Business-Type Activities Net Position	\$ 17,121	\$ 16,710	\$ 25,112	\$ 28,047	\$ 32,264	\$ 34,925	\$ 29,918	\$ 37,400	\$ 39,857	\$ 31,220
District-Wide										
Net Investment in Capital Assets	\$ 531,478	\$ 558,238	\$ 871,114	\$ 1,010,772	\$ 1,047,961	\$ 1,144,039	\$ 1,033,225	\$ 1,021,906	\$ 983,018	\$ 918,548
Restricted/(Deficit)	59,022	144,091	131	50,132	55,098	91,723	228,105	312,972	440,554	555,457
Unrestricted/(Deficit)	(87,237)	(128,875)	46,104	(80,481)	(1,101,820)	(1,142,528)	(1,186,183)	(1,321,998)	(1,360,065)	(1,320,367)
Total District Net Position	\$ 503,263	\$ 573,454	\$ 917,349	\$ 980,423	\$ 1,239	\$ 93,234	\$ 75,147	\$ 12,880	\$ 63,507	\$ 153,638

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,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses:										
Governmental activities:										
Instruction:										
Regular	\$ 1,925,261	\$ 1,793,060	\$ 1,802,802	\$ 2,058,304	\$ 2,019,847	\$ 2,387,210	\$ 2,668,436	\$ 2,790,583	\$ 2,367,068	\$ 2,509,295
Special Education	849,772	721,931	697,382	738,859	812,554	975,883	974,239	1,164,523	1,073,133	990,785
Other Special Instruction	77,103	111,445	125,812	115,795	136,861	94,533	113,336	111,815	128,566	110,984
School Sponsored/Other Instruction	59,265	48,334	75,181	98,187	115,870	124,506	131,475	142,810	135,477	146,272
Support Services:										
Tuition	63,665	99,846	96,859	10,142	13,096	33,933	9,852	11,181	46,811	32,843
Student & Instruction Related Services	674,800	595,834	626,820	664,013	651,418	702,673	670,280	943,919	803,275	827,000
General Administrative Services	210,098	177,700	188,514	195,285	209,961	244,488	232,904	261,194	241,583	194,161
School Administrative Services	197,756	174,094	189,586	204,144	198,187	215,527	143,936	188,097	162,143	172,037
Central Services	161,712	167,781	172,321	173,095	182,299	202,096	228,637	196,502	178,068	143,433
Administrative Information Technology	17,569	23,215	9,764	42,955	27,535	24,592	9,744	7,172	2,609	2,680
Plant Operations And Maintenance	463,204	455,141	498,800	514,459	505,315	511,123	596,764	584,078	606,214	628,784
Pupil Transportation	96,174	69,455	69,924	81,177	58,423	56,221	72,720	96,937	166,646	171,235
Capital Outlay	8,200	30,996	18,448	12,686	25,803	13,857				30,605
Charter Schools	22,753	53,042	83,556	44,036	68,888	51,878	64,125	46,285	130,820	153,578
Interest On Long-Term Debt	17,933	14,674	11,252	7,995	5,564	3,608	1,795	72		
Total Governmental Activities Expenses	4,845,265	4,536,548	4,667,021	4,961,132	5,031,621	5,642,128	5,918,243	6,545,168	6,042,413	6,113,692
Business-type activities:										
Food Service	88,407	83,230	89,766	87,004	92,956	93,369	92,606	92,297	84,810	107,256
Total Business-Type Activities Expense	88,407	83,230	89,766	87,004	92,956	93,369	92,606	92,297	84,810	107,256
Total District Expenses	\$ 4,933,672	\$ 4,619,778	\$ 4,756,787	\$ 5,048,136	\$ 5,124,577	\$ 5,735,497	\$ 6,010,849	\$ 6,637,465	\$ 6,127,223	\$ 6,220,948

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

	Fiscal Year Ending June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Program Revenues:										
Governmental Activities:										
Operating Grants and Contributions	\$ 697,375	\$ 592,341	\$ 728,709	\$ 739,825	\$ 704,557	\$ 1,222,984	\$ 1,456,421	\$ 1,952,045	\$ 1,580,328	\$ 1,719,162
Capital Grants and Contributions		138,259	866,968	34,565		25,596				
Total Governmental Activities Program Revenues	<u>697,375</u>	<u>592,341</u>	<u>866,968</u>	<u>774,390</u>	<u>704,557</u>	<u>1,248,580</u>	<u>1,456,421</u>	<u>1,952,045</u>	<u>1,580,328</u>	<u>1,719,162</u>
Business-Type Activities:										
Charges for Services:										
Food Service	\$ 60,749	\$ 58,402	\$ 58,633	\$ 52,276	\$ 54,323	\$ 49,695	\$ 51,532	\$ 54,291	\$ 50,794	\$ 55,140
Operating Grants and Contributions	28,544	24,385	33,534	37,631	42,816	46,288	36,019	37,267	36,430	43,447
Capital Grants and Contributions								8,800		
Total Business Type Activities Program Revenues	<u>89,293</u>	<u>82,787</u>	<u>92,167</u>	<u>89,907</u>	<u>97,139</u>	<u>95,983</u>	<u>87,551</u>	<u>100,358</u>	<u>87,224</u>	<u>98,587</u>
Total District Program Revenues	<u>\$ 786,668</u>	<u>\$ 675,128</u>	<u>\$ 959,135</u>	<u>\$ 864,297</u>	<u>\$ 801,696</u>	<u>\$ 1,344,563</u>	<u>\$ 1,543,972</u>	<u>\$ 2,052,403</u>	<u>\$ 1,667,552</u>	<u>\$ 1,817,749</u>
Net (Expense)/Revenue:										
Governmental Activities	\$ (4,147,890)	\$ (3,944,207)	\$ (3,800,053)	\$ (4,186,742)	\$ (4,327,064)	\$ (4,393,548)	\$ (4,461,822)	\$ (4,593,123)	\$ (4,462,085)	\$ (4,394,530)
Business-Type Activities	886	(443)	2,401	2,903	4,183	2,614	(5,055)	8,061	2,414	(8,669)
Total District-Wide Net (Expense)/Revenue	<u>\$ (4,147,004)</u>	<u>\$ (3,944,650)</u>	<u>\$ (3,797,652)</u>	<u>\$ (4,183,839)</u>	<u>\$ (4,322,881)</u>	<u>\$ (4,390,934)</u>	<u>\$ (4,466,877)</u>	<u>\$ (4,585,062)</u>	<u>\$ (4,459,671)</u>	<u>\$ (4,403,199)</u>

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

	Fiscal Year Ending June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 2,097,918	\$ 2,135,868	\$ 2,178,585	\$ 2,222,157	\$ 2,266,600	\$ 2,289,266	\$ 2,335,051	\$ 2,358,402	\$ 2,405,570	\$ 2,453,681
Taxes Levied for Debt Service	67,556	73,124	73,763	67,210	55,824	68,703	25,413	19,215		
Tuition	1,988,256	1,801,282	24,440	17,105	19,650	8,910	13,520	14,205	16,334	4,160
Unrestricted Grants and Contributions	128		1,855,676	1,912,794	2,098,913	2,111,649	2,113,898	2,124,042	2,084,612	2,033,885
Investment Earnings	9,915	4,535	9,052	27,615	3,059	4,354	234	979	665	604
Miscellaneous Income			(5,970)				6,863	6,531	3,074	968
Transfers										
Total Governmental Activities	4,163,773	4,014,809	4,135,546	4,246,881	4,444,046	4,482,882	4,494,979	4,523,374	4,510,255	4,493,298
Business-Type Activities:										
Investment Earnings	63	32	31	32	34	47	48	35	43	32
Other Item								(614)		
Transfers			5,970							
Total Business-Type Activities	63	32	5,970	32	34	47	48	(579)	43	32
Total District-Wide	\$ 4,163,836	\$ 4,014,841	\$ 4,141,547	\$ 4,246,913	\$ 4,444,080	\$ 4,482,929	\$ 4,495,027	\$ 4,522,795	\$ 4,510,298	\$ 4,493,330
Change in Net Position:										
Governmental Activities	\$ 15,883	\$ 70,602	\$ 335,493	\$ 60,139	\$ 116,982	\$ 89,334	\$ 33,157	\$ (69,749)	\$ 48,170	\$ 98,768
Business-Type Activities	949	(411)	8,402	2,935	4,217	2,661	(5,007)	7,482	2,457	(8,637)
Total District	\$ 16,832	\$ 70,191	\$ 343,895	\$ 63,074	\$ 121,199	\$ 91,995	\$ 28,150	\$ (62,267)	\$ 50,627	\$ 90,131

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,

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund:										
Reserved/Restricted	\$ 59,020	\$ 35,129	\$ 129	\$ 50,129	\$ 55,097	\$ 72,513	\$ 228,105	\$ 312,972	\$ 440,554	\$ 555,457
Assigned		(26,512)	185,648	34,109	117,484	42,421	48,634	50,176	17,812	12,695
Unassigned/(Deficit)						23,904	25,581	20,617	27,863	41,679
Unreserved	35,121									
Total General Fund	\$ 94,141	\$ 8,617	\$ 185,777	\$ 84,238	\$ 172,581	\$ 138,838	\$ 302,320	\$ 383,765	\$ 486,229	\$ 609,831
All Other Governmental Funds:										
Restricted		\$ 3	\$ 2	\$ 3	\$ 1	\$ 19,210				
Committed		108,959		4,896						
Unreserved	\$ 2		(29,669)							(28,682)
Unassigned/(Deficit)										
Total All Other Governmental Funds	\$ 2	\$ 108,962	\$ (29,667)	\$ 4,899	\$ 1	\$ 19,210	\$ -0-	\$ -0-	\$ -0-	\$ (28,682)
Total Governmental Funds:										
Reserved/Restricted	\$ 59,020	\$ 35,132	\$ 131	\$ 50,132	\$ 55,098	\$ 91,723	\$ 228,105	\$ 312,972	\$ 440,554	\$ 555,457
Committed		108,959		4,896						
Assigned		(26,512)	185,648	34,109	117,484	42,421	48,634	50,176	17,812	12,695
Unassigned/(Deficit)			(29,669)			23,904	25,581	20,617	27,863	12,997
Unreserved/(Deficit)	35,123									
Total Governmental Funds/(Deficit)	\$ 94,143	\$ 117,579	\$ 156,110	\$ 89,137	\$ 172,582	\$ 158,048	\$ 302,320	\$ 383,765	\$ 486,229	\$ 581,149

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,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenue:										
Tax Levy	\$ 2,165,474	\$ 2,208,992	\$ 2,252,348	\$ 2,289,367	\$ 2,322,424	\$ 2,357,969	\$ 2,360,464	\$ 2,377,617	\$ 2,405,570	\$ 2,453,681
Tuition Charges	128		24,440	17,105	19,650	8,910	13,520	14,205	16,334	8,890
Interest Earnings	9,915	8,032	10,979	27,615	3,716	204	234	314	3,739	604
Miscellaneous	2,237,703	2,270,270	2,534,698	2,571,778	2,671,596	2,753,524	2,831,372	2,876,712	2,861,619	3,218,435
State Sources	447,928	119,856	186,019	115,406	131,217	128,127	129,834	123,754	127,030	123,097
Federal Sources	4,861,148	4,607,150	5,008,484	5,021,271	5,148,603	5,252,884	5,345,360	5,399,798	5,414,292	5,805,675
Total Revenue										
	1,329,201	1,227,872	1,222,921	1,372,122	1,367,489	1,385,257	1,428,721	1,370,476	1,208,494	1,470,452
Expenditures:										
Instruction:										
Regular Instruction	639,442	527,085	501,450	517,604	573,725	602,215	560,374	596,377	583,796	563,090
Special Education Instruction	53,686	83,040	85,777	77,094	93,769	54,531	63,654	56,413	65,125	58,365
Other Special Instruction	57,571	31,705	55,585	71,064	84,777	81,521	74,238	71,128	71,647	78,965
School Sponsored/Other Instruction										
Support Services:										
Tuition	63,665	99,846	95,429	11,572	13,096	33,933	9,852	11,181	46,811	32,843
Student & Instruction Related Services	524,261	467,718	492,916	532,295	501,513	513,145	506,175	629,979	581,628	613,938
General Administrative Services	186,411	153,991	165,184	171,980	184,313	192,578	177,241	165,021	182,258	160,318
School Administrative Services	138,095	123,324	133,471	140,826	140,223	148,474	94,225	121,258	105,030	100,244
Central Services	129,273	130,382	135,371	136,621	141,404	144,023	160,380	137,733	137,960	108,282
Administrative Information Technology	17,569	23,215	9,764	39,829	22,905	20,673	9,744	7,172	2,609	2,680
Plant Operations And Maintenance	404,642	398,091	399,006	486,781	470,749	471,107	480,763	461,648	529,559	542,417
Pupil Transportation	96,174	69,455	69,924	81,177	58,423	56,221	72,720	94,529	163,554	162,761
Unallocated Benefits	1,076,432	1,038,411	1,065,712	1,202,942	1,238,552	1,354,687	1,441,853	1,460,278	1,463,654	1,617,215
Charter Schools	22,753	53,042	83,556	44,036	68,888	51,878	64,125	46,285	130,820	153,578
Capital Outlay	30,323	59,159	454,634	191,297	46,692	107,690	72,257	48,015	38,883	69,554
Debt Service:										
Redemption of Principal	76,155	81,360	84,576	79,807	52,051	45,000	42,000	40,000		
Interest And Other Charges	19,201	16,018	12,662	9,332	6,589	4,494	2,623	860		
Total Expenditures	4,864,854	4,583,714	5,067,938	5,166,379	5,065,158	5,267,427	5,260,945	5,318,353	5,311,828	5,734,702

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,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Excess/(Deficit) of Revenues Under/ (Over) Expenditures	\$ (3,706)	\$ 23,436	\$ (59,454)	\$ (145,108)	\$ 83,445	\$ (14,543)	\$ 84,415	\$ 81,445	\$ 102,464	\$ 70,973
Other Financing Sources/(Uses)			103,955	78,135			59,857			23,947
Capital Leases (non-budgeted)										
Budget Appropriations										
Bond Proceeds										
Transfers In		139,955	60,000		4,896			21,645		25,833
Transfers Out		(139,955)	(65,970)		(4,896)			(21,645)		(25,833)
Total Other Financing Sources/(Uses)			97,985	78,135			59,857			23,947
Net Change In Fund Balances	\$ (3,706)	\$ 23,436	\$ 38,531	\$ (66,973)	\$ 83,445	\$ (14,543)	\$ 144,272	\$ 81,445	\$ 102,464	\$ 94,920
Debt Service As A Percentage Of Noncapital Expenditures	1.97%	2.15%	2.11%	1.79%	1.17%	0.96%	0.86%	0.78%	0.00%	0.00%

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>
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
2018	665		16,334	3,074	20,073
2019	1,418		4,160	154	5,732

Source: Ogdensburg Borough School District records

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

Year Ended December 31,	Vacant Land		Residential		Farm		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)	
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										
2017		2,049,300	178,049,000	279,200	13,500	12,022,600	1,912,300	1,905,900	196,231,800	391,667	196,623,467	21,439,500	1.218	187,038,817										
2018		2,049,300	177,706,600	279,200	13,500	12,022,600	1,912,300	1,905,900	195,889,400	387,553	196,276,953	21,656,800	1.238	191,473,801										

* - 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	
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
2017	1.218		1.218	0.671	1.103	0.544	3.536
2018	1.238		1.238	0.661	1.125	0.568	3.592

* - 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

	2019		2010		Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
	Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value	Taxpayer					
Grater, LLC		\$ 2,136,200	1.09%	Jimmy Dobbins PL	\$ 3,778,500	1.56%			
Ogdensburg Associates		1,598,500	0.81%	Ogdensburg Associates	2,328,000	0.96%			
Pokorny Properties, LLC		1,514,300	0.77%	AA-1 Self Storage LLC	2,192,200	0.91%			
Sterling Hill Mining Museum, Inc.		1,127,000	0.57%	Sterling Hill Mining Museum, Inc.	1,975,800	0.82%			
83 Main St. LLC		556,900	0.28%	Individual Taxpayer #1	1,275,200	0.53%			
Individual Taxpayer #1		528,400	0.27%	Individual Taxpayer #2	1,032,300	0.43%			
Individual Taxpayer #2		501,400	0.26%	Individual Taxpayer #3	791,500	0.33%			
Sterling Hill Mining Museum, Inc.		501,000	0.26%	Individual Taxpayer #4	790,800	0.33%			
Individual Taxpayer #3		486,100	0.25%	Individual Taxpayer #5	712,600	0.29%			
Individual Taxpayer #4		456,700	0.23%	Individual Taxpayer #6	671,500	0.28%			
Total		\$ 9,406,500	4.79%	Total	\$ 15,548,400	6.43%			

Notes: Individual taxpayers may be different in 2019 and 2010. A revaluation was effective in 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>	
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
2018	2,405,570	2,405,570	100.00%	- 0 -
2019	2,453,681	2,453,681	100.00%	- 0 -

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

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

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

Fiscal Year Ended June 30,	Governmental Activities				Bond Anticipation Notes (BANs)	Business-Type Activities		Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Loans	Capital Leases	Capital Leases		Capital Leases				
2010	\$ 398,000	\$ 26,794	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 424,794	0.36%	166.46	
2011	323,000	20,434	-0-	-0-	-0-	-0-	343,434	0.30%	141.51	
2012	245,000	13,858	82,592	-0-	-0-	-0-	341,450	0.29%	141.45	
2013	172,000	7,051	115,500	-0-	-0-	-0-	294,551	0.24%	123.19	
2014	127,000	-0-	68,741	-0-	-0-	-0-	195,741	0.16%	82.77	
2015	82,000	-0-	21,073	-0-	-0-	-0-	103,073	0.08%	43.99	
2016	40,000	-0-	47,326	-0-	-0-	-0-	87,326	0.07%	37.75	
2017	-0-	-0-	35,902	-0-	-0-	-0-	35,902	0.03%	15.72	
2018	-0-	-0-	24,210	-0-	-0-	-0-	24,210	0.02%	10.64	
2019	-0-	-0-	31,068	-0-	-0-	-0-	31,068	0.02%	13.71	

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		
2010	\$ 398,000	-0-	\$ 398,000	0.16%	\$ 155.96
2011	323,000	-0-	323,000	0.13%	133.09
2012	245,000	-0-	245,000	0.10%	101.49
2013	172,000	-0-	172,000	0.07%	71.94
2014	127,000	-0-	127,000	0.05%	53.70
2015	82,000	-0-	82,000	0.04%	35.00
2016	40,000	-0-	40,000	0.02%	17.29
2017	- 0 -	-0-	- 0 -	0.00%	0.00
2018	- 0 -	-0-	- 0 -	0.00%	0.00
2019	- 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, 2018
UNAUDITED

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid With Property Taxes			
Wallkill Valley Regional School District	\$ 2,460,000	9.59%	\$ 235,807
Borough of Ogdensburg	675,204	100.00%	675,204
Sussex County General Obligation Debt	102,675,174	1.13%	<u>1,158,303</u>
Subtotal, Overlapping Debt			2,069,314
Ogdensburg Borough Board of Education School District Direct Debt			<u>- 0 -</u>
Total Direct And Overlapping Debt			<u>\$ 2,069,314</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 2019

Equalized valuation basis	
2017	\$ 184,766,877
2016	189,595,942
2015	196,557,696
	<u>\$ 570,920,515</u>
Average Equalized Valuation of Taxable Property	<u>\$ 190,306,838</u>
Debt Limit (3% of average equalization value)	a \$ 5,709,205
Net Bonded School Debt	- 0 -
Legal Debt Margin	<u>\$ 5,709,205</u>

	<u>Fiscal Year</u>				
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Debt Limit	\$ 6,076,008	\$ 5,814,922	\$ 5,671,170	\$ 5,631,369	\$ 5,709,205
Total Net Debt Applicable to Limit	<u>82,000</u>	<u>40,000</u>	<u>- 0 -</u>	<u>- 0 -</u>	<u>- 0 -</u>
Legal Debt Margin	<u>\$ 5,994,008</u>	<u>\$ 5,774,922</u>	<u>\$ 5,671,170</u>	<u>\$ 5,631,369</u>	<u>\$ 5,709,205</u>
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	1.35%	0.69%	0.00%	0.00%	0.00%

	<u>Fiscal Year</u>				
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Debt Limit	\$ 7,340,751	\$ 7,259,213	\$ 7,154,945	\$ 6,860,767	\$ 6,444,083
Total Net Debt Applicable to Limit	<u>398,000</u>	<u>323,000</u>	<u>245,000</u>	<u>172,000</u>	<u>127,000</u>
Legal Debt Margin	<u>\$ 6,942,751</u>	<u>\$ 6,936,213</u>	<u>\$ 6,909,945</u>	<u>\$ 6,688,767</u>	<u>\$ 6,317,083</u>
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	5.42%	4.45%	3.42%	2.51%	1.97%

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

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

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

<u>Year</u>	<u>Population^a</u>	<u>Borough Personal Income^b</u>	<u>Sussex County Per Capita Personal Income^c</u>	<u>Unemployment Rate^d</u>
2009	2,552	\$ 118,614,408	\$ 46,479	7.60%
2010	2,427	115,095,621	47,423	8.10%
2011	2,414	118,459,808	49,072	7.90%
2012	2,391	121,484,319	50,809	7.80%
2013	2,365	121,542,080	51,392	4.40%
2014	2,343	125,840,187	53,709	6.30%
2015	2,313	128,436,264	55,528	6.90%
2016	2,284	129,527,924	56,711	4.60%
2017	2,275	134,664,075	59,193	5.80%
2018	2,266	134,131,338	59,193 *	4.10%
2019	2,266 **	134,131,338 ***	59,193 *	N/A

* - Latest Sussex County per capita personal income available (2017) was used for calculation purposes.

** - Latest population data available (2018) was used for calculation purposes.

*** - Latest available population data (2018) and latest available Sussex County per capita personal income (2017) 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>2018</u>	
	<u>Employees</u>	<u>Percentage of Total Employment</u>
Selective Insurance Group Inc.	1,000-4,999	1.43%-7.17%
Crystal Springs Resort	1,000-4,999	1.43%-7.17%
Newton Medical Center	500-999	0.72%-1.43%
Sussex County Offices	500-999	0.72%-1.43%
Thorlabs	500-999	0.72%-1.43%
Mountain Creek Resort	500-999	0.72%-1.43%
Shop Rite	250-499	0.36%-0.72%
Sussex County Community College	250-499	0.36%-0.72%
United Methodist Community Bristol Glen	250-499	0.36%-0.72%
Andover Subacute & Rehab Center	100-249	0.14%-0.36%
	<u>2,850-8,990</u>	<u>6.96%-22.59%</u>
Total County Employment	<u>69,689</u>	
	<u>2009</u>	
<u>Employer</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
Crystal Springs Golf and Spa Resort	2,000	2.57%
Newton Memorial Hospital	1,200	1.54%
Selective Insurance	900	1.15%
County of Sussex	830	1.06%
Mountain Creek/Intrawest	800	1.03%
Ames Rubber Corp.	445	0.57%
Shop Rite (Ronetc Supermarkets, Inc.)	301	0.39%
Andover Sub Acute & Rehab Center	300	0.38%
Sussex County Community College	300	0.38%
Newton Memorial Hospital	290	0.37%
	<u>7,366</u>	<u>9.45%</u>
Total Employment	<u>77,953</u>	

Source: County of Sussex

OGDENSBURG BOROUGH SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS
UNAUDITED

<u>Function/Program</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Instruction										
Regular	24.5	23.8	22.9	23.1	23	23.5	20	19	19	19
Special Education	5	5	5	5	6	6	6.5	6.6	6.6	6.6
Other Special Education	7.5	6.5	4.5	8	8.7	9.5	9.5	10.4	10.4	10.4
Support Services:										
Instructional Support Staff	2.2	2.2	2.2	2.2	2.2	2.2	2	2.2	2.2	2.2
School Administrative Services	4	3.2	3.3	3.4	3.5	4	1	1.5	1.5	1.5
General and Business Administrative Services	3	3	3	3	3	3	2	2	2	1.7
Plant Operations and Maintenance	3.5	2.5	3.5	4	4	4	4	3.9	3.9	3.9
Total	49.7	46.2	44.4	48.7	50.4	52.2	45.0	45.6	45.6	45.3

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	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
					Elementary	Elementary				
2010	312.0	\$ 4,739,175	\$ 15,190	8.10%	1:9.8	1:9.8	312.0	299.6	-3.70%	96.03%
2011	287.0	4,427,177	15,426	1.55%	1:9.2	1:9.2	286.5	273.2	-8.17%	95.36%
2012	301.2	4,516,066	14,994	-2.80%	1:10	1:10	301.2	286.9	5.13%	95.25%
2013	317.0	4,885,943	15,413	2.80%	1:10.3	1:10.3	312.5	295.3	3.75%	94.50%
2014	290.0	4,959,826	17,103	10.96%	1:9.3	1:9.3	289.1	272.7	-7.49%	94.33%
2015	277.0	5,110,243	18,449	7.87%	1:8.6	1:8.6	273.7	258.2	-5.33%	94.32%
2016	266.0	5,144,065	19,339	4.82%	1:8.3	1:8.3	263.7	249.7	-3.65%	94.69%
2017	252.0	5,229,478	20,752	7.31%	1:9.0	1:9.0	250.7	235.9	-4.93%	94.10%
2018	233.0	5,272,945	22,631	9.05%	1:8.3	1:8.3	232.4	220.1	-7.29%	94.68%
2019	235.0	5,673,959	24,145	6.69%	1:8.10	1:8.10	235.0	221.0	1.11%	94.04%

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<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	312	287	304	317	290	277	266	252	233	235

Number of Schools at June 30, 2019
 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
2010	\$ 36,250
2011	33,767
2012	40,314
2013	56,150
2014	37,879
2015	44,519
2016	41,033
2017	46,645
2018	32,408
2019	56,083

* 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, 2019
UNAUDITED

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - School Alliance		
Insurance Fund:		
Building & Personal Property	\$ 500,000,000 Occurrence	\$ 2,500
Inland Marine - Auto Physical Damage		1,000
General Liability including Auto, Employee Benefits	5,000,000	
Each Occurance		
General Aggregate	Agreed upon based on membership	
Product Completed Ops		
Personal Injury		
Fire Damage	2,500,000	
Medical Expenses	10,000	
(Excluding Students Taking Part in Athletics)		
Automobile Coverage		
Combined Single Limit		
Hired/Non Owned		
Security Guard Liability	Excluded	
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	10,000
Cyber Liability	2,000,000 per Occurrence/ Aggregate	10,000
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	Voluntary Program 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, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 11, 2019.

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

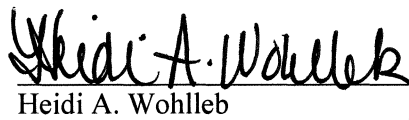
As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material 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.

November 11, 2019
Mount Arlington, New Jersey

NISIVOCIA 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, 2019. 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, 2019.

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.

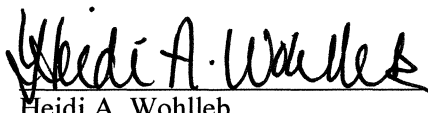
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement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

November 11, 2019
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, 2019

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, 2018			Balance at June 30, 2019		
					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:										
Elementary and Secondary Education Act										
Title I	84.010A	ESEA-3840-18	7/1/17-6/30/18	\$ 33,269	\$ (7,277)	\$ 7,277				
Title I	84.010A	ESEA-3840-19	7/1/18-6/30/19	33,531		33,531	\$ (33,531)			
Title II, Part A	84.367A	ESEA-3840-19	7/1/18-6/30/19	5,256		5,256	(5,256)			
Title IV, Part A	84.424	ESEA-3840-19	7/1/18-6/30/19	10,000		10,000	(10,000)			
Special Education Cluster:										
I.D.E.A. Part B, Basic	84.027	IDEA-3840-19	7/1/18-6/30/19	70,912		70,912	(70,912)			
I.D.E.A. Part B, Preschool	84.173	IDEA-3840-19	7/1/18-6/30/19	3,398		3,398	(3,398)			
Total Special Education Cluster						74,310	(74,310)			
Total Special Education Fund					(7,277)	130,374	(123,097)			
Total U.S. Department of Education					(7,277)	130,374	(123,097)			
U.S. Department of Agriculture:										
Passed-through State Department of Agriculture:										
Child Nutrition Cluster:										
Food Distribution Program	10.555	N/A	7/1/17-6/30/18	6,953			(1,996)			
Food Distribution Program	10.555	N/A	7/1/18-6/30/19	7,420		7,420	(7,231)	\$ 189		
National School Lunch Program	10.555	N/A	7/1/17-6/30/18	25,928	(1,837)	1,837				
National School Lunch Program	10.555	N/A	7/1/18-6/30/19	30,083		28,377	(30,083)	\$ (1,706)		
School Breakfast Program	10.553	N/A	7/1/17-6/30/18	2,298	(335)	335				
School Breakfast Program	10.553	N/A	7/1/18-6/30/19	3,203		2,989	(3,203)	(214)		
Total Child Nutrition Cluster					(2,172)	40,958	(42,513)	(1,920)	189	
Total U.S. Department of Agriculture					(2,172)	40,958	(42,513)	(1,920)	189	
Total Federal Awards					\$ (9,449)	\$ 171,332	\$ (165,610)	\$ (1,920)	\$ 189	\$ -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, 2019

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2018		Cash Received	Budgetary Expenditures	Balance at June 30, 2019		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	18-495-034-5120-089	7/1/17 - 6/30/18	\$ 162,828	\$ (15,910)	\$ 15,910	\$	\$	\$	\$	\$	\$ 162,828
Equalization Aid	18-495-034-5120-078	7/1/17 - 6/30/18	1,369,767	(133,844)	133,844						1,369,767
Security Aid	18-495-034-5120-084	7/1/17 - 6/30/18	27,247	(2,662)	2,662						27,247
Adjustment Aid	18-495-034-5120-085	7/1/17 - 6/30/18	417,687	(45,320)	45,320						417,687
Transportation Aid	18-495-034-5120-014	7/1/17 - 6/30/18	17,372	(1,697)	1,697						17,372
School Choice Aid	18-495-034-5120-068	7/1/17 - 6/30/18	256,521	(25,066)	25,066						256,521
PARCC Readiness Aid	18-495-034-5120-098	7/1/17 - 6/30/18	2,840	(278)	278						2,840
Per Pupil Growth Aid	18-495-034-5120-097	7/1/17 - 6/30/18	2,840	(278)	278						2,840
Professional Learning Community Aid	18-495-034-5120-101	7/1/17 - 6/30/18	2,500	(244)	244						2,500
Additional Nonpublic Transportation Aid	18-495-034-5120-014	7/1/17 - 6/30/18	3,162	(3,162)	3,162						3,162
Special Education Categorical Aid	19-495-034-5120-089	7/1/18 - 6/30/19	162,828		146,264	\$	\$ (162,828)	\$	\$ (16,564)	\$	162,828
Equalization Aid	19-495-034-5120-078	7/1/18 - 6/30/19	1,369,767		1,230,426		(1,369,767)		(139,341)		1,369,767
Security Aid	19-495-034-5120-084	7/1/18 - 6/30/19	27,247		24,475		(27,247)		(2,772)		27,247
Adjustment Aid	19-495-034-5120-085	7/1/18 - 6/30/19	346,033		310,832		(346,033)		(35,201)		346,033
Transportation Aid	19-495-034-5120-014	7/1/18 - 6/30/19	17,372		15,605		(17,372)		(1,767)		17,372
School Choice Aid	19-495-034-5120-068	7/1/18 - 6/30/19	291,031		261,425		(291,031)		(29,606)		291,031
Additional Nonpublic Transportation Aid	19-495-034-5120-014	7/1/18 - 6/30/19	2,917				(2,917)	\$ (2,917)	(2,917)		2,917
Extraordinary Aid	19-100-034-5120-473	7/1/18 - 6/30/19	14,013				(14,013)	\$ (14,013)	(14,013)		14,013
On-Behalf TPAF Contributions:											
Post-Retirement Medical Pension	19-495-034-5094-001	7/1/18 - 6/30/19	194,931		194,931		(194,931)				194,931
Non-Contributory Insurance	19-495-034-5094-002	7/1/18 - 6/30/19	420,933		420,933		(420,933)				420,933
Long-Term Disability Insurance	19-495-034-5094-004	7/1/18 - 6/30/19	8,811		8,811		(8,811)				8,811
Reimbursed TPAF Contributions:	19-495-034-5094-004	7/1/18 - 6/30/19	635		635		(635)				635
Social Security Aid	19-495-034-5094-003	7/1/18 - 6/30/19	153,223		153,223		(153,223)				153,223
Total General Fund State Aid				(228,461)	2,996,021		(3,009,741)	(16,930)		(242,181)	5,272,505
Special Revenue Fund:											
Preschool Education Expansion Grant	19-495-034-5120-086	7/1/18 - 6/30/19	281,952		253,270		(251,389)		\$ 30,563		251,389
Total Special Revenue Fund					253,270		(251,389)		30,563		251,389
Enterprise Fund:											
State School Lunch Program	19-100-010-3350-023	7/1/18 - 6/30/19	934		883		(934)		(51)		934
State School Lunch Program	18-100-010-3350-023	7/1/17 - 6/30/18	954	(65)	65		(934)		(51)		954
Total Enterprise Fund				(65)	948		(934)		(51)		1,888
TOTAL STATE AWARDS SUBJECT TO SINGLE AUDIT DETERMINATION				(228,526)	3,250,239		(3,262,064)	\$ (16,981)	\$ 30,563	\$ (270,914)	\$ 5,525,782
Less - State Awards Not Subject to Single Audit Major Program Determination:											
On-Behalf TPAF Pension System Contributions:											
Post-Retirement Medical Pension	19-495-034-5094-001	7/1/18 - 6/30/19	194,931		194,931		(194,931)				194,931
Non-Contributory Insurance	19-495-034-5094-002	7/1/18 - 6/30/19	420,933		420,933		(420,933)				420,933
Long-Term Disability Insurance	19-495-034-5094-004	7/1/18 - 6/30/19	8,811		8,811		(8,811)				8,811
Subtotal On-Behalf TPAF Pension System Contributions	19-495-034-5094-004	7/1/18 - 6/30/19	635		635		(635)				635
TOTAL STATE AWARDS SUBJECT TO SINGLE AUDIT MAJOR PROGRAM DETERMINATION											\$ (2,636,754)

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, 2019

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, 2019. 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 special revenue fund also does not recognize the June state aid payments in the current year.

The net adjustment to reconcile revenue from the budgetary basis to the GAAP basis is \$48 for the general fund and \$42,743 for the special revenue 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, 2019
(Continued)

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

Revenue from federal and state awards are reported on the Board's basic financial statements on a GAAP basis as presented below:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 3,009,789	\$ 3,009,789
Special Revenue Fund	\$ 123,097	208,646	331,743
Food Service Fund	<u>42,513</u>	<u>934</u>	<u>43,447</u>
Total Awards	<u>\$ 165,610</u>	<u>\$ 3,219,369</u>	<u>\$ 3,384,979</u>

NOTE 5. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 6. FEDERAL AND STATE LOANS OUTSTANDING

Ogdensburg Borough School District had no loan balances at June 30, 2019.

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, 2019.

OGDENSBURG BOROUGH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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, 2019 as federal grant expenditures were less than the single audit threshold of \$750,000 identified in the Uniform Guidance.
- The audit did not disclose any audit findings which are required to be reported in accordance with New Jersey's OMB Circular 15-08 or 2 CFR 200.516(a) of the Uniform Guidance.
- The District's programs tested as major state programs for the current fiscal year consisted of the following state aid:

	<u>Grant Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Budgetary Expenditures</u>
<u>General Fund State Aid:</u>				
Special Education Categorical Aid	19-495-034-5120-089	7/1/18 - 6/30/19	\$ 162,828	\$ 162,828
Equalization Aid	19-495-034-5120-078	7/1/18 - 6/30/19	1,369,767	1,369,767
Security Aid	19-495-034-5120-084	7/1/18 - 6/30/19	27,247	27,247
Adjustment Aid	19-495-034-5120-085	7/1/18 - 6/30/19	346,033	346,033
School Choice Aid	19-495-034-5120-068	7/1/18 - 6/30/19	291,031	291,031

- 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, 2019

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, 2019

Status of Prior Year Findings:

There were no prior year audit findings.