

REPORT OF AUDIT
BOROUGH OF OGDENSBURG
COUNTY OF SUSSEX
DECEMBER 31, 2011

BOROUGH OF OGDENSBURG, N.J.
YEAR ENDED DECEMBER 31, 2011
TABLE OF CONTENTS

<u>Exhibit</u>	<u>Page</u>
<u>PART I</u>	
Independent Auditors' Report	1 - 2
 <u>CURRENT FUND</u>	
A Comparative Balance Sheet - Current Fund	3 - 4
A-1 Comparative Statement of Operations and Change in Fund Balance	5
A-2 Statement of Revenues	6 - 7
A-3 Statement of Expenditures	8 - 14
 <u>TRUST FUND</u>	
B Comparative Balance Sheet - Trust Fund	15
 <u>GENERAL CAPITAL FUND</u>	
C Comparative Balance Sheet - General Capital Fund	16
C-1 Schedule of Fund Balance - General Capital Fund	17
 <u>WATER UTILITY FUND</u>	
D Comparative Balance Sheet - Water Utility Fund	18 - 19
D-1 Statement of Operations and Change in Fund Balance	20
D-2 Statement of Fund Balance - Water Utility Capital Fund	21
D-3 Statement of Revenues - Water Utility Operating Fund	21
D-4 Statement of Expenditures - Water Utility Operating Fund	22 - 23
 <u>PUBLIC ASSISTANCE FUND</u>	
E Comparative Balance Sheet - Public Assistance Fund	N/A
 <u>GENERAL FIXED ASSETS</u>	
F Comparative Balance - General Fixed Assets	24
NOTES TO FINANCIAL STATEMENTS	25 - 50
<hr/> <u>SUPPLEMENTARY DATA</u>	
Officials in Office and Surety Bonds	51
Schedule of Expenditures of Federal Awards for Year Ending December 31, 2011	52
Schedule of Expenditures of State Financial Assistance For Year Ending December 31, 2011	53
Comparative Statements	54 - 57

BOROUGH OF OGDENSBURG, N.J.
TABLE OF CONTENTS

<u>Exhibit</u>		<u>Page</u>
<u>CURRENT FUND</u>		
A-4	Schedule of Cash - Treasurer, Current Fund	58
A-5	Schedule of Cash - Change Fund	59
A-6	Schedule of Taxes Receivable and Analysis of Property Taxes	60
A-7	Schedule of Tax Title Liens Receivable	61
A-8	Schedule of Property Acquired for Taxes Assessed Valuation	61
A-9	Schedule of Revenue Accounts Receivable	62
A-10	Schedule of Amount Due to State of New Jersey for Senior Citizen's and Veteran's Deductions - Ch. 73 P.L. 1976	63
A-11	Schedule of Interfunds Receivables/(Payables)	64
A-12	Schedule of Deferred Charges - Special Emergency	65
A-13	Schedule of Appropriation Reserves	66 - 67
A-14	Schedule of Various Cash Liabilities and Reserves	68
A-15	Schedule of Encumbrances Payable	69
A-16	Schedule of Prepaid Taxes	69
A-17	Schedule of County Taxes Payable	70
A-18	Schedule of Local School District Taxes Payable	70
A-19	Schedule of Regional High School Taxes Payable	71
A-20	Schedule of Interfunds Receivable/(Payable)	72
A-21	Schedule of Encumbrances Payable	72
A-22	Schedule of Grants Receivable	73
A-23	Schedule of Appropriated Reserve for Grants	74
A-24	Schedule of Unappropriated Reserves for Grants	75
<u>TRUST FUND</u>		
B-1	Schedule of Cash	76
B-2	Schedule of Cash - Change Fund	77
B-3	Reserve/(Deficit) for Animal Control Trust Fund Expenditures	78
B-4	Schedule of Interfund Receivable (Payable) - Current Fund	79
B-5	Schedule of Due to State Department of Health	80
B-6	Schedule of Other Trusts Funds	81
<u>GENERAL CAPITAL FUND</u>		
C-2	Schedule of Cash	82
C-3	Analysis of Cash	83
C-4	Schedule of Interfund Receivable/(Payable) – Current Fund	84
C-5	Schedule of Deferred Charges to Future Taxation - Funded	85
C-6	Schedule of Deferred Charges to Future Taxation - Unfunded	86
C-7	Schedule of Capital Improvement Fund	87
C-8	Schedule of Improvement Authorizations	88
C-9	Schedule of Various Reserves	89
C-10	Schedule of Bonds Anticipation Notes Payable	90
C-11	Schedule of General Serial Bonds Payable	91
C-12	Schedule of Bonds and Notes Authorized But Not Issued	92

BOROUGH OF OGDENSBURG, N.J.
TABLE OF CONTENTS

<u>Exhibit</u>		<u>Page</u>
<u>WATER UTILITY FUND</u>		
D-5	Schedule of Cash	93
D-6	Analysis of Cash	94
D-7	Schedule of Change Fund	95
D-8	Schedule of Consumer Accounts Receivable	95
D-9	Schedule of Water Liens	96
D-10	Schedule of Inventory	96
D-11	Schedule of Interfund Accounts Receivable/(Payable)	97
D-12	Schedule of Fixed Capital	98
D-13	Schedule of Fixed Capital Authorized and Uncompleted	99
D-14	Schedule of Appropriation Reserves	100
D-15	Schedule of Encumbrances Payable	101
D-16	Schedule of Water Rent Overpayments	101
D-17	Schedule of Accrued Interest	102
D-18	Schedule of Improvement Authorizations	103
D-19	Schedule of Reserves	104
D-20	Schedule of Capital Improvement Fund	105
D-21	Schedule of Reserve for Amortization	105
D-22	Schedule of Deferred Reserve for Amortization	106
D-23	Schedule of U.S.D.A. Rural Development Loan	107
D-24	Schedule of Bond Anticipation Notes Payable	108

PART II

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	109 – 110
Schedule of Findings and Questioned Costs	111
Summary Schedule of Prior Audit Findings	112
General Comments	113 – 116
Other Comments	116
RECOMMENDATIONS	117
Status of Prior Years's Audit Findings/Recommendations	117

BOROUGH OF OGDENSBURG

PART I

REPORT OF AUDIT ON FINANCIAL STATEMENTS

AND SUPPLEMENTAL DATA

YEAR ENDED DECEMBER 31, 2011

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INDEPENDENT AUDITOR'S REPORT

May 15, 2012

The Honorable Mayor and
Members of the Borough Council
Borough of Ogdensburg
14 Highland Avenue
Ogdensburg, New Jersey 07439

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the Borough of Ogdensburg in the County of Sussex, as of and for the years ended December 31, 2011 and 2010, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2011. These financial statements are the responsibility of the Borough's management. Our responsibility is to express an opinion on these financial statements based on our audits.

Except as discussed below, we conducted our audits in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provides a reasonable basis for our opinion.

As described in Note 1, these financial statements were prepared in conformity with accounting practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with the modified accrual basis, with certain exceptions, and the budget laws of New Jersey, which practices differ from accounting principles generally accepted in the United States of America. The affect on the financial statements of the variances between the prescribed basis of accounting and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.



The Honorable Mayor and
Members of the Borough Council
May 15, 2012
Page 2

In our opinion, because of the Borough of Ogdensburg's policy to prepare its financial statements on the basis of accounting discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Borough of Ogdensburg, New Jersey as of December 31, 2011 and 2010 or the results of its operation for the years then ended.

However, in our opinion, the financial statements referred to above present fairly, in all material respects, the financial position - regulatory basis of the various funds and account group of the Borough of Ogdensburg, New Jersey at December 31, 2011 and 2010, and the results of its operations and the changes in fund balance - regulatory basis of such funds for the years then ended and the statement of revenues - regulatory basis, and statement of expenditures - regulatory basis for the year ended December 31, 2011, on the basis of accounting described in Note 1.

In accordance with the Government Auditing Standards, we have also issued a report dated May 15, 2012 on our consideration of the Borough of Ogdensburg, New Jersey internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements of the Borough of Ogdensburg, State of New Jersey, taken as a whole. The accompanying supplementary information, schedules and exhibits listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements of the Borough of Ogdensburg, State of New Jersey. Such information has been subject to auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented in all material respects, in relation to the financial statements taken as a whole, on the basis of accounting described in Note 1.



Thomas M. Ferry, C.P.A.
Registered Municipal Accountant
No. 497

Ferraioli, Wielkutz, Cerullo, & Cova, P.A.

FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants



Borough of Ogdensburg, N.J.

Comparative Balance Sheet - Regulatory Basis

Current Fund

December 31, 2011 and 2010

	<u>Ref.</u>	<u>2011</u>	<u>2010</u>
<u>Assets</u>			
Current Fund:			
Cash	A-4	1,182,496.83	1,081,049.44
Change Fund	A-5	125.00	125.00
		<u>1,182,621.83</u>	<u>1,081,174.44</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Taxes Receivable	A-6	230,854.13	196,424.92
Tax Title Liens Receivable	A-7	106,713.06	70,751.76
Property Acquired for Taxes - Assessed Valuation	A-8	2,371,100.00	2,371,100.00
Interfund Receivables:			
Animal Control Trust Fund	A-11		5,290.14
General Capital Fund	A-11		78.41
		<u>2,708,667.19</u>	<u>2,643,645.23</u>
Deferred Charges:			
Special Emergency	A-12	36,436.00	53,628.00
		<u>3,927,725.02</u>	<u>3,778,447.67</u>
Federal and State Grant Fund:			
Interfund Receivable:			
Current Fund	A-20	587,534.66	582,918.57
Grants Receivable	A-22	17,493.00	45,044.26
		<u>605,027.66</u>	<u>627,962.83</u>
		<u>4,532,752.68</u>	<u>4,406,410.50</u>

The accompanying "Notes to Financial Statements" are an integral part of these financial statements.

Borough of Ogdensburg, N.J.

Comparative Balance Sheet - Regulatory Basis

Current Fund

December 31, 2011 and 2010

	<u>Ref.</u>	<u>2011</u>	<u>2010</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Current Fund:			
Appropriation Reserves	A-3;A-13	149,673.07	76,904.98
Due to State of New Jersey:			
Senior Citizen and Veteran Deductions	A-10	5,823.06	6,095.66
Interfunds Payable:			
Federal and State Grants	A-11	587,534.66	582,918.57
Other Trust Fund	A-11		24,172.43
Tax Overpayments	A-14	8,817.89	23,838.23
Reserve for:			
Revision of Master Plan	A-14	4,320.86	4,320.86
Tax Appeals	A-14	27,579.20	27,579.20
Garden State Trust	A-14	7,111.00	7,111.00
Outside Lien Redemption	A-14		20,005.56
Sale of Municipal Assets	A-14	800.00	
Codification of Ordinance	A-14	3,500.00	30.00
Encumbrances Payable	A-15	42,295.56	44,001.70
Prepaid Taxes	A-16	52,123.33	21,704.84
County Taxes Payable	A-17	3,493.21	22.26
		<u>893,071.84</u>	<u>838,705.29</u>
Reserve for Receivables	Contra	2,708,667.19	2,643,645.23
Fund Balance	A-1	325,985.99	296,097.15
		<u>3,927,725.02</u>	<u>3,778,447.67</u>
Federal and State Grant Fund:			
Encumbrances Payable	A-21	7,747.85	1,079.47
Appropriated Reserves	A-23	589,548.07	615,705.35
Unappropriated Reserve for Grants	A-24	7,731.74	11,178.01
		<u>605,027.66</u>	<u>627,962.83</u>
		<u>4,532,752.68</u>	<u>4,406,410.50</u>

The accompanying "Notes to Financial Statements" are an integral part of these financial statements.

Borough of Ogdensburg, N.J.
Comparative Statement of Operations and Changes in Fund Balance - Regulatory Basis
Current Fund
Years Ended December 31, 2011 and 2010

	<u>Ref.</u>	<u>2011</u>	<u>2010</u>
Revenues and Other Income:			
Fund Balance Utilized	A-2	66,148.00	66,148.00
Miscellaneous Revenue Anticipated	A-2	314,077.82	327,061.86
Receipts from Delinquent Taxes	A-2	193,690.40	231,916.15
Receipts from Current Taxes	A-2	6,013,005.27	5,791,049.16
Non-Budget Revenue	A-2	9,799.50	9,359.42
Other Credits to Income:			
Interfunds Returned	A-11	5,368.55	164.65
Appropriated Grants Cancelled	A-11	18,662.29	7,900.00
Statutory Excess-Animal Control Trust Fund	A-11	4,213.97	3,862.22
Unexpended Balance of Appropriation Reserves	A-13	5,064.14	54,533.17
Cancellation of Various Reserves	A-14	21,155.54	
Encumbrances Payable	A-15	9,799.10	8,102.12
Total Revenues and Other Income		<u>6,660,984.58</u>	<u>6,507,008.06</u>
Expenditures:			
Budget and Emergency Appropriations:			
Operations - Within "CAPS"			
Salaries and Wages	A-3	963,024.00	972,167.00
Other Expenses	A-3	965,139.00	942,287.00
Deferred Charges and Statutory Expenditures -			
Municipal - Within "CAPS"			
Other Expenses	A-3	132,481.01	106,855.37
Capital Improvements - Excluded from Caps	A-3	20,000.00	45,000.00
Municipal Debt Service - Excluded from Caps	A-3	111,781.63	110,556.25
Deferred Charges and Statutory Expenditures -			
Municipal - Excluded from Caps			
	A-3	22,692.00	22,508.76
Replenish Change Fund			25.00
Decrease Change Fund			225.00
Refund of Prior Year Taxes	A-4	1,459.60	
Other Trust Fund			10,300.00
Grants Receivable Cancelled	A-11	22,026.32	7,900.00
Interfund Advances			3,862.22
County Taxes including Added Taxes	A-17	1,054,361.39	996,881.32
Local District School Tax	A-18	2,230,671.00	2,187,233.00
Regional High School Tax	A-19	803,973.79	781,814.93
Total Expenditures		<u>6,564,947.74</u>	<u>6,377,624.85</u>
Excess (Deficit) Revenue Over Expenditures		96,036.84	129,383.21
Adjustment to Income Before Fund Balance			
Expenditures Included above Which are by Statute			
Deferred Charges to Budget of Succeeding Year			
		<u>96,036.84</u>	<u>129,383.21</u>
Statutory Excess to Fund Balance		96,036.84	129,383.21
Fund Balance, January 1,	A-1	296,097.15	232,861.94
		392,133.99	362,245.15
Decreased by:			
Fund Balance Utilized as Budget Revenue	A-1	66,148.00	66,148.00
Fund Balance, December 31,	A	<u><u>325,985.99</u></u>	<u><u>296,097.15</u></u>

The accompanying "Notes to Financial Statements" are an integral part of these financial statements.

Borough of Ogdensburg, N.J.

Statement of Revenues - Regulatory Basis

Current Fund

Year Ended December 31, 2011

	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	A-1	66,148.00	66,148.00	
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	A-9	1,000.00	1,200.00	200.00
Other	A-9	1,300.00	1,600.00	300.00
Fines and Costs:				
Municipal Court	A-9	45,000.00	43,787.76	(1,212.24)
Interest and Costs on Taxes	A-9	35,000.00	36,026.73	1,026.73
Interest on investment and deposits	A-9	4,700.00	5,027.85	327.85
Energy Receipts Tax	A-9	133,825.00	133,825.00	
Consolidated Municipal Property Tax Relief Aid	A-9	56,453.00	56,453.00	
Reserve for Garden State Trust	A-9	7,111.00	7,111.00	
Special Items of General Revenue Anticipated With Prior Written Consent of Director of Local Government Services:				
Public and Private Revenues:				
Recycling Tonnage Grant	A-22	5,208.00	5,208.00	
Drunk Driving Enforcement Fund	A-22	4,000.00	4,000.00	
Municipal Alliance	A-22	2,993.00	2,993.00	
Body Armor Fund	A-22	1,619.59	1,619.59	
Clean Communities Grant	A-22	4,786.99	4,786.99	
Municipal Court Educational Rehabilitation	A-22	771.43	771.43	
Other Special Items:				
Uniform Fire Safety Act	A-9	2,682.52	1,372.47	(1,310.05)
Cable TV Franchise Fee	A-9	8,295.00	8,295.00	
Total Miscellaneous Revenues	A-1	314,745.53	314,077.82	(667.71)
Receipts from Delinquent Taxes	A-1;A-2	195,000.00	193,690.40	(1,309.60)
Subtotal General Revenues		575,893.53	573,916.22	(1,977.31)
Amount to be Raised by Taxes for Support of Municipal Budget-Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	A-2	2,186,140.48	2,211,889.09	25,748.61
Budget Totals		2,762,034.01	2,785,805.31	23,771.30
Non-Budget Revenue	A-1;A-2		9,799.50	9,799.50
		<u>2,762,034.01</u>	<u>2,795,604.81</u>	<u>33,570.80</u>
	A-3			

The accompanying "Notes to Financial Statements" are an integral part of these financial statements.

Borough of Ogdensburg, N.J.

Statement of Revenues - Regulatory Basis

Current Fund

Year Ended December 31, 2011

	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
<u>Analysis of Realized Revenues</u>				
Revenue from Collections	A-1;A-6		6,013,005.27	
Allocated to School and County Taxes	A-6		<u>4,089,006.18</u>	
Balance for Support of Municipal Budget Appropriations			1,923,999.09	
Add:				
Appropriated Reserve for Uncollected Taxes	A-3		<u>287,890.00</u>	
Amount for Support of Municipal Budget Appropriations	A-2		<u><u>2,211,889.09</u></u>	
Receipts from Delinquent Taxes:				
Delinquent Taxes				
Taxes Receivable	A-6		193,690.40	
	A-2		<u><u>193,690.40</u></u>	
<u>Analysis of Non-budget Revenues</u>				
Miscellaneous Revenues Not Anticipated:	<u>Ref.</u>			
Revenues Accounts Receivable:				
Clerk	A-9	2,057.46		
Planning/Zoning	A-9	655.00		
Board of Health/Registrar of Vital Statistics	A-9	1,810.00		
Police Department	A-9	<u>826.02</u>		
			5,348.48	
Senior Citizen and Veterans Admin. Costs Reimb.		812.50		
Land Use		1,200.00		
Restitution		490.00		
Various Refunds and Miscellaneous		<u>1,948.52</u>		
	A-4		<u>4,451.02</u>	
	A-2		<u><u>9,799.50</u></u>	

The accompanying "Notes to Financial Statements" are an integral part of these financial statements.

Borough of Ogdensburg, N. J.
Statement of Expenditures - Regulatory Basis
Current Fund
Year Ended December 31, 2011

	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
General Appropriations						
General Government:						
Administrative and Executive						
Mayor and Council						
Salaries and Wages		14,500.00	14,500.00	14,169.88	330.12	
Other Expenses		400.00	2,100.00	1,397.56	702.44	
Clerk						
Salaries and Wages		46,891.00	47,396.00	46,411.51	984.49	
Other Expenses		18,050.00	18,050.00	15,060.45	2,989.55	
Financial Administration						
Salaries and Wages		41,081.00	41,081.00	38,256.90	2,824.10	
Other Expenses		10,369.00	10,369.00	6,794.15	3,574.85	
Annual Audit		20,400.00	20,400.00	20,400.00		
Computer Services		4,620.00	4,920.00	4,869.75	50.25	
Assessment of Taxes						
Salaries and Wages		18,129.00	18,479.00	18,128.24	350.76	
Other Expenses		1,000.00	1,000.00	848.64	151.36	
Collection of Taxes						
Salaries and Wages		5,956.00	6,290.00	6,204.71	85.29	
Other Expenses		2,644.00	2,644.00	1,901.43	742.57	
Legal Services and Costs						
Other Expenses		33,500.00	33,500.00	30,095.59	3,404.41	
Municipal Court						
Salaries and Wages		37,615.00	37,761.00	37,058.50	702.50	
Other Expenses		6,250.00	7,351.00	7,150.83	200.17	
Public Defender:						
Other Expenses		1.00				
Engineering Services and Costs						
Other Expenses		8,000.00	8,000.00	2,932.25	5,067.75	

The accompanying "Notes to Financial Statements" are an integral part of these financial statements.

Borough of Ogdensburg, N. J.
Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2011

	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
General Appropriations						
Public Buildings and Grounds						
Miscellaneous Other Expenses						
Municipal Land Use Law (N.J.S. 40:55 D-1)		14,000.00	14,200.00	14,081.06	118.94	
Planning Board						
Salaries and Wages		6,750.00	6,900.00	6,487.50	412.50	
Other Expenses		9,150.00	9,150.00	6,996.10	2,153.90	
Public Safety:						
Fire						
Other Expenses		16,000.00	25,000.00	22,579.04	2,420.96	
Police						
Salaries and Wages		576,422.00	576,422.00	538,057.32	38,364.68	
Other Expenses		35,950.00	35,950.00	30,787.51	5,162.49	
First Aid Organization		2,000.00	4,000.00	2,000.00	2,000.00	
Uniform Fire Safety Act (CH. 383, P.L. 1983)						
Fire Official						
Salaries and Wages		3,418.00	3,418.00	3,417.70	0.30	
Other Expenses		1,100.00	1,100.00	956.00	144.00	
Emergency Management Services						
Salaries and Wages		1,500.00	1,500.00	1,500.00		
Other Expenses		200.00	200.00		200.00	
Streets and Roads						
Road Repair and Maintenance						
Salaries and Wages		157,940.00	157,940.00	146,829.75	11,110.25	
Other Expenses		54,238.00	54,238.00	43,372.16	10,865.84	
Snow Removal						
Salaries and Wages		25,000.00	25,000.00	14,055.96	10,944.04	
Other Expenses		54,000.00	54,000.00	50,290.43	3,709.57	

Borough of Ogdensburg, N. J.
Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2011

	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
<u>General Appropriations</u>						
Sanitation						
Garbage and Trash Removal						
Other Expenses - Contractual		248,268.00	213,166.00	209,073.00	4,093.00	
Recycling						
Salaries and Wages		1.00	1.00		1.00	
Other Expenses		2,000.00	2,000.00	209.44	1,790.56	
Health and Welfare						
Board of Health						
Salaries and Wages		11,900.00	12,500.00	12,155.86	344.14	
Other Expenses		2,000.00	2,000.00	1,941.93	58.07	
Hepatitis B Fund		1.00	1.00		1.00	
Recreation and Education						
Parks and Playgrounds						
Salaries and Wages		8,000.00	6,000.00	5,879.06	120.94	
Other Expenses		12,000.00	12,000.00	11,386.88	613.12	
Historical Committee		300.00	300.00	300.00		
Utility Expenses						
Electricity		55,000.00	55,000.00	50,915.38	4,084.62	
Telephone		18,000.00	18,600.00	18,295.95	304.05	
Fuel Oil		27,000.00	27,000.00	21,198.42	5,801.58	
Gasoline/Diesel Fuel		30,000.00	42,000.00	37,049.63	4,950.37	
Insurance:						
General Liability		103,200.00	104,717.00	104,717.00		
Worker's Compensations		36,436.00	36,436.00	36,436.00		
Employee Group Health		134,447.00	141,047.00	130,129.48	10,917.52	
Surety Bonds		700.00	700.00	659.00	41.00	

Borough of Ogdensburg, N. J.
Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2011

	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
<u>General Appropriations</u>						
Uniform Construction Code -						
Appropriations Offset by Dedicated						
Revenues (N.J.A.C. 5:23-4.17)						
Construction Code Official: Building Inspector		6,836.00	6,836.00	6,835.40	0.60	
Salaries and Wages						
Unclassified:						
Sick Pay Benefits		5,000.00	5,000.00	5,000.00		
Total Operations Within "CAPS"		1,928,163.00	1,928,163.00	1,785,273.35	142,889.65	
Total Operations Including Contingent- Within "CAPS"		1,928,163.00	1,928,163.00	1,785,273.35	142,889.65	
Detail:						
Salaries and Wages	A-1	962,939.00	963,024.00	896,296.93	66,727.07	
Other Expenses (Including Contingent)	A-1	965,224.00	965,139.00	888,976.42	76,162.58	
Deferred Charges and Statutory Expenditures- Municipal Within "CAPS"						
Statutory Expenditures						
Contribution to:						
Public Employees Retirement System		41,184.00	41,184.00	41,184.00		
Social Security System (O.A.S.I.)		75,496.00	75,496.00	69,264.93	6,231.07	
Defined contribution retirement program		1.00	1.00		1.00	
Police and Firemen's Retirement System		120,656.00	120,656.00	120,656.00		
Unemployment Compensation Insurance		1.00	1.00		1.00	
Total Deferred Charged and Statutory Expenditures - Municipal within "CAPS"	A-1	237,338.00	237,338.00	231,104.93	6,233.07	
Total General Appropriations for Municipal Purposes within "CAPS"		2,165,501.00	2,165,501.00	2,016,378.28	149,122.72	
Operations - Excluded From "CAPS"						
Employee Group Health		6,821.00	6,821.00	6,821.00		
Total Other Operations - Excluded From Caps		6,821.00	6,821.00	6,821.00		

Borough of Ogdensburg, N. J.
Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2011

	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
<u>General Appropriations</u>						
Interlocal Municipal Service Agreements		13,968.00	13,968.00	13,417.65	550.35	21,579.00
Animal Control "Contractual"		33,000.00	33,000.00	11,421.00		
Uniform Construction Code "contractual"		48,600.00	48,600.00	48,600.00		
"911" Services "Contractual"		31,544.00	31,544.00	31,544.00		
Financial Administration "Contractual"		127,112.00	127,112.00	104,982.65	550.35	21,579.00
Total Interlocal Municipal Service Agreements						
Public and Private Programs Offset By Revenues						
Recycling Tonnage Grant		5,208.00	5,208.00	5,208.00		100.00
Other Expenses		100.00	100.00			
Matching Funds for Grants						
Municipal Alliance		2,993.00	2,993.00	2,993.00		
Other Expenses		748.00	748.00	748.00		
Municipal Share						
Reserve for Municipal Court Alcohol and Rehab. Program		771.43	771.43	771.43		
Other Expenses						
Reserve for clean communities		4,786.99	4,786.99	4,786.99		
Other Expenses						
Reserve for Body Armor Fund		1,619.59	1,619.59	1,619.59		
Other Expenses						
Reserves for Drunk Driving Enforcement		4,000.00	4,000.00	4,000.00		
Other Expenses						
Total Public and Private Programs Offset		20,227.01	20,227.01	20,127.01		100.00
By Revenues		154,160.01	154,160.01	131,930.66	550.35	21,679.00
Total Operations - Excluded from "CAPS"						

Borough of Ogdensburg, N. J.
Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2011

<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
A-1	154,160.01	154,160.01	131,930.66	550.35	21,679.00
Detail:					
Other Expenses					
Capital Improvements - Excluded From "CAPS"					
Capital Improvement Fund					
A-1	20,000.00	20,000.00	20,000.00		
Total Capital Improvements Excluded from "CAPS"					
Municipal Debt Service - Excluded From "CAPS"					
Payment of Bond Principal					
	90,000.00	90,000.00	90,000.00		
Interest on Bonds					
	18,913.00	18,913.00	18,912.50		0.50
Interest on Notes					
	2,878.00	2,878.00	2,869.13	0.00	8.87
A-1	111,791.00	111,791.00	111,781.63	0.00	9.37
Total Municipal Debt Service-Excluded from "CAPS"					
Deferred Charges - Municipal - Excluded From "CAPS"					
Deferred Charges to Future Taxation Unfunded:					
Emergency Authorizations					
	5,500.00	5,500.00	5,500.00		
10-83-2 Addition to Public Works Garage					
	17,192.00	17,192.00	17,192.00		
Special Emergency Authorizations - 5 Years (N.J.S. 40A:4-55)					
A-1	22,692.00	22,692.00	22,692.00		
Total Deferred Charges - Excluded from "CAPS"					
Total General Appropriations for Municipal Purposes Excluded from "CAPS"					
	308,643.01	308,643.01	286,404.29	550.35	21,688.37

Borough of Ogdensburg, N. J.
Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2011

	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
<u>General Appropriations</u>						
Total General Appropriations - Excluded From "CAPS"		308,643.01	308,643.01	286,404.29	550.35	21,688.37
Subtotal General Appropriations		<u>2,474,144.01</u>	<u>2,474,144.01</u>	<u>2,302,782.57</u>	<u>149,673.07</u>	<u>21,688.37</u>
Reserve for Uncollected Taxes		287,890.00	287,890.00	287,890.00		
Total General Appropriations		<u>2,762,034.01</u>	<u>2,762,034.01</u>	<u>2,590,672.57</u>	<u>149,673.07</u>	<u>21,688.37</u>
		A-2			A	
<u>Analysis of Paid or Charged</u>						
Reserve for Uncollected Taxes	A-2			287,890.00		
Cash Disbursed	A-4			2,223,916.00		
Deferred Charges - Special Emergency	A-12			17,192.00		
Encumbrances Payable	A-15			42,295.56		
Interfund - Federal and State Grant Fund	A-23			19,379.01		
				<u>2,590,672.57</u>		

Borough of Ogdensburg, N. J.

Comparative Balance Sheet - Regulatory Basis

Trust Funds

December 31, 2011 and 2010

	<u>Ref.</u>	<u>2011</u>	<u>2010</u>
<u>Assets</u>			
Animal Control Trust Fund:			
Cash- Treasurer	B-1	7,118.60	13,002.94
Change Fund	B-2	100.00	100.00
		<u>7,218.60</u>	<u>13,102.94</u>
Other Trust Funds:			
Cash	B-1	570,436.65	537,696.12
Interfund Receivable			
Current Fund	B-4		24,172.43
		<u>570,436.65</u>	<u>561,868.55</u>
		<u>577,655.25</u>	<u>574,971.49</u>
<u>Liabilities, Reserves & Fund Balance</u>			
Animal Control Trust Fund:			
Reserve for Animal Control Trust			
Fund Expenditures	B-3	7,218.60	7,812.80
Interfund Current	B-4		5,290.14
		<u>7,218.60</u>	<u>13,102.94</u>
Other Trust Fund:			
Reserve for:			
Unemployment	B-6	42,414.81	43,115.88
Municipal Alliance	B-6	393.00	393.00
Tax Sale Premiums	B-6	46,400.00	37,900.00
Municipal Court P.O.A.A. Fees	B-6	171.00	167.00
Public Defender	B-6	2,592.05	3,331.20
COAH - RCA - Park Ridge	B-6	105,822.38	105,437.67
COAH - RCA - Saddle River	B-6	99,429.43	99,208.36
COAH - RCA - Vernon	B-6	217,330.38	216,721.56
Escrow Deposits	B-6	9,204.45	13,727.17
Police Outside Services	B-6	1,668.88	
Ogdensburg Day	B-6	0.16	0.16
Memorial Park	B-6	2,627.21	1,388.55
Snow Removal	B-6	1,281.94	1,281.94
Sick and Vacation	B-6	27,025.17	22,025.17
5 K Run	B-6	3,751.77	3,734.33
Encumbrances	B-6		2,200.00
Payroll	B-6	10,324.02	11,236.56
		<u>570,436.65</u>	<u>561,868.55</u>
		<u>577,655.25</u>	<u>574,971.49</u>

The accompanying "Notes to Financial Statements" are an integral part of these financial statements.

Borough of Ogdensburg, N. J.

Comparative Balance Sheet - Regulatory Basis

General Capital Fund

December 31, 2011 and 2010

<u>Assets</u>	<u>Ref.</u>	<u>2011</u>	<u>2010</u>
Cash	C-2;C-3	204,832.28	183,879.63
Deferred Charges to Future Taxation			
Funded	C-5	400,000.00	490,000.00
Unfunded	C-6	337,099.02	342,599.02
		<u>941,931.30</u>	<u>1,016,478.65</u>
 <u>Liabilities, Reserves and Fund Balance</u>			
Capital Improvement Fund	C-7	118,715.37	98,715.37
Improvement Authorizations:			
Funded	C-8	34,567.96	34,567.96
Unfunded	C-8	86,728.83	87,197.77
Interfund - Current Fund	C-4		78.41
Reserve for:			
Debt Service	C-9	41,250.00	41,250.00
Bond Anticipation Notes	C-10	212,000.00	212,000.00
General Serial Bonds Payable	C-11	400,000.00	490,000.00
Fund Balance	C-1	48,669.14	52,669.14
		<u>941,931.30</u>	<u>1,016,478.65</u>

Footnote C: There were Bonds and Notes Authorized But Not Issued in the amount of \$125,099.02 on December 31, 2011. See Exhibit C-12.

Borough of Ogdensburg, N. J.
Schedule of Fund Balance - Regulatory Basis
General Capital Fund
Year Ended December 31, 2011

	<u>Ref.</u>	
Balance - December 31, 2010	C	52,669.14
Decreased by:		
Improvement Authorizations	C-8	<u>4,000.00</u>
Balance - December 31, 2011	C	<u><u>48,669.14</u></u>

The accompanying "Notes to Financial Statements" are an integral part of these financial statements.

Borough of Ogdensburg, N. J.

Comparative Balance Sheet - Regulatory Basis

Water Utility Fund

December 31, 2011 and 2010

	<u>Ref</u>	<u>2011</u>	<u>2010</u>
<u>Assets</u>			
Operating Fund:			
Cash-Treasurer	D-5	130,765.92	217,870.57
Change Fund	D-7	25.00	25.00
		<u>130,790.92</u>	<u>217,895.57</u>
Interfund Receivable:			
Water Capital Fund	D-11		<u>100.17</u>
Receivables with Full Reserves:			
Consumer Accounts	D-8	71,714.85	70,650.91
Water Liens Receivable	D-9	662.92	
Inventory	D-10	2,583.00	2,583.00
		<u>74,960.77</u>	<u>73,233.91</u>
Deferred Charges:			
Operating Deficit	D-1	53,734.09	
Total Operating Fund		<u>259,485.78</u>	<u>291,229.65</u>
Capital Fund:			
Cash	D-5;D-6	199,664.90	246,511.71
Fixed Capital*	D-12	4,371,711.69	4,371,711.69
Fixed Capital Authorized and Uncompleted*	D-13	912,500.00	875,500.00
Total Capital Fund		<u>5,483,876.59</u>	<u>5,493,723.40</u>
Total Assets		<u>5,743,362.37</u>	<u>5,784,953.05</u>

* The fixed capital reported is taken from the municipal records and does not necessarily reflect the true condition of such fixed capital.

The accompanying "Notes to Financial Statements" are an integral part of these financial statements.

Borough of Ogdensburg, N. J.

Comparative Balance Sheet - Regulatory Basis

Water Utility Fund

December 31, 2011 and 2010

	<u>Ref</u>	<u>2011</u>	<u>2010</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Operating Fund:			
Appropriation Reserve	D-4;D-14	21,903.21	28,734.38
Encumbrances Payable	D-15	2,430.00	9,258.18
Accrued Interest on Loans	D-17	40,075.35	43,410.54
Water Overpayments	D-16	2,029.81	
		<u>66,438.37</u>	<u>81,403.10</u>
Reserve for Receivables	Contra	74,960.77	73,233.91
Fund Balance	D-1	118,086.64	136,592.64
Total Operating Fund		<u>259,485.78</u>	<u>291,229.65</u>
Capital Fund:			
Interfund Payable:			
Water Operating Fund	D-11		100.17
Improvement Authorization			
Funded	D-18	61,349.38	26,284.93
Unfunded	D-18	33,014.39	68,927.26
Reserve for Encumbrances	D-19		35,148.22
Reserve for Capital Outlay	D-19	27,448.18	23,198.18
Reserve for Debt Service	D-19	108.24	108.24
Capital Improvement Fund	D-20	77,430.00	67,430.00
Reserve for Amortization	D-21	3,128,924.49	3,062,879.17
Reserve for Deferred Amortization	D-22	236,500.00	199,500.00
USDA Rural Development Loan	D-23	1,880,787.20	1,908,832.52
Bond Anticipation Notes Payable	D-24	38,000.00	76,000.00
Fund Balance	D-2	314.71	25,314.71
		<u>5,483,876.59</u>	<u>5,493,723.40</u>
Total Liabilities, Reserves and Fund Balances		<u>5,743,362.37</u>	<u>5,784,953.05</u>

Footnote D: There were no Bonds and Notes Authorized But Not Issued on December 31, 2011.

The accompanying "Notes to Financial Statements" are an integral part of these financial statements.

Borough of Ogdensburg, N. J.

Comparative Statement of Operations and Changes in Fund Balance - Regulatory Basis

Water Utility Operating Fund

Years Ended December 31, 2011 and 2010

	Ref.	<u>2011</u>	<u>2010</u>
Revenue and Other Income Realized:			
Operating Surplus Anticipated	D-1;D-3	18,506.00	45,287.34
Rents	D-3	293,518.75	379,434.18
Interest on Investments	D-3	1,497.58	1,635.29
Non-Budget Revenues	D-3	2,125.00	50.00
Unexpended Balance of			
Appropriation Reserves	D-14	24,224.46	16,236.92
Accrued Interest Cancelled	D-17	1,500.01	
Total Income		<u>341,371.80</u>	<u>442,643.73</u>
Expenditures:			
Operating	D-4	178,885.00	171,010.00
Capital Improvements	D-4	45,000.00	45,504.00
Debt Service	D-4	161,920.89	160,492.70
Deferred Charges and			
Statutory Expenditures	D-4	9,300.00	35,780.34
Refund of Prior Year Water Rents			534.75
Total Expenditures		<u>395,105.89</u>	<u>413,321.79</u>
Excess in Revenue over Expenditures			<u>29,321.94</u>
Deficit in Revenue		53,734.09	
Operating Deficit to be Raised in Budget of			
Succeeding Year	D	<u>53,734.09</u>	
Statutory Excess to Surplus			29,321.94
Fund Balance - January 1,	D-1	<u>136,592.64</u>	<u>152,558.04</u>
			181,879.98
Decreased by:			
Utilized as Anticipated Revenue		18,506.00	45,287.34
Fund Balance - December 31,	D	<u>118,086.64</u>	<u>136,592.64</u>

The accompanying "Notes to Financial Statements" are an integral part of these financial statements.

Borough of Ogdensburg, N. J.

Statement of Fund Balance - Regulatory Basis

Water Utility Capital Fund

Year Ended December 31, 2011

	<u>Ref.</u>	
Balance - December 31, 2010	D	25,314.71
Decreased by:		
Improvements Authorizations	D-18	<u>25,000.00</u>
Balance - December 31, 2011	D	<u><u>314.71</u></u>

D-3

Statement of Revenues - Regulatory Basis

Water Utility Operating Fund

Year Ended December 31, 2011

	<u>Ref.</u>	<u>Anticipated</u>	<u>Realized</u>	<u>Excess (Deficit)</u>
Operating Surplus Anticipated	D-1	18,506.00	18,506.00	
Rents	D-1;D-8	375,000.00	293,518.75	(81,481.25)
Interest on Investments	D-1;D-3	1,600.00	1,497.58	(102.42)
Non-Budget Revenues	D-1;D-3		<u>2,125.00</u>	<u>2,125.00</u>
Budget Totals		<u><u>395,106.00</u></u>	<u><u>315,647.33</u></u>	<u><u>(79,458.67)</u></u>
<u>Interest:</u>				
Cash Receipts	D-5		772.68	
Interfund - Water Capital Fund	D-11		<u>724.90</u>	
			<u><u>1,497.58</u></u>	
<u>Analysis of Non-Budget Revenues</u>				
Non-Budget Revenues				
Miscellaneous	D-5		<u><u>2,125.00</u></u>	

The accompanying "Notes to Financial Statements" are an integral part of these financial statements.

Borough of Ogdensburg, N. J.
Statement of Expenditures - Regulatory Basis
Water Operating Fund
Year Ended December 31, 2011

	<u>Ref.</u>	<u>Budget</u>	<u>Appropriated Budget After Modification</u>	<u>Paid or Charged</u>	<u>Expended</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
Operating:							
Salaries and Wages		60,325.00	60,325.00	54,997.72	54,997.72	5,327.28	
Other Expenses		118,560.00	118,560.00	101,984.07	101,984.07	16,575.93	
Total Operating	D-1	<u>178,885.00</u>	<u>178,885.00</u>	<u>156,981.79</u>	<u>156,981.79</u>	<u>21,903.21</u>	
Capital Improvements:							
Capital Improvement Fund		10,000.00	10,000.00	10,000.00	10,000.00		
Capital Outlay		35,000.00	35,000.00	35,000.00	35,000.00		
Total Capital Improvements	D-1	<u>45,000.00</u>	<u>45,000.00</u>	<u>45,000.00</u>	<u>45,000.00</u>		
Debt Service:							
Principal on Bond Anticipation Notes		38,000.00	38,000.00	38,000.00	38,000.00		
Interest on Notes		1,152.00	1,152.00	1,152.00	1,152.00		
Rehabilitation Loan:							
Principal		28,065.00	28,065.00	28,064.89	28,064.89		0.11
Interest		94,704.00	94,704.00	94,704.00	94,704.00		
Total Debt Service	D-1	<u>161,921.00</u>	<u>161,921.00</u>	<u>161,920.89</u>	<u>161,920.89</u>		<u>0.11</u>

The accompanying "Notes to Financial Statements" are an integral part of these financial statements.

Borough of Ogdensburg, N. J.
Statement of Expenditures - Regulatory Basis
Water Operating Fund
Year Ended December 31, 2011

	<u>Ref.</u>	<u>Budget</u>	<u>Appropriated Budget After Modification</u>	<u>Paid or Charged</u>	<u>Expended</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
Deferred Charges and Statutory Expenditures							
Statutory Expenditures:							
Contribution to:							
Public Employees' Retirement System		5,000.00	5,000.00	5,000.00			
Social Security System (O.A.S.I.)		4,300.00	4,300.00	4,300.00			
		<u>9,300.00</u>	<u>9,300.00</u>	<u>9,300.00</u>			
Total Deferred Charges and Statutory Expenditures	D-1	<u>9,300.00</u>	<u>9,300.00</u>	<u>9,300.00</u>			
Total Water Utility Appropriations		<u>395,106.00</u>	<u>395,106.00</u>	<u>373,202.68</u>	<u>21,903.21</u>		<u>0.11</u>
D							
Cash Disbursed	D-5			236,916.68			
Encumbrances Payable	D-15			2,430.00			
Accrued Interest	D-17			133,856.00			
				<u>373,202.68</u>			

The accompanying "Notes to Financial Statements" are an integral part of these financial statements.

Borough of Ogdensburg, N.J.

Comparative Statement of General Fixed Assets - Regulatory Basis

Year Ended December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
<u>General Fixed Assets:</u>		
Land	5,095,200.00	5,095,200.00
Buildings	2,397,600.00	2,397,600.00
Machinery and Equipment	<u>2,364,841.00</u>	<u>2,264,391.00</u>
	<u>9,857,641.00</u>	<u>9,757,191.00</u>
 Investment in Fixed Assets	 <u>9,857,641.00</u>	 <u>9,757,191.00</u>

The accompanying "Notes to Financial Statements" are an integral part of these financial statements.

BOROUGH OF OGDENSBURG, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The GASB Codification establishes seven fund types and two account groups to be used by governmental units when reporting financial position and results of operations in accordance with accounting principals generally accepted in the United States of America (GAAP).

The financial statements of the Borough of Ogdensburg have been prepared in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") which is a comprehensive basis of accounting other than generally accepted accounting principles. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Borough accounts for its financial transactions through the following separate funds which differ from the fund structure required by GAAP.

A. Reporting Entity

The Borough of Ogdensburg (the "Borough") operates under a Mayor/Council form of government. The Borough's major operations include public safety, road repair and maintenance, sanitation, fire protection, recreation and parks, health services, water utility and general administrative services.

GASB has issued Statement No. 14 which requires the financial reporting entity to include both the primary government and those component units for which the primary government is financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability to impose will be by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government.

However, the municipalities in the State of New Jersey do not prepare financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements. The financial statements contained herein include only those boards, bodies, officers or commissions as required by NJSA 40A:5-5. Accordingly, the financial statements of the Borough do not include the volunteer fire department and volunteer first aid squad which are considered component units under GAAP. Complete financial statements of the above components can be obtained by contacting the Treasurer of the respective entity.

BOROUGH OF OGDENSBURG, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011 AND 2010
(CONTINUED)**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Measurement Focus, Basis of Accounting and Basis of Presentation

The Borough uses funds, as required by the Division, to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial administration by segregating transactions related to certain Borough functions or activities. An account group, on the other hand, is designed to provide accountability for certain assets and liabilities that are not recorded in those Funds.

The Borough has the following funds and account groups:

Current Fund - This fund accounts for resources and expenditures for governmental operations of a general nature, including Federal and State grants.

Trust Funds - Trust Funds are used to account for assets held by the government in a trustee capacity. Funds held by the Borough as an agent for individual, private organizations, or other governments are recorded in the Trust Funds.

Other Trust Fund - This fund is established to account for the assets and resources which are also held by the Borough as a trustee or agent for individuals, private organizations, other governments and/or other funds.

Animal Control Trust - This fund is used to account for fees collected from dog and cat licenses and expenditures which are regulated by N.J.S.A. 4:19-15.11.

General Capital Fund - This fund is used to account for the receipt and disbursement of funds used for acquisition or improvement of general capital facilities, other than those acquired in the Current Fund.

Water Operating and Water Capital Fund - This fund is used to account for the operations and acquisition of capital facilities of the municipally owned water utility.

General Fixed Assets Account Group - To account for all fixed assets of the Borough. The Borough's infrastructure is not reported in the group.

BOROUGH OF OGDENSBURG, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010
(CONTINUED)**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

A modified accrual basis of accounting is followed by the Borough of Ogdensburg. Under this method of accounting revenues, except State/Federal Aid, are recognized when received and expenditures are recorded, when incurred. The accounting principles and practices prescribed for municipalities by the Division differ in certain respects from generally accepted accounting principles (GAAP) applicable to local government units. The more significant differences are as follows:

Property Tax Revenues - Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County and School purposes. The bills are mailed annually in June for that calendar year's levy. Taxes are payable in four quarterly installments on February 1, May 1, August 1, and November 1. The amounts of the first and second installments are determined as one quarter of the total tax levied against the property for the preceding year. The installment due the third and fourth quarters is determined by taking the current year levy less the amount previously charged for the first and second installments, with the remainder being divided equally. If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of \$1,500. The school levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of June 30, of each fiscal year. County taxes are paid quarterly on February 15, May 15, August 15 and November 15, to the County by the Borough. When unpaid taxes or any municipal lien, or part thereof, on real property, remains in arrears on April first in the year following the calendar year levy when the same became in arrears, the collector in the municipality shall subject to the provisions of the New Jersey Statutes enforce the lien by placing the property on a tax sale. Annual in rem tax foreclosure proceedings are instituted to enforce the tax collection or acquisition of title to the property by the Borough. In accordance with the accounting principles prescribed by the State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the taxes receivable and tax title liens that are uncollectible. GAAP requires tax revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

Miscellaneous Revenues - Miscellaneous revenues are recognized on a cash basis. Receivables for the miscellaneous items that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Borough's Current Fund. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

Grant Revenues - Federal and State grants, entitlements or shared revenues received for purposes normally financed through the Current Fund are recognized when anticipated in the Borough's budget. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

BOROUGH OF OGDENSBURG, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010
(CONTINUED)**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

Budgets and Budgetary Accounting

An annual budget is required to be adopted and integrated into the accounting system to provide budgetary control over revenues and expenditures for the current fund and water operating fund. Budget amounts presented in the accompanying financial statements represent amounts adopted by the Borough and approved by the State Division of Local Government Services per N.J.S.A. 40-A:4 et seq.

The Borough is not required to adopt budgets for the following funds:

Animal Control Trust Fund	General Capital Fund	Public Assistance Fund
Trust Fund	Water Capital Fund	

The governing body shall introduce and approve the annual budget not later than February 10, of the fiscal year. The budget shall be adopted not later than March 20, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. Emergency appropriations, those made after the adoption of the budget and determination of the tax rate, may be authorized by the governing body of the municipality. During the last two months of the fiscal year, the governing body may, by a 2/3 vote, amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the Governing Body. Expenditures may not legally exceed budgeted appropriations at the line item level. During 2011, the Governing Body did not increase the original Current Fund budget.

Expenditures - Are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with an encumbrance accounting system. Outstanding encumbrances at December 31, are reported as a cash liability in the financial statements. Unexpended or uncommitted appropriations, at December 31, are reported as expenditures through the establishment of appropriation reserves unless canceled by the governing body. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmeasured interest on general long-term debt, which should be recognized when due.

Encumbrances - Contractual orders outstanding at December 31, are reported as expenditures through the establishment of an encumbrance payable. Encumbrances do not constitute expenditures under GAAP.

BOROUGH OF OGDENSBURG, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010
(CONTINUED)**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

Appropriation Reserves - Are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding year. Lapsed appropriation reserves are recorded as additions to income. Appropriation reserves do not exist under GAAP.

Compensated Absences - Expenditures relating to obligations for unused vested accumulated vacation and sick pay are not recorded until paid. GAAP requires that the amount that would normally be liquidated with expendable available financial resources be recorded as an expenditure in the operating funds and the remaining obligations be recorded as a long-term obligation.

Property Acquired for Taxes - Is recorded in the Current Fund at the assessed valuation when such property was acquired and fully reserved. GAAP requires such property to be recorded in the General Fixed Assets Account Group at market value on the date of acquisition.

Interfunds - Interfund receivables in the Current Fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves. GAAP does not require the establishment of an offsetting reserve.

Inventories - The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various balance sheets.

Cash and Investments - Cash includes amounts in demand deposits as well as short-term investments with a maturity date within one year of the date acquired by the government. Investments are stated at fair value which approximates cost and are limited by NJSA 40A:5-15.1(a).

Deferred Charges to Future Taxation Funded and Unfunded - Upon the authorization of capital projects, the Borough establishes deferred charges for the costs of the capital projects to be raised by future taxation. Funded deferred charges relate to permanent debt issued, whereas unfunded deferred charges relate to temporary or non-funding of the authorized cost of capital projects. According to N.J.S.A. 40A:2-4, the Borough may levy taxes on all taxable property within the local unit to repay the debt. Annually, the Borough raises the debt requirements for that particular year in the current budget. As the funds are raised by taxation, the deferred charges are reduced.

General Fixed Assets - The Borough of Ogdensburg has developed a fixed asset accounting and reporting system, as promulgated by the Division of Local Government Services, which differs from generally accepted accounting principles.

BOROUGH OF OGDENSBURG, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010
(CONTINUED)**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

Fixed assets used in Governmental operations (general fixed assets) are accounted for in the General Fixed Assets Account Group. Public domain (infrastructure) general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets, sidewalks and drainage systems are not capitalized.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available.

GAAP requires that all fixed assets be capitalized at historical cost or estimated historical cost if actual historical cost is not available.

No depreciation has been provided for in the financial statements.

Expenditures for construction in progress are recorded in the Capital funds until such time as the construction is completed and put into operation.

Fixed assets acquired through grants in aid or contributed capital have not been accounted for separately.

Use of Estimates - The preparation of financial statements requires management of the Borough to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Comparative Data - Comparative data for the prior year have been presented in the accompanying balance sheets and statements of operations in order to provide an understanding of changes in the Borough's financial position and operations. However, comparative data have not been presented in all statements because their inclusion would make certain statements unduly complex and difficult to understand.

C. Basic Financial Statements

The GASB Codification also defines the financial statements of a governmental unit to be presented in the general purpose financial statements to be in accordance with GAAP. The Borough presents the financial statements listed in the table of contents which are required by the Division and which differ from the financial statements required by GAAP. In addition, the Division requires the financial statements listed in the table of contents to be referenced to the supplementary schedules. This practice differs from GAAP.

BOROUGH OF OGDENSBURG, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010
(CONTINUED)**

NOTE 2: BUDGETARY INFORMATION

Under New Jersey State Statutes, the annual budget is required to be a balanced cash basis document. To accomplish this, the municipality is required to establish a reserve for uncollected taxes. The 2011 statutory budget included a reserve for uncollected taxes in the amount of \$287,890.00. To balance the budget, the municipality is required to show a budgeted fund balance. The amount of fund balance budgeted to balance the 2011 statutory budget was \$66,148.00.

Interdepartment budget transfers are not permitted prior to November 1. After November 1 budget transfers can be made in the form of a resolution and approved by the Mayor and Council.

N.J.S.A. 40A:4-87 permits special items of revenue and appropriations to be inserted into the annual budget when the item has been made available by any public or private funding source and the item was not determined at the time of budget adoption. There were no special items of revenue and appropriation inserted into the budget in 2011.

The municipality may make emergency appropriations, after the adoption of the budget, for a purpose which was not foreseen at the time the budget was adopted or for which adequate provision was not made therein. This type of appropriation shall be made to meet a pressing need for public expenditure to protect or promote the public health, safety, morals or welfare or to provide temporary housing or public assistance prior to the next succeeding fiscal year. Emergency appropriations, except those classified as a special emergency, must be raised in the budgets of the succeeding year. Special emergency appropriations are permitted to be raised in the budgets of the succeeding three or five years. During 2011, the Borough had no special emergency appropriations.

NOTE 3: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2011, the following deferred charges are shown on the balance sheets of the various funds:

	<u>Balance 12/31/10</u>	<u>2011 Budget Appropriation</u>	<u>Balance to Succeeding Budget</u>
Current Fund			
Special Emergency - Revaluation	\$45,420.00	\$15,140.00	\$30,280.00
Codification of Ordinances	<u>8,208.00</u>	<u>2,052.00</u>	<u>6,156.00</u>
	<u>\$53,628.00</u>	<u>\$17,192.00</u>	<u>\$36,436.00</u>

BOROUGH OF OGDENSBURG, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010
(CONTINUED)**

NOTE 4: GENERAL FIXED ASSETS

The following schedule is a summary of changes in the general fixed assets account group for the year 2011.

	<u>Balance</u> <u>Dec. 31, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>Dec. 31, 2011</u>
Land	\$5,095,200.00	\$ -	\$ -	\$5,095,200.00
Buildings	2,397,600.00	-	-	2,397,600.00
Equipment (Including Vehicles)	<u>2,264,391.00</u>	<u>120,450.00</u>	<u>20,000.00</u>	<u>2,364,841.00</u>
	<u>\$9,757,191.00</u>	<u>\$120,450.00</u>	<u>\$20,000.00</u>	<u>\$9,857,641.00</u>

NOTE 5: MUNICIPAL DEBT

Long-term debt as of December 31, 2011 consisted of the following:

	<u>Balance</u> <u>Dec. 31, 2010</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>Due Within</u> <u>One Year</u>
General Capital Fund:					
Bonds Payable	<u>\$ 490,000.00</u>	<u>\$ -</u>	<u>\$ 90,000.00</u>	<u>\$ 400,000.00</u>	<u>\$ 95,000.00</u>
Water Capital Fund:					
U.S.D.A. Rural Dev. Loan	<u>1,908,832.52</u>	<u>-</u>	<u>28,045.32</u>	<u>1,880,787.20</u>	<u>29,506.66</u>
Compensated Absences Payable	<u>398,983.65</u>	<u>49,997.59</u>	<u>313,406.96</u>	<u>135,574.28</u>	<u>-</u>
	<u>\$2,797,816.17</u>	<u>\$49,997.59</u>	<u>\$431,452.28</u>	<u>\$2,416,361.48</u>	<u>\$124,506.66</u>

The Local Bond Law governs the issuance of bonds and notes to finance capital expenditures. General obligation bonds have been issued for the general capital fund. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Borough are general obligation bonds, backed by the full faith and credit of the Borough. Bond anticipation notes, which are issued to temporarily finance capital projects, must be paid off within ten years and five months or retired by the issuance of bonds.

BOROUGH OF OGDENSBURG, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010
(CONTINUED)**

NOTE 5: MUNICIPAL DEBT (CONTINUED)

The Borough's debt is summarized as follows:

<u>Issued</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
General:			
Bonds and Notes	612,000.00	702,000.00	800,000.00
Water Utility:			
Bonds and Notes	<u>1,918,787.20</u>	<u>1,984,832.52</u>	<u>1,970,507.63</u>
Total Issued	<u>2,530,787.20</u>	<u>2,686,832.52</u>	<u>2,770,507.63</u>
<u>Authorized But Not Issued</u>			
General:			
Bonds and Notes	125,099.02	130,599.02	137,085.96
Water Utility:			
Bonds and Notes	<u>-</u>	<u>-</u>	<u>26,480.34</u>
Total Authorized But Not Issued	<u>125,099.02</u>	<u>130,599.02</u>	<u>163,566.30</u>
Net Bonds and Notes Issued and Authorized But Not Issued	2,655,886.22	2,817,431.54	2,934,073.93
Less:			
Applicable Deductions	41,250.00	41,250.00	-
Self Liquidating	<u>1,262,471.00</u>	<u>1,984,832.52</u>	<u>1,996,987.97</u>
Net Debt	<u>1,352,165.22</u>	<u>791,349.02</u>	<u>937,085.96</u>

BOROUGH OF OGDENSBURG, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010
(CONTINUED)**

NOTE 5: MUNICIPAL DEBT (CONTINUED)

SUMMARY OF STATUTORY DEBT CONDITION - ANNUAL DEBT STATEMENT

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 0.58%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	258,858.00	258,858.00	-
Reg. School Dist. Debt	240,778.00	240,778.00	-
Water Utility Debt	1,918,787.20	1,229,616.00	689,171.20
General Debt	<u>737,099.02</u>	<u>41,250.00</u>	<u>695,849.02</u>
	<u>3,155,522.22</u>	<u>1,770,502.00</u>	<u>1,385,020.22</u>

An analysis of Long-term debt as of December 31, 2011 consisted of the following:

Paid by Current Fund:

General Obligation Bond - General Improvements - dated 4/1/08. This bond is payable in annual installments through 4/1/2015. Interest is paid semi-annually at a rate of 4.25% per annum. The balance as of December 31, 2011 was \$400,000.00. Outstanding bond principal and interest are paid from the Current Fund of the Borough.

Paid by Water Utility Fund:

Water Utility Obligation Loan - Water Utility Improvements - dated 7/28/00 with the United States Department of Agriculture - Rural Development Program. This loan is payable in annual installments through 7/28/40. Interest is paid semi-annually at a rate of 5.875% per annum. The balance as of December 31, 2011 was \$180,461.09. Outstanding loan principal and interest are paid from the Water Utility Operating Fund of the Borough.

Water Utility Obligation Loan - Water Utility Improvements - dated 7/28/00 with the United States Department of Agriculture - Rural Development Program. This bond is payable in annual installments through 7/28/40. Interest is paid semi-annually at a rate of 5.00% per annum. The balance as of December 31, 2011 was \$1,700,326.11. Outstanding loan principal and interest are paid from the Water Utility Operating Fund of the Borough.

BOROUGH OF OGDENSBURG, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010
(CONTINUED)**

NOTE 5: MUNICIPAL DEBT (CONTINUED)

Total General Capital Bond - Listed in above	<u>\$ 400,000.00</u>
Total Water Utility Capital Bonds and Loans - Listed in above	<u>\$1,880,787.20</u>

Net Debt \$1,385,020.22 divided by Average Equalized Valuation Basis per N.J.S. 40A:2-2 as amended,
\$238,498,167.00 = 0.58%.

SUMMARY OF AVERAGE EQUALIZED VALUATIONS

2011	238,498,167.00		
2010		243,489,708.00	
2009			244,691,689.00

BORROWING POWER UNDER N.J.S. 40A:2-6 AS AMENDED

3 ½% of Equalized Valuation Basis (Municipal)	\$8,347,435.85
Net Debt	<u>1,385,020.22</u>
Remaining Borrowing Power	<u>\$6,962,415.63</u>

CALCULATION OF "SELF-LIQUIDATING PURPOSE" WATER UTILITY PER N.J.S. 40A:2-45

Cash Receipts from Fees, Rents or Other Charges for Year	\$315,647.33
Deductions:	
Operating and Maintenance Cost	188,185.00
Debt Service	<u>161,920.89</u>
Total Deductions	<u>350,105.89</u>
Excess in Revenue/(Deficit)	<u>\$(34,458.56)</u>

Footnote: If there is an "Excess in Revenue," all such utility debt is deductible. If there is a "deficit," then utility debt is not deductible to the extent of 20 times such deficit amount.

The forgoing debt information is not in agreement with the Annual Debt Statement filed by the Chief Financial Officer, a revised copy will be filed.

BOROUGH OF OGDENSBURG, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010
(CONTINUED)**

NOTE 5: MUNICIPAL DEBT (CONTINUED)

**SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST FOR BONDED DEBT
ISSUED AND OUTSTANDING**

Calendar Year	General		Water Utility		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2012	95,000.00	14,981.25	29,506.66	95,241.34	124,506.66	110,222.59
2013	100,000.00	10,837.50	31,022.68	93,725.32	131,022.68	104,562.82
2014	100,000.00	6,587.50	32,616.77	92,131.23	132,616.77	98,718.73
2015	105,000.00	2,231.25	34,292.96	90,455.04	139,292.96	92,686.29
2016	-	-	36,055.51	88,692.49	36,055.51	88,692.49
2017-2021	-	-	210,063.38	413,676.62	210,063.38	413,676.62
2022-2026	-	-	269,936.03	353,803.97	269,936.03	353,803.97
2026-2031	-	-	346,926.38	276,813.62	346,926.38	276,813.62
2032-2036	-	-	445,945.75	177,794.25	445,945.75	177,794.25
2037-2040	-	-	444,421.08	52,443.47	444,421.08	52,443.47
	<u>400,000.00</u>	<u>34,637.50</u>	<u>1,880,787.20</u>	<u>1,734,777.35</u>	<u>2,280,787.20</u>	<u>1,769,414.85</u>

NOTE 6: BOND ANTICIPATION NOTES

The Borough issued bond anticipation notes to temporarily fund various capital projects prior to the issuance of serial bonds. The term of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding one year. Generally, such notes must be paid no later than the first day of the fifth month following the close of the tenth fiscal year following the date of the original notes. The State of New Jersey also prescribes that on or before the third anniversary date of the original note a payment of an amount at least equal to the first legally payable installment of the bonds in anticipation of such notes issued be paid or retired. A second and third legal installment must be paid if the notes are to be renewed beyond the fourth and fifth anniversary date of the original issuance.

BOROUGH OF OGDENSBURG, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010
(CONTINUED)**

NOTE 6: BOND ANTICIPATION NOTES (CONTINUED)

The following activity related to Bond Anticipation Notes occurred during the calendar year ended December 31, 2011:

	<u>Balance Dec. 31, 2010</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance Dec. 31, 2011</u>
General Capital:				
JP Morgan Chase	\$212,000.00	\$ -	\$212,000.00	\$ -
Sussex Bank	<u>-</u>	<u>212,000.00</u>	<u>-</u>	<u>212,000.00</u>
	<u>212,000.00</u>	<u>212,000.00</u>	<u>212,000.00</u>	<u>212,000.00</u>
Water Capital Fund:				
Lakeland Bank	76,000.00	-	76,000.00	-
Sussex Bank	<u>-</u>	<u>38,000.00</u>	<u>-</u>	<u>38,000.00</u>
	<u>76,000.00</u>	<u>38,000.00</u>	<u>76,000.00</u>	<u>38,000.00</u>
	<u>\$288,000.00</u>	<u>\$250,000.00</u>	<u>\$288,000.00</u>	<u>\$250,000.00</u>

The Borough has outstanding at December 31, 2011, a bond anticipation note in the amount of \$212,000.00 payable to Sussex Bank. This note will mature on December 06, 2012 and it is the intent of the Borough Council to renew this note for another one year period. The current interest rate on this note is 1.35%. Principal and interest on this note is paid from the Current Fund Budget of the Borough.

The Borough has outstanding at December 31, 2011, a bond anticipation note in the amount of \$38,000.00 payable to Sussex Bank. This note will mature on December 06, 2012 and it is the intent of the Borough Council to renew this note for another one year period. The current interest rate on this note is 1.35%. Principal and interest on this note is paid from the Water Operating Fund Budget of the Borough.

BOROUGH OF OGDENSBURG, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010
(CONTINUED)**

NOTE 7: DUE TO/FROM OTHER FUNDS

Balances due to/from other funds at December 31, 2011 consist of the following:

<u>\$587,534.66</u>	Due to Federal and State Grant Fund from Current Fund for receipts and disbursements received in Current Fund for the Federal and State Grant Fund.
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NOTE 8: FUND BALANCES APPROPRIATED

Fund balances at December 31, 2011 which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2012, per the introduced budget, were as follows:

Current Fund	<u>\$47,148.00</u>
Water Utility Operating Fund	<u>\$54,072.45</u>

NOTE 9: LOCAL AND REGIONAL DISTRICT SCHOOL TAXES

Regulations provide for the deferral of not more than 50% of the annual levy when school taxes are raised for a school year and have not been requisitioned by the School District. The Borough of Ogdensburg has not elected to defer school taxes.

NOTE 10: PENSION PLANS

Description of Systems:

Substantially all of the Borough's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State statute: the Police and Firemen's Retirement System (PFRS) or the Public Employees' Retirement System (PERS). These systems are sponsored and administered by the State of New Jersey. The Public Employees' Retirement System and the Police and Firemen's Retirement System (PFRS) are considered a cost sharing multiple-employer plans. According to the State of New Jersey Administrative Code, all obligations of the systems will be assumed by the State of New Jersey should the systems terminate.

BOROUGH OF OGDENSBURG, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010
(CONTINUED)**

NOTE 10: PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS)

The Public Employees' Retirement System was established in January, 1955 under the provisions of N.J.S.A. 43:15A to provide coverage including post-retirement health care to certain qualified members. Membership is mandatory for substantially all full time employees of the State or any county, municipality, school district or public agency provided the employee is not required to be a member of another State-administered retirement system. Vesting occurs after 8-10 years of service and 25 years for health care coverage. Members are eligible for retirement at age 60 with an annual benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service. Early retirement is available to those under age 60 with 25 or more years of credited service. 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 contributions. In case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Chapter 103, P.L. 2007 amended the early retirement reduction formula for members hired on or after July 1, 2007 and retiring with 25 years of service to be reduced by 1% for every year between age 55 and 60, plus 3% for every year under age 55.

Chapter 89, P.L. 2008 increased the PERS eligibility age for unreduced benefits from age 60 to age 62 for members hired on or after November 1, 2008; increased the minimum annual compensation required for membership eligibility for new members. Also, it amended the early retirement reduction formula for members hired on or after November 1, 2008 and retiring with 25 years of service to be reduced by 1% for every year between age 55 and 62, plus 3% for every year under age 55.

Chapter 1, P.L. 2010, effective May 21, 2010, changed the membership eligibility criteria for new members of PERS from the amount of compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of PERS to 1/60 from 1/55, and it provided that new members of PERS have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of PERS will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. This law also closed the Prosecutors Part of the PERS to new members and repealed the law for new members that provided a non-forfeitable right to receive a pension based on the laws of the retirement system in place at the time 5 years of pension service credit is attained. The law also requires the State to make its full pension contribution, defined as 1/7th of the required amount, beginning in fiscal year 2012.

BOROUGH OF OGDENSBURG, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010
(CONTINUED)**

NOTE 10: PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS), (continued)

Chapter 3, P.L. 2010, effective May 21, 2010, replaced the accidental and ordinary disability retirement for new members of PERS with disability insurance coverage similar to that provided by the State to individuals enrolled in the State's Defined Contribution Retirement Program.

Chapter 78, P.L. 2011, provides that new members of PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of $\frac{1}{4}$ of 1% for each month that the member is under age 65. Tier 5 members will be eligible for a service retirement benefit at age 65.

Police and Firemens' Retirement System (PFRS)

The Police and Firemens' Retirement System was established in July 1944 under the provisions of N.J.S.A. 43:16A to provide retirement, death and disability benefits to its members. Membership is mandatory for all full time county and municipal police and firemen, and state firemen or officer employees with police powers appointed after June 30, 1944.

Enrolled members of the Police and Firemens' Retirement System may retire at age 55 with no minimum service requirement. The annual allowance is equal to 2% of the members' final compensation for each year of service up to 30 years, plus 1% of each year of creditable service over 30 years. Final compensation equals the compensation for the final year of service prior to retirement. Special retirement is permitted to members who have 25 or more years of creditable service in the system. Benefits fully vest on reaching 10 years of service. Members are always fully vested for their own contributions. In the case of death before retirement, members' beneficiaries are entitled to full payment of members' contributions.

Chapter 1, P.L. 2010, effective May 21, 2010, eliminated the provision in PFRS that would permit a member to retire, at any age after 25 years of service credit, on a special retirement allowance of 70% of final compensation after the retirement system reaches a funded level of 104%. Also, for new members of PFRS, the law capped the maximum compensation that can be used to calculate a pension from the plan at the annual wage contribution base for Social Security, and requires the pension to be calculated using a three year average annual compensation instead of the last year's salary.

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 for PERS and PFRS. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Divisions of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295.

BOROUGH OF OGDENSBURG, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010
(CONTINUED)**

NOTE 10: PENSION PLANS (CONTINUED)

Contribution Requirements

The contribution policy is set by laws of the State of New Jersey and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The pension funds provide for employee contributions based on 5.5% for PERS. This amount will increase to 6.5% plus an additional 1% phased in over 7 years beginning 2012 and 8.5% for PFRS, which increased to 10% in October 2011, of the employee's annual compensation, as defined by law. Employers are required to contribute at an actuarially determined rate in all Funds except the SACT. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PERS and PFRS. In the PERS and PFRS, the employer contribution includes funding for post-retirement medical premiums.

The Borough's contribution to the various plans, equal to the required contributions for each year, were as follows:

<u>Year Ended</u> <u>December 31,</u>	<u>PERS</u>	<u>PFRS</u>
2011	\$46,184.00	\$120,656.00
2010	35,026.00	99,072.00
2009	22,860.00	87,848.00

Defined Contribution Retirement Program

The Defined Contribution Retirement Program (DCRP) was established on July 1, 2007 for certain public employees under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007. The program provides eligible members, with a minimum base salary of \$1,500.00 or more, with a tax-sheltered, defined contribution retirement benefit, in addition to life insurance and disability coverage. The DCRP is jointly administered by the Division of Pensions and Benefits and Prudential Financial.

If the eligible elected or appointed official will earn less than \$5,000.00 annually, the official may choose to waive participation in the DCRP for that office or position. The waiver is irrevocable.

This retirement program is a new pension system where the value of the pension is based on the amount of the contribution made by the employee, employer and through investment earnings. It is similar to a Deferred Compensation Program where the employee has a portion of tax deferred salary placed into an account that the employee manages through investment option provided by the employer.

BOROUGH OF OGDENSBURG, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010
(CONTINUED)**

NOTE 10: PENSION PLANS (CONTINUED)

Defined Contribution Retirement Program

The law requires that three classes of employees enroll in the DCRP detailed as follows:

All elected officials taking office on or after July 1, 2007, except that a person who is reelected to an elected office held prior to that date without a break in service may retain in the PERS.

A Governor appointee with advice and consent of the Legislature or who serves at the pleasure of the Governor only during that Governor's term of office.

Other employees commencing service after July 1, 2007, pursuant to an appointment by an elected official or elected governing body which include the statutory untenured Chief Administrative Officer such as the Business Administrator, County Administrator, or Municipal or County Manager, Department Heads, Legal Counsel, Municipal or County Engineer, Municipal Prosecutor and the Municipal Court Judge.

Notwithstanding the foregoing requirements, other employees who hold a professional license or certificate or meet other exceptions are permitted to remain to join or remain in PERS.

Contributions made by employees for DCRP are currently at 5.5% of the base wages. Member contributions are matched by a 3.0% employer contribution.

NOTE 11: ACCRUED SICK AND VACATION BENEFITS

The Borough of Ogdensburg permits employees to accrue unused vacation and sick and floating holiday pay, which may be taken as time off or paid upon retirement or separation at an agreed upon rate. It is estimated that the current cost of such unpaid compensation would approximate \$135,574.28. This amount is not reported either as an expenditure or liability. The Borough has reserved \$27,025.17 from previous budgets to be used to offset this liability and is reflected on the Trust Fund balance sheet. It is expected that the cost of such unpaid compensation would be included in the Borough's budget operating expenditures in the year in which it is used.

BOROUGH OF OGDENSBURG, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010
(CONTINUED)**

NOTE 12: CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Borough's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. As of December 31, 2011, \$0- of the Borough's bank balance of \$2,379,946.06 was exposed to custodial credit risk.

Investments

Investment Rate Risk

The Borough does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statutes 40A:5-15.1(a) limits the length of time for most investments to 397 days.

Credit Risk

New Jersey Statutes 40A:5-15.1(a) limits municipal investments to those specified in the Statutes. The type of allowance investments are Bonds of the United States of America, bonds or other obligations of the Boroughs or bonds or other obligations of the local unit or units within which the Borough is located: obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

Concentration of Credit Risk

The Borough places no limit on the amount the Borough may invest in any one issuer.

NOTE 13: RISK MANAGEMENT

The Borough is exposed to various risks of loss related to general liability, automobile coverage, damage and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Borough has obtained insurance coverage to guard against these events which will provide minimum exposure to the Borough should they occur. During the 2011 calendar year, the Borough did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

BOROUGH OF OGDENSBURG, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010
(CONTINUED)**

NOTE 14: PUBLIC ASSISTANCE

The Borough of Ogdensburg has elected to have the County of Sussex process all public assistance granted to the residents. Therefore, the Borough of Ogdensburg no longer has a public assistance director.

NOTE 15: LEASES

On May 11, 2010 the Borough entered into a long-term lease for the purchase of two copiers, totaling \$17,800.00. The lease is for a five (5) year term expiring on 5/25/2015. The interest rate is 6.05%. A payment of \$2,065.00 was made on the date of inception of the lease.

On April 5, 2011, the Borough entered into a long-term lease for the purchase of a 2009 Dodge Charger police car. The lease is for a three (3) year term expiring on 3/5/2014. The interest reate is 6.15%. A payment of \$829.98 was made on the date of inception of the lease.

The following is a schedule of future minimum lease payments as of December 31, 2011:

Total minimum lease payment	\$35,846.75
Less: amount representing interest	<u>2,772.96</u>
Present Value of net minimum lease payments	<u>\$33,073.79</u>

Calendar Year	<u>Principal</u>	<u>Interest</u>	<u>Total Lease Payments</u>
2012	\$12,564.50	\$1,637.01	\$14,201.51
2013	13,029.07	881.25	13,910.32
2014	6,005.22	231.68	6,236.90
2015	<u>1,475.00</u>	<u>23.02</u>	<u>1,498.02</u>
	<u>\$33,073.79</u>	<u>\$2,772.96</u>	<u>\$35,846.75</u>

BOROUGH OF OGDENSBURG, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010
(CONTINUED)**

NOTE 16: HEALTH INSPECTIONS

The Borough of Ogdensburg has elected to have the County of Sussex, Department of Health, perform all inspections. Therefore, the Borough of Ogdensburg does not have a health inspector.

NOTE 17: TAXES COLLECTED IN ADVANCE

Taxes collected in advance are recorded as cash liabilities in the financial statements. Following is a comparison of the liability for the previous two years:

	<u>Balance Dec. 31, 2011</u>	<u>Balance Dec. 31, 2010</u>
Prepaid Taxes	<u>\$52,123.33</u>	<u>\$21,704.84</u>
Cash Liability for Taxes Collected in Advance	<u>\$52,123.33</u>	<u>\$21,704.84</u>

NOTE 18: POST-RETIREMENT BENEFITS

A. PLAN OVERVIEW

Borough of Ogdensburg ("Ogdensburg") provides post-employment benefits other than pensions ("OPEB") to employees who meet certain criteria. As a result of offering such benefits, Ogdensburg will be required to report the value of such benefits and the associated costs according to the accounting requirements of Governmental Accounting Standards Board Statement No. 45, Accounting and Financial Reporting "by Employers for Postemployment Benefits Other Than Pensions ("GASB 45").

Ogdensburg provides medical benefits to retirees and their covered eligible dependents. Ogdensburg pays a portion of the cost for eligible retirees, spouses and dependents. All active employees who retire directly from Ogdensburg and meet eligibility criteria may participate.

The summary below identifies the value of benefits at January 1, 2009 and costs for the 2011 Fiscal Year according to the accounting requirements of GASB 45 and summarizes the actuarial valuation results by Borough of Ogdensburg's active and retired employee groups.

Note that implicit subsidies as required by GASB 45 are factored into all relevant values in this report.

BOROUGH OF OGDENSBURG, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010
(CONTINUED)**

NOTE 18: POST-RETIREMENT BENEFITS (CONTINUED)

	<u>January 1, 2009</u>
Present Value of Future Benefits	
Actives	\$502,074.00
Retirees	<u>384,434.00</u>
Total	\$886,508.00
Actuarial Accrued Liability	
Actives	\$172,020.00
Retirees	<u>384,434.00</u>
Total	\$556,454.00
GASB 45 Measures	<u>2009 FY</u>
Annual Required Contributions (ARC)	\$40,502.00
Annual OPEB Cost	40,502.00
Employer Contributions, reflecting implicit rate subsidies	\$31,575.00
Employer Contributions (Pay-As-You-Go) ¹	\$15,682.86

1. Estimated annual employer contribution based on data received from Borough of Ogdensburg.

B. LIABILITIES AND NORMAL COST

The Actuarial Accrued Liability is the liability or obligation for benefits earned through the valuation date, based on certain actuarial methods and assumptions. The Plan's Actuarial Accrued Liability (at January 1, 2009) is \$556,454.00. The Actuarial Accrued Liability represents approximately 56.32% of the present value of future benefits.

Liabilities and Normal Cost	<u>January 1, 2009</u>
Actuarial Accrued Liability	\$556,454.00
Plan Assets	<u>-</u>
Unfunded Actuarial Accrued Liability	\$556,454.00
Normal Cost	\$ 11,500.08

BOROUGH OF OGDENSBURG, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010
(CONTINUED)**

NOTE 18: POST-RETIREMENT BENEFITS (CONTINUED)

Normal Cost is the portion of the actuarial present value of Plan Benefits which is allocated to a valuation year by the actuarial cost method.

Normal Cost is the value of benefits expected to be earned during the year, again, based on certain actuarial methods and assumptions. The 2011 Fiscal Year Normal Cost is \$15,064.74.

C. CENSUS INFORMATION

Data was provided by Borough of Ogdensburg as of January 1, 2009.

Participant Information	<u>January 1, 2009</u>
Active Participants	11
Retired Participants	<u>6</u>
Total	17
Employer Contributions	<u>2009 FY</u>
Expected OPEB Contributions:	
Active Participants	\$ -
Inactive Participants	<u>8,927.00</u>
Total Participants	<u>\$8,927.00</u>

D. FUNDING POLICY

Borough of Ogdensburg currently accounts for these post-retirement benefits in a pay-as-you-go basis.

E. ACCOUNTING AND ACTUARIAL INFORMATION

The effective date of the GASB OPEB Accounting Standard for Phase 1 employers is the Fiscal Year beginning after December 15, 2006. For the Borough of Ogdensburg, this is the period from January 1, 2009 through December 31, 2009. The following exhibits show the Annual Required Contribution (ARC), Annual OPEB Cost (AOC), and projected December 31, 2009 Net OPEB Obligation (NOO), assuming the accounting standards is first adopted for the 2009 Fiscal Year.

BOROUGH OF OGDENSBURG, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010
(CONTINUED)**

NOTE 18: POST-RETIREMENT BENEFITS (CONTINUED)

E. ACCOUNTING AND ACTUARIAL INFORMATION (continued)

1. DEVELOPMENT OF NORMAL COST

The cumulative Normal Cost across all active participants is \$15,064.74.

2. DEVELOPMENT OF ANNUAL REQUIRED CONTRIBUTION

The Standard sets the method for determining Borough of Ogdensburg's post employment benefits accrual, the Annual Required Contribution (ARC), to include both the value of benefits earned during the year (Normal Cost) and a supplemental cost based on an amortization of the Unfunded Actuarial Accrued Liability. Accordingly, the following table shows Borough of Ogdensburg's 2009 FY ARC based on a 30-year amortization of the Unfunded Actuarial Accrued Liability as a level dollar amount:

Fiscal Year Ending December 31, 2009

Preliminary ARC

Normal Cost	\$16,039.00
Supplemental cost	23,513.00
Compound interest to year end	<u>950.00</u>
Annual Requirement Contribution (ARC)	<u>\$40,502.00</u>

Annual OPEB cost and net OPEB obligation:

Annual Required Contribution (ARC)	\$ 40,502.00
Interest on OPEB Obligation	-
Adjusted to ARC	-
Annual OPEB Cost Expense	<u>40,502.00</u>
Contributions Made (assumed middle of year)*	31,575.00
Increase in Net OPEB Obligation	<u>8,927.00</u>
Net OPEB Obligation - beginning of year	-
Net OPEB Obligation - end of year	<u>\$ 8,927.00</u>

* Contribution made was assumed to equal expected benefit payments.

BOROUGH OF OGDENSBURG, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010
(CONTINUED)**

NOTE 18: POST-RETIREMENT BENEFITS (CONTINUED)

E. ACCOUNTING AND ACTUARIAL INFORMATION (continued)

GASB 45 paragraph 26(a) requires the following elements to be listed in the report. Below is the projected schedule of funding progress:

Valuation Date	Actuarial Value of Assets - Unite Credit	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll
	<u>(a)</u>	<u>(b)</u>	<u>(b) - (a)</u>	<u>(a) / (b)</u>	<u>(c)</u>	<u>[(b) - (a)] / (c)</u>
January 1, 2009	-	\$556,454	\$556,454	0.00%	\$698,890	79.6%

F. PLAN PROVISIONS

The following summary of plan provisions represents our understanding of Ogdensburg's substantive plan.

Employees who retire from Ogdensburg may be eligible for post-employment medical benefits pursuant to the provisions below:

ELIGIBILITY: Police and Fire hired pre 1/1/2000: 55 years of age or 20 years of service
 Police and Fire hired post 1/1/2000: 55 years of age and 25 years of service
 Tier 1 and 2 employees: 60 years of age
 Tier 3 employees: 62 years of age.

DEPENDENT ELIGIBILITY: Eligible dependents include the participant's:

- Spouse;
- Spouse's, or unmarried children - including legally adopted children and stepchildren;

BENEFIT CESSATION: Coverage ends upon death.

SURVIVOR ELIGIBILITY: Survivors are covered until age 65 of retiree's death.

TYPES OF PLANS: Aetna and Horizon Blue Cross/Blue Shield of New Jersey.

BOROUGH OF OGDENSBURG, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010
(CONTINUED)**

NOTE 18: POST-RETIREMENT BENEFITS (CONTINUED)

F. PLAN PROVISIONS (continued)

WAIVING

COVERAGE: Any retired member can elect to waive coverage.

BENEFITS

NOT VALUED: The retiree Vision, Dental and Life Insurance plans were not valued. Retiree's under the Aetna Plan do not receive vision or dental.

Information for this note was obtained from the USI Consulting Group's report dated April 15, 2010.

NOTE 19: CONTINGENT LIABILITIES

We are advised by Borough Counsel that they are unaware of any matters that would have a material effect on the Borough's financial position.

SUPPLEMENTARY DATA

BOROUGH OF OGDENSBURG, N.J.
OFFICIALS IN OFFICE AND SURETY BONDS
Year ended December 31, 2011

The following officials were in office during the period under audit:

<u>Name</u>	<u>Title</u>
Steve Ciasullo	Mayor
Wayne Ingerto	Council President
Bill Andrews	Councilperson
John Hann	Councilperson
Robert McGuire	Councilperson
Peter Opilla	Councilperson
James Wolstenholme	Councilperson to 4/1/11
Bill Amodeo	Councilperson from 4/1/11
Phyllis Drouin	Borough Clerk; Registrar of Vital Statistics; Assessment Search Officer
Michael Garofalo	Attorney
Monica Goscicki	Chief Financial Officer
Linda Pettenger	Tax Collector
Donna Paiva	Deputy Registrar of Vital Statistics
Ann Peters	Water Cashier
Kevin Kervatt	Zoning Officer; Fire Subcode Official
Bill Varcadipane	Chief of Police
John Mulhern	Judge
Nancy Kurzweil	Adm. of the Court
Kathleen Quinn	Dep. Adm. of the Court
Victor Jusino	Borough Prosecutor to 5/31/11
Jonathan McMeen	Borough Prosecutor from 6/1/11
Kathleen Kieb	Tax Assessor
Eugene Buczynski	Borough Engineer
Jan Opt'Hof	Building Inspector; Construction Code Official
Daniel Colfax	Public Defender
Township of Sparta	Animal Control Officer to 4/30/11
Township of Wantage	Animal Control Officer from 5/1/11
Blanche Stuckey	Planning Board/Zoning Board Secretary/Administrator
Thomas M. Ferry, C.P.A., R.M.A.	Auditor

Blanket Bond coverage is provided for all officials and employees in the amount of \$1,000,000. The coverage type provided by Blanket Bond is for employee theft.

Borough of Ogdensburg
 Schedule of Expenditures of Federal Awards
 For the Year Ended December 31, 2011

Federal Grantor/Pass-Through Grantor/ Program Title	Federal C.F.D.A. Number	Program or Award Amount	Grant Period To/From	12/31/2010		12/31/2011		MEMO Cumulative Total Expenditures
				(Receivable)	Reserve Balance	(Receivable)	Reserve Balance	
US Department of Criminal Justice: Cops Fast Grant	2002SHWX0035	150,000.00	1/1/02-12/31/02	(19,145.42)	15,250.00	19,145.42	(15,250.00)	134,750.00
TOTAL FEDERAL AID				<u>(19,145.42)</u>	<u>15,250.00</u>	<u>19,145.42</u>	<u>(15,250.00)</u>	

Note: This schedule was not subject to an audit in accordance with Federal OMB Circular A-133.

Borough of Ogdenburg
 Schedule of Expenditures of State Awards
 For the Year Ended December 31, 2011

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grand Period From To	12/31/2010		12/31/2011		MEMO Cumulative Total Expenditures
				(Receivable)	Reserve Balance	(Receivable)	Reserve Balance	
FEDERAL AND STATE GRANT FUND								
NJ Department of Environmental Protection:								
Clean Communities	4900-765-4900-004-V42Y-6020	4,000.00	1/1/06-12/31/06		3,031.36			1,697.87
Clean Communities	4900-765-4900-004-V42Y-6020	4,000.00	1/1/07-12/31/07		4,000.00			-
Clean Communities	4900-765-4900-004-V42Y-6020	4,000.00	1/1/08-12/31/08		4,000.00			-
Clean Communities	4900-765-4900-004-V42Y-6020	4,597.14	1/1/09-12/31/09		4,597.14			-
Clean Communities	4900-765-4900-004-V42Y-6020	4,786.99	1/1/10-12/31/10		4,786.99			-
Clean Communities	4900-765-4900-004-V42Y-6020	4,548.65	1/1/11-12/31/11	4,548.65				-
Highlands Initial Assessment	09-033-010-2116	15,000.00	1/1/09-12/31/09		62.50	(62.50)		15,000.00
Highlands Assessment	09-033-011-2116	50,000.00	1/1/09-12/31/09		21,370.00			35,500.00
Stormwater Management	N/A	3,750.00	1/1/06-12/31/06		2,375.00			1,300.00
Stormwater Management	N/A	1,250.00	1/1/07-12/31/07		1,250.00			-
Total NJ Department of Environmental Protection:				(22,062.50)	45,472.99	7,974.23	(62.50)	14,500.00
								2,000.00
								41,984.91
NJ Department of Community Affairs:								
Alcohol Education Reach Fund	9735-760-098-Y900-001-X100-6020	1,039.16	1/1/08-12/31/08		979.73			979.73
Alcohol Education Reach Fund	9735-760-098-Y900-001-X100-6020	139.23	1/1/09-12/31/09		139.23			-
Alcohol Education Reach Fund	9735-760-098-Y900-001-X100-6020	269.67	1/1/11-12/31/11	269.67				-
Concord on Affordable Housing	N/A	60,000.00	1/1/06-12/31/06		41,300.00			55,870.00
Municipal Alliance	N/A	3,263.00	1/1/08-12/31/08		2,142.51	(2,142.51)		3,263.00
Municipal Alliance	N/A	3,197.00	1/1/09-12/31/09		3,197.00	(675.89)		2,865.00
Municipal Alliance	N/A	2,993.00	1/1/10-12/31/10	1,017.94				-
Municipal Alliance	N/A	2,993.00	1/1/11-12/31/11		2,993.00	(2,993.00)		-
Hepatitis B Fund	4230-100-046-4781-241-1002-3890	595.00	1/1/09-12/31/09		595.00			595.00
Sewer System Grant	N/A	1,000,000.00	1/1/06-12/31/06		536,220.79			524,073.54
Total NJ Department of Community Affairs:				(3,855.34)	530,397.26	2,818.40	(2,993.00)	475,926.46
NJ Division of Motor Vehicles:								
Drunk Driving Enforcement Fund	6400-100-078-6400-YYYY	813.00	1/1/04-12/31/04		722.01			722.01
Drunk Driving Enforcement Fund	6400-100-078-6400-YYYY	1,536.80	1/1/05-12/31/05		1,536.80			1,536.80
Drunk Driving Enforcement Fund	6400-100-078-6400-YYYY	1,117.12	1/1/06-12/31/06		1,117.12			1,117.12
Drunk Driving Enforcement Fund	6400-100-078-6400-YYYY	4,000.00	1/1/10-12/31/10		4,000.00			4,000.00
Total NJ Division of Motor Vehicles:					7,375.93			7,375.93
NJ Department of Solid Waste Protection:								
Recycling Tonnage	4900-752-042-4900-001-V42Y-6020	886.50	1/1/08-12/31/08		17.10			886.50
Recycling Tonnage	4900-752-042-4900-001-V42Y-6020	3,906.00	1/1/09-12/31/09		3,906.00			3,906.00
Recycling Tonnage	4900-752-042-4900-001-V42Y-6020	7,110.18	1/1/11-12/31/11	7,110.18				-
Total Department of Environmental Solid Waste Protection:					3,923.10	4,554.58		6,478.70
								6,478.70
NJ Department of Criminal Justice:								
Body Armor	1020-718-066-1020-001-YC1S-6120	1,361.34	1/1/05-12/31/05		147.80			147.80
Body Armor	1020-718-066-1020-001-YC1S-6120	686.03	1/1/06-12/31/06		686.03			686.03
Body Armor	1020-718-066-1020-001-YC1S-6120	717.61	1/1/07-12/31/07		717.61			717.61
Body Armor	1020-718-066-1020-001-YC1S-6120	693.16	1/1/08-12/31/08		693.16			693.16
Body Armor	1020-718-066-1020-001-YC1S-6120	1,619.59	1/1/10-12/31/10		1,619.59			1,619.59
Body Armor	1020-718-066-1020-001-YC1S-6120	1,011.24	1/1/11-12/31/11	1,011.24				-
Total NJ Department of Criminal Justice:					3,864.19			10,112.43
								4,875.43
TOTAL STATE AID				(25,898.84)	611,033.47	2,880.90	(2,880.90)	597,279.81
								17,300.00
								614.48

Note: This schedule was not subject to an audit in accordance with N.J.O.M.B. Circular 04-04.

COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE

CURRENT FUND

	<u>Year 2011</u>		<u>Year 2010</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Revenue and Other Income Realized</u>				
Fund Balance Utilized	66,148.00	0.99%	66,148.00	1.02%
Miscellaneous - From Other Than Local Property Tax Levies	314,077.82	4.72%	327,061.86	5.03%
Collection of Delinquent Taxes and Tax Title Liens	193,690.40	2.91%	231,916.15	3.56%
Collection of Current Tax Levy	6,013,005.27	90.27%	5,791,049.16	89.00%
Other Credits to Income	74,063.09	1.11%	90,832.89	1.39%
<u>Total Revenue and Other Income Realized</u>	<u>6,660,984.58</u>	<u>100.00%</u>	<u>6,507,008.06</u>	<u>100.00%</u>
 <u>Expenditures</u>				
Budget Expenditures:				
Municipal Purposes	2,452,455.64	37.36%	2,389,383.38	37.47%
Local and Regional School Taxes	3,034,644.79	46.22%	2,969,047.93	46.55%
County Taxes	1,054,361.39	16.06%	996,881.32	15.63%
Other Expenditures	23,485.92	0.36%	22,312.22	0.35%
<u>Total Expenditures</u>	<u>6,564,947.74</u>	<u>100.00%</u>	<u>6,377,624.85</u>	<u>100.00%</u>
Excess (Deficit) in Revenue	96,036.84		129,383.21	
Expenditures Included Above Which are by Statute Deferred Charges to Budget of Succeeding Year				
Statutory Excess to Fund Balance	96,036.84		129,383.21	
Fund Balance, January 1,	<u>296,097.15</u>		<u>232,861.94</u>	
	392,133.99		362,245.15	
Less:				
Utilized as Anticipated Revenue	<u>66,148.00</u>		<u>66,148.00</u>	
Fund Balance, December 31,	<u>325,985.99</u>		<u>296,097.15</u>	

COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE

WATER UTILITY OPERATING FUND

	<u>Year 2011</u>		<u>Year 2010</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Revenue and Other Income Realized</u>				
Fund Balance Utilized	18,506.00	5.42%	45,287.34	10.23%
Collection of Water Rents	293,518.75	85.98%	379,434.18	85.72%
Miscellaneous - From Other Than Water Rents	1,497.58	0.44%	1,635.29	0.37%
Other Credits to Income	27,849.47	8.16%	16,286.92	3.68%
<u>Total Revenue and Other Income Realized</u>	<u>341,371.80</u>	<u>100.00%</u>	<u>442,643.73</u>	<u>100.00%</u>
 <u>Expenditures</u>				
Budget Expenditures:				
Operating	178,885.00	45.28%	171,010.00	41.37%
Capital Improvements	45,000.00	11.39%	45,504.00	11.01%
Debt Service	161,920.89	40.98%	160,492.70	38.83%
Deferred Charges and Statutory Expenditures	9,300.00	2.35%	35,780.34	8.66%
Other Expenses			534.75	0.13%
<u>Total Expenditures</u>	<u>395,105.89</u>	<u>100.00%</u>	<u>413,321.79</u>	<u>100.00%</u>
Excess (Deficit) in Revenue			29,321.94	
Operating Deficit to be Raised in Budget of Succeeding Year	<u>53,734.09</u>			
Statutory Excess to Fund Balance			29,321.94	
Fund Balance, January 1,	<u>136,592.64</u>		<u>152,558.04</u>	
	136,592.64		181,879.98	
Less:				
Utilized as Anticipated Revenue	<u>18,506.00</u>		<u>45,287.34</u>	
Fund Balance, December 31,	<u>118,086.64</u>		<u>136,592.64</u>	

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2011</u>	<u>2010</u>	<u>2009*</u>
Tax Rate:			
General	<u>2.599</u>	<u>2.509</u>	<u>2.387</u>
Apportionment of Tax Rate:			
Municipal	.905	.869	.787
County	.437	.413	.391
Local School	.924	.904	.874
Regional High School	.333	.323	.335

Assessed Valuation

2011	241,395,907.00		
2010		241,981,615.00	
2009*			242,504,490.00

* Revaluation Year

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collections</u>
2011	6,295,002.78	6,013,005.27	95.52%
2010	6,071,455.04	5,791,049.16	95.38%
2009	5,794,085.72	5,506,321.02	95.03%

DELINQUENT TAXES AND TAX TITLE LIENS

This tabulation includes a comparison expressed in percentage of the total of delinquent taxes and tax title liens, in relation to the tax levies of the last three years.

<u>Year</u>	<u>Amount of Delinquent Taxes</u>	<u>Amount of Tax Title Liens</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2011	230,854.13	106,713.06	337,567.19	5.36%
2010	196,424.92	70,751.76	267,176.68	4.40%
2009	219,679.17	46,844.79	266,523.96	4.60%

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

The value of property acquired by liquidation of tax title liens on December 31, on the basis of the last assessed valuation of such properties, was as follows:

<u>Year</u>	<u>Amount</u>
2011	2,371,000.00
2010	2,371,100.00
2009	2,371,100.00

COMPARISON OF WATER UTILITY LEVIES

<u>Year</u>	<u>Levy</u>	<u>Collections</u>
2011	295,245.61	293,518.75
2010	359,588.55	379,434.18
2009	379,280.43	366,546.55

COMPARATIVE SCHEDULE OF FUND BALANCES

	<u>Year</u>	<u>Balance Dec. 31,</u>	<u>Utilized in Budget of Succeeding Year</u>
Current Fund:	2011	325,985.99	47,148.00
	2010	296,097.15	66,148.00
	2009	232,861.94	66,148.00
	2008	595,392.43	394,000.00
	2007	451,465.04	156,500.00
Water Utility Operating Fund:	2011	118,086.64	54,072.45
	2010	136,592.64	18,506.00
	2009	152,558.04	45,287.34
	2008	154,107.46	7,335.00
	2007	188,705.51	35,276.62

Borough of Ogdensburg, N.J.

Schedule of Cash - Treasurer

Current Fund

Year Ended December 31, 2011

	<u>Ref.</u>	<u>Current Fund</u>
Balance - December 31, 2010	A	<u>1,081,049.44</u>
Increased by Receipts:		
Miscellaneous Revenue Not Anticipated	A-2	4,451.02
Taxes Receivable	A-6	6,142,391.29
Revenue Accounts Receivable	A-9	292,234.49
Due From State - Senior Citizen and Veteran Deductions	A-10	40,625.00
Interfunds	A-11	37,241.76
Various Cash Liabilities and Reserves	A-14	29,445.16
Prepaid Taxes	A-16	52,123.33
		<u>6,598,512.05</u>
		<u>7,679,561.49</u>
Decreased by Disbursements:		
Refund of Prior Year Taxes	A-1	1,459.60
Current Year Budget Appropriations	A-3	2,223,916.00
Interfunds	A-11	49,877.81
Appropriation Reserves	A-13	71,840.84
Various Cash Liabilities and Reserves	A-14	30,232.58
Encumbrances Payable	A-15	34,202.60
County Taxes Payable	A-17	1,050,890.44
Local School District Taxes Payable	A-18	2,230,671.00
Regional High School Taxes Payable	A-19	803,973.79
		<u>6,497,064.66</u>
Balance - December 31, 2011	A	<u><u>1,182,496.83</u></u>

Borough of Ogdensburg, N.J.
Schedule of Cash - Change Fund
Current Fund
Year Ended December 31, 2011

	<u>Ref.</u>	
Balance - December 31, 2010	A	<u>125.00</u>
Balance - December 31, 2011	A	<u>125.00</u>
<u>Analysis of Balance:</u>		
Tax Collector		25.00
Municipal Court		<u>100.00</u>
		<u>125.00</u>

Borough of Ogdensburg, N.J.
Schedule of Taxes Receivable and Analysis of Property Tax Levy

Current Fund

Year Ended December 31, 2011

Year	Balance, Dec. 31, 2010	Levy	Added Taxes	Collected 2011	Senior Citizen and Veteran Deductions	Overpayments Applied	Transferred to Tax Title Liens	Cancelled	Balance, Dec. 31, 2011
2010	196,424.92			193,690.40			1,207.14		1,527.38
2011	6,273,880.12	6,273,880.12	21,122.66	5,948,700.89	40,897.60	1,701.94	34,603.09	19,769.61	229,326.75
	<u>196,424.92</u>	<u>6,273,880.12</u>	<u>21,122.66</u>	<u>6,142,391.29</u>	<u>40,897.60</u>	<u>1,701.94</u>	<u>35,810.23</u>	<u>19,769.61</u>	<u>230,854.13</u>
A			A-2;A-16	A-2;A-4	A-2;A-10	A-2;A-14	A-7		A

Analysis of Tax Levy

Tax yield:							
General Purpose Tax				6,273,880.12			
				<u>21,122.66</u>			
				<u>6,295,002.78</u>			
Tax Levy:							
County Tax	A-17			1,050,868.18			
Added County Taxes	A-17			<u>3,493.21</u>			
							1,054,361.39
Local District School Tax	A-18						2,230,671.00
Regional High School Tax	A-19						803,973.79
	A-2						<u>4,089,006.18</u>
Local Tax for Municipal Purposes	A-2						2,186,140.48
Additional Taxes							<u>19,856.12</u>
							<u>2,205,996.60</u>
							<u>6,295,002.78</u>

Borough of Ogdensburg, N.J.
Schedule of Tax Title Liens Receivable
Current Fund
Year Ended December 31, 2011

Balance - December 31, 2010	<u>Ref.</u> A		70,751.76
Increased by:			
Transferred from 2010 Taxes Receivable	A-6	1,207.14	
Transferred from 2011 Taxes Receivable	A-6	34,603.09	
Interest and Costs		<u>151.07</u>	
			<u>35,961.30</u>
Balance - December 31, 2011	A		<u><u>106,713.06</u></u>

A-8

**Schedule of Property Acquired for
Taxes Assessed Valuation**

Current Fund

Year Ended December 31, 2011

Balance - December 31, 2010	<u>Ref.</u> A		<u><u>2,371,100.00</u></u>
Balance - December 31, 2011	A		<u><u>2,371,100.00</u></u>

Borough of Ogdensburg, N.J.

Schedule of Revenue Accounts Receivable

Current Fund

Year Ended December 31, 2011

	<u>Ref.</u>	<u>Accrued</u>	<u>Collected</u>
Clerk:			
Licenses:			
Alcoholic Beverages	A-2	1,200.00	1,200.00
Other	A-2	1,600.00	1,600.00
Fees and Permits			
Miscellaneous Revenue not Anticipated	A-2	2,057.46	2,057.46
Municipal Court :			
Fines and Costs	A-2	43,787.76	43,787.76
Tax Collector:			
Interest and Costs on Taxes	A-2	36,026.73	36,026.73
Interest on Investments and Deposits	A-2	5,027.85	5,027.85
Board of Health / Registrar of Vital Statistics			
Miscellaneous Revenue not Anticipated	A-2	1,810.00	1,810.00
Planning/Zoning			
Miscellaneous Revenue not Anticipated	A-2	655.00	655.00
Police Department:			
Miscellaneous Revenue not Anticipated	A-2	826.02	826.02
Energy Receipts Tax	A-2	133,825.00	133,825.00
Reserve Garden State Trust	A-2	7,111.00	7,111.00
Consolidated Municipal Property Tax			
Relief Aid	A-2	56,453.00	56,453.00
Uniform Fire Safety Act	A-2	1,372.47	1,372.47
Cable TV Franchise Fee	A-2	8,295.00	8,295.00
		<u>300,047.29</u>	<u>300,047.29</u>
Cash Receipts	A-4		292,234.49
Interfund Receivable	A-11		701.80
Reserves	A-14		7,111.00
			<u>300,047.29</u>

Borough of Ogdensburg, N.J.

**Schedule of Amount Due to State of New Jersey
for Senior Citizens' and Veterans' Deductions - CH. 73 P.L. 1976**

Current Fund

Year Ended December 31, 2011

	<u>Ref.</u>	
Balance - December 31, 2010	A	6,095.66
Increased by:		
State Share of Senior Citizens and Veteran Deductions Received in Cash A-4		40,625.00
		<u>46,720.66</u>
Decreased by:		
Senior Citizens' and Veterans' Deductions Per Tax Billing		40,125.00
Senior Citizens' and Veterans' Deductions Per Tax Collector		1,000.00
		<u>41,125.00</u>
Less: Senior Citizens Deductions Disallowed By the Tax Collector		227.40
		<u>227.40</u>
	A-6	<u>40,897.60</u>
Balance - December 31, 2011	A	<u><u>5,823.06</u></u>

Borough of Ogdensburg, N.J.

Schedule of Interfunds Receivables/(Payables)

Current Fund

Year Ended December 31, 2011

Fund	Ref.	Due From/(To) Balance			Due From/(To) Balance Dec. 31, 2011
		Dec. 31, 2010	Increased	Decreased	
Federal and State Grants	A	(582,918.57)	38,867.91	43,484.00	(587,534.66)
Animal Control Trust Fund	A	5,290.14	4,213.97	9,504.11	
Other Trust	A	(24,172.43)	24,172.43		
General Capital Fund	A	78.41	6,201.56	6,279.97	
		<u>(601,722.45)</u>	<u>73,455.87</u>	<u>59,268.08</u>	<u>(587,534.66)</u>
Analysis					
Due From Current Fund	A-1	5,368.55			
Due To Current Fund		<u>(607,091.00)</u>			<u>(587,534.66)</u>
		<u>(601,722.45)</u>			<u>(587,534.66)</u>
Appropriated Grants Cancelled	A-1		18,662.29		
Statutory Excess - Animal Control Trust Fund	A-1		4,213.97		
Grants Receivable Cancelled	A-1			22,026.32	
Received	A-4			37,241.76	
Disbursed	A-4		49,877.81		
Revenue Accounts Receivable	A-9		701.80		
			<u>73,455.87</u>	<u>59,268.08</u>	

Borough of Ogdensburg, N.J.

Schedule of Deferred Charges - Special Emergency

Current Fund

Year Ended December 31, 2011

<u>Purpose</u>	<u>Date</u>	<u>Authorized Amount</u>	<u>1/5 of Amount Authorized</u>	<u>Balance, Dec. 31, 2010</u>	<u>Reduced in 2011</u>	<u>Balance, Dec. 31, 2011</u>
Revaluation	4/14/08	75,700.00	15,140.00	45,420.00	15,140.00	30,280.00
Codification of Ordinance	11/09/09	10,260.00	2,052.00	8,208.00	2,052.00	6,156.00
				<u>53,628.00</u>	<u>17,192.00</u>	<u>36,436.00</u>
				<u>A</u>	<u>A-3</u>	<u>A</u>

Borough of Ogdensburg, N.J.
Schedule of Appropriation Reserves
Current Fund
Year Ended December 31, 2011

	Balance, Dec. 31, <u>2010</u>	Balance after <u>Transfers</u>	Total Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Operations - within "CAPS"				
Mayor and Council				
Other Expenses	36.48	1,500.48	1,500.00	0.48
Clerk				
Salaries and Wages	5.89	5.89		5.89
Other Expenses	469.63	730.63	729.78	0.85
Financial Administration				
Salaries and Wages	12.74	0.74		0.74
Other Expenses	837.10	828.10	827.61	0.49
Computer Services	323.00			
Assessment of Taxes				
Salaries and Wages	11.10	0.10		0.10
Miscellaneous Other Expenses	465.67	13.67	13.47	0.20
Collection of Taxes				
Salaries and Wages	0.92	0.92		0.92
Other Expenses	404.64	320.64	319.85	0.79
Legal Services and Costs				
Other Expenses	6,012.14	6,240.14	6,240.00	0.14
Municipal Court				
Salaries and Wages (Sgt. At Arms)	157.01	0.01		0.01
Other Expenses	204.62	524.62	523.82	0.80
Prosecutor				
Other Expenses	1.00	1.00		1.00
Engineering Services and Costs				
Other Expenses	1,775.00	1,746.00	1,746.00	
Public Buildings and Grounds				
Other Expenses	435.78	448.78	448.29	0.49
Municipal Land Use Law :				
Planning Board				
Salaries and Wages	198.75	0.75		0.75
Other Expenses	1,149.03	410.03	9.53	400.50
Public Safety:				
Fire				
Other Expenses	2,013.70	95.70		95.70
Insurance:				
General Liability	0.10	0.10		0.10
Surety Bonds	43.00			
Employee Group Health	67.77	0.77		0.77
Police				
Salaries and Wages	169.27	20,196.27	20,196.27	
Other Expenses	6,028.10	1,543.10	1,542.33	0.77
First Aid Organization				
Fire Official				
Salaries and Wages	0.30	0.30		0.30
Other Expenses	183.50	0.50		0.50
Emergency Management Services				
Other Expenses	200.00			

Borough of Ogdensburg, N.J.
Schedule of Appropriation Reserves
Current Fund
Year Ended December 31, 2011

	Balance, Dec. 31, <u>2010</u>	Balance after <u>Transfers</u>	Total Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Streets and Roads:				
Road Repairs and Maintenance				
Salaries and Wages	1,632.40	0.40		0.40
Other Expenses	8,024.90	4,024.90		4,024.90
Snow Removal				
Salaries and Wages	7,669.97	2,664.97	2,664.48	0.49
Other Expenses	11,367.28	0.28		0.28
Garbage and Trash Removal				
Other Expenses - Contractual	15,496.00	20,691.00	20,689.00	2.00
Recycling				
Salaries and Wages	321.70	0.70		0.70
Other Expenses	24.01	0.01		0.01
Health and Welfare:				
Board of Health				
Salaries and Wages	402.31	0.31		0.31
Other Expenses	332.05	141.05	140.25	0.80
Recreation and Education:				
Parks and Playgrounds				
Other Expenses	96.48	4,669.48	4,536.94	132.54
Celebration of Public Events Anniversary or Holiday				
Other Expenses	44.81	28.81	28.26	0.55
Utility Expenses				
Electricity	2,246.50	1,916.50	1,915.52	0.98
Telephone	40.27	40.27	34.02	6.25
Fuel Oil	3,563.87	5,881.87	5,881.39	0.48
Gasoline/Diesel Fuel	2,146.43	0.43		0.43
Construction Code Official				
Salaries and Wages	0.60	0.60		0.60
Deferred Charges and Statutory Expenditures within "CAPS"				
Contribution to:				
Social Security System (O.A.S.I.)	1,512.06	1,547.06	1,545.01	2.05
Defined Contribution Retirement Program	90.00			
Operations - Excluded from "CAPS"				
Interlocal Municipal Service Agreements				
Animal Control "Contractual"	687.10	687.10	309.02	378.08
Total General Appropriation Reserves	<u>76,904.98</u>	<u>76,904.98</u>	<u>71,840.84</u>	<u>5,064.14</u>
	A		A-4	A-1

Borough of Ogdensburg, N.J.

Schedule of Various Cash Liabilities and Reserves

Current Fund

Year Ended December 31, 2011

<u>Liabilities and Reserves</u>	<u>Balance Dec. 31, 2010</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2011</u>
<u>Liabilities:</u>				
Due State of NJ Marriage License Fees		250.00	250.00	
Tax Overpayments	23,838.23	4,807.99	19,828.33	8,817.89
<u>Reserves for:</u>				
Revision of Master Plan	4,320.86			4,320.86
Tax Appeals	27,579.20			27,579.20
Outside Lien Redemption	20,005.56	13,006.17	33,011.73	
Codification of Ordinances	30.00	3,470.00		3,500.00
Sale of Municipal Assets		800.00		800.00
Garden State Trust	7,111.00	7,111.00	7,111.00	7,111.00
	<u>82,884.85</u>	<u>29,445.16</u>	<u>60,201.06</u>	<u>52,128.95</u>
	A			A
	<u>Ref.</u>			
Cancelled	A-1		21,155.54	
Cash Received	A-4	29,445.16		
Cash Disbursed	A-4		30,232.58	
Applied to Taxes	A-6		1,701.94	
Realized as Anticipated Revenue	A-9		7,111.00	
		<u>29,445.16</u>	<u>60,201.06</u>	

Borough of Ogdensburg, N.J.

Schedule of Encumbrances Payable

Current Fund

Year Ended December 31, 2011

Balance - December 31, 2010	<u>Ref.</u> A		44,001.70
Increased by:			
Budget Appropriations	A-3		<u>42,295.56</u>
			86,297.26
Decreased by:			
Cancelled to Surplus	A-1	9,799.10	
Disbursements	A-4	<u>34,202.60</u>	
			<u>44,001.70</u>
Balance - December 31, 2011	A		<u><u>42,295.56</u></u>

Schedule of Prepaid Taxes

Current Fund

Year Ended December 31, 2011

Balance - December 31, 2010	<u>Ref.</u> A		21,704.84
Increased by:			
Receipts - Prepaid 2012 Taxes	A-4		<u>52,123.33</u>
			73,828.17
Decreased by:			
Applied to 2011 Taxes	A-6		<u>21,704.84</u>
Balance - December 31, 2011	A		<u><u>52,123.33</u></u>

Borough of Ogdensburg, N.J.
Schedule of County Taxes Payable

Current Fund

Year Ended December 31, 2011

Balance - December 31, 2010	<u>Ref.</u> A		22.26
Increased by:			
Levy	A-6	1,050,868.18	
Added and Omitted Taxes	A-6	<u>3,493.21</u>	
	A-1		<u>1,054,361.39</u>
			<u>1,054,383.65</u>
Decreased by:			
Payments	A-4		<u>1,050,890.44</u>
Balance - December 31, 2011	A		<u><u>3,493.21</u></u>

Schedule of Local School District Taxes Payable

Current Fund

Year Ended December 31, 2011

Increased by:	<u>Ref.</u>		
Levy- 2011	A-1:A-6		<u><u>2,230,671.00</u></u>
Decreased by:			
Payments	A-4		<u><u>2,230,671.00</u></u>

Borough of Ogdensburg, N.J.
Schedule of Regional High School Taxes Payable
Current Fund
Year Ended December 31, 2011

Increased by:	<u>Ref.</u>	
Levy- 2011	A-1;A-6	<u><u>803,973.79</u></u>
Decreased by:		
Payments	A-4	<u><u>803,973.79</u></u>

Borough of Ogdensburg, N.J.
Schedule of Interfunds Receivable (Payable)
Federal and State Grant Fund
Year Ended December 31, 2011

<u>Fund</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2010</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance</u> <u>Dec. 31, 2011</u>
Current Fund	A	<u>582,918.57</u>	<u>43,484.00</u>	<u>38,867.91</u>	<u>587,534.66</u>
Encumbrances Payable	A-21			1,079.47	
Grants Receivable	A-22		13,725.94		
Grants Receivable Cancelled	A-22		22,026.32		
Appropriated Grants	A-23			19,126.15	
Appropriated Grants Cancelled	A-23			18,662.29	
Unappropriated Grants	A-24		<u>7,731.74</u>		
			<u>43,484.00</u>	<u>38,867.91</u>	

Schedule of Encumbrances Payable
Federal and State Grant Fund
Year Ended December 31, 2011

Balance - December 31, 2010	<u>Ref.</u> A	1,079.47
Increased by:		
Appropriated Reserve for Grants	A-23	<u>7,747.85</u>
		8,827.32
Decreased by:		
Interfund - Current Fund	A-20	<u>1,079.47</u>
Balance - December 31, 2011	A	<u>7,747.85</u>

Borough of Ogdensburg, N.J.

Schedule of Grants Receivable

Federal and State Grant Fund

Year Ended December 31, 2011

<u>Grant</u>	<u>Balance Dec. 31, 2010</u>	<u>Budget Revenue</u>	<u>Cash Received</u>	<u>Transfer from Unappropriated Reserves</u>	<u>Canceled</u>	<u>Balance Dec. 31, 2011</u>
Municipal Alliance on Alcohol and Drug Abuse	3,836.34	2,993.00	1,017.94		2,818.40	2,993.00
Body Armor Fund		1,619.59		1,619.59		
Municipal Court Alcohol Education and Rehab. Fund		771.43		771.43		
Clean Communities		4,786.99		4,786.99		
Recycling Tonnage Grant		5,208.00	5,208.00			
Drunk Driving Enforcement Fund	62.50	4,000.00		4,000.00	62.50	14,500.00
Highlands Initial Assessment Grant	22,000.00		7,500.00			
Highlands Assessment Grant	19,145.42				19,145.42	
COPS Fast - 2002	45,044.26	19,379.01	13,725.94	11,178.01	22,026.32	17,493.00
	<u>A</u>	<u>A-2</u>	<u>A-20</u>	<u>A-24</u>	<u>A-20</u>	<u>A</u>

Borough of Ogdensburg, N.J.

Schedule of Appropriated Reserves of Grants

Federal and State Grant Fund

Year Ended December 31, 2011

<u>Grant</u>	<u>Balance Dec. 31, 2010</u>	<u>Transfer From 2011 Budget</u>	<u>Expended</u>	<u>Cancelled</u>	<u>Balance Dec. 31, 2011</u>
Municipal Court Alcohol Education and Rehab. Fund	347.53	771.43			1,118.96
Drunk Driving Enforcement Fund	3,375.93	4,000.00			7,375.93
Recycling Tonnage Grant	3,923.10	5,208.00	4,554.58		4,576.52
Council on Affordable Housing	4,130.00			62.50	4,130.00
Highlands Initial Assessment Grant	62.50		6,870.00		14,500.00
Highlands Assessment Grant	21,370.00				
Municipal Alliance	8,332.51	2,993.00	2,129.44	2,818.40	6,377.67
State Share	599.89		68.50	531.39	
Local Share	15,628.50	4,786.99	729.23		19,686.26
Clean Communities	2,244.60	1,619.59			3,864.19
Body Armor Fund	595.00			15,250.00	595.00
Hepatitis B Fund	15,250.00		12,147.25		524,073.54
COPS Fast - 2001	536,220.79		375.00		3,250.00
State of N.J. Sewer System Grant	3,625.00				
Stormwater Management	615,705.35	19,379.01	26,874.00	18,662.29	589,548.07
	<u>A</u>				<u>A</u>
	<u>Ref.</u>				
Budget Appropriations	A-3	19,379.01	19,126.15	18,662.29	
Interfund - Current Fund	A-20		7,747.85		
Encumbrances Payable	A-21	19,379.01	26,874.00	18,662.29	

Borough of Ogdensburg, N.J.

Schedule of Unappropriated Reserves for Grants

Federal and State Grant Fund

Year Ended December 31, 2011

<u>Grant</u>	<u>Balance Dec. 31, 2010</u>	<u>Transfer To Appropriated Reserves</u>	<u>Cash Received</u>	<u>Balance Dec. 31, 2011</u>
Clean Communities	4,786.99	4,786.99	4,548.65	4,548.65
Drunk Driving Enforcement Fund	4,000.00	4,000.00	1,011.24	1,011.24
Body Armor Fund	1,619.59	1,619.59	269.67	269.67
Municipal Court Alcohol Education and Rehab. Fund	771.43	771.43	1,902.18	1,902.18
Recycling Tonnage Grant				
	<u>11,178.01</u>	<u>11,178.01</u>	<u>7,731.74</u>	<u>7,731.74</u>
	A	A-22	A-20	A

Borough of Ogdensburg, N. J.

Schedule of Cash

Trust Funds

Year Ended December 31, 2011

	<u>Ref.</u>	Animal Control Trust <u>Fund</u>	Other Trust <u>Funds</u>
Balance - December 31, 2010	B	<u>13,002.94</u>	<u>537,696.12</u>
Increased by Receipts:			
Dog License Fees - Borough	B-3	2,529.60	
Cat License Fees - Borough	B-3	1,258.00	
Dog Late Fees	B-3	492.00	
Cat Late Fees	B-3	122.00	
Interest Earned	B-3	12.80	
Dog License Fees - State Share	B-5	587.40	
Other Trust Funds	B-6		1,476,494.24
Interfund - Current Fund	B-4		<u>24,172.43</u>
Total Receipts		<u>5,001.80</u>	<u>1,500,666.67</u>
		<u>18,004.74</u>	<u>2,038,362.79</u>
Decreased by Disbursements:			
Interfund - Current Fund	B-4	9,504.11	
Reserve for Animal Control Trust Fund Expenditures	B-3	794.63	
Due to State	B-5	587.40	
Other Trust Funds	B-6		<u>1,467,926.14</u>
Total Disbursements		<u>10,886.14</u>	<u>1,467,926.14</u>
Balance - December 31, 2011	B	<u><u>7,118.60</u></u>	<u><u>570,436.65</u></u>

Borough of Ogdensburg, N. J.**Schedule of Cash - Change Fund****Trust Funds****Year Ended December 31, 2011**

	<u>Ref.</u>	
Balance - December 31, 2010	B	<u>100.00</u>
Balance - December 31, 2011	B	<u>100.00</u>
<u>Analysis of Balance:</u>		
Dog Collector		<u>100.00</u>

Borough of Ogdensburg, N. J.

Reserve/(Deficit) for Animal Control Trust Fund Expenditures

Trust Funds

Year Ended December 31, 2011

	<u>Ref.</u>		
Balance - December 31, 2010	B		7,812.80
Increased by:			
Dog License Fees	B-1	2,529.60	
Cat License Fees	B-1	1,258.00	
Dog Late Fees	B-1	492.00	
Cat Late Fees	B-1	122.00	
Interest Earned	B-1	12.80	
		<u>4,414.40</u>	<u>12,227.20</u>
Decreased by:			
Reserve for Animal Control Trust			
Fund Expenditures	B-1	794.63	
Statutory Excess	B-4	4,213.97	
		<u>5,008.60</u>	<u>7,218.60</u>
Balance - December 31, 2011	B		<u><u>7,218.60</u></u>

License Fees Collected

<u>Year</u>	
2009	3,851.20
2010	<u>3,367.40</u>
	<u><u>7,218.60</u></u>

Borough of Ogdensburg, N. J.

Schedule of Interfund Receivable (Payable) - Current Fund

Trust Fund

Year Ended December 31, 2011

	Due from Balance <u>Dec. 31, 2010</u>	<u>Increased</u>	<u>Decreased</u>	Due (to)/from Balance <u>Dec. 31, 2011</u>
Animal Control Trust Fund	(5,290.14)	4,213.97	9,504.11	
Other Trust Fund	24,172.43		24,172.43	
	<u>18,882.29</u>	<u>4,213.97</u>	<u>33,676.54</u>	
	B			
	<u>Ref.</u>			
Receipts-Trust Funds	B-1		24,172.43	
Statutory Excess	B-3	4,213.97		
Disbursed-Animal Control Trust Fund	B-1		9,504.11	
		<u>4,213.97</u>	<u>33,676.54</u>	

Borough of Ogdensburg, N. J.

Schedule of Due to State Department of Health

Trust Funds

Year Ended December 31, 2011

	<u>Ref.</u>	
Increased by:		
State Fees Collected	B-1	<u>587.40</u>
Decreased by:		
Cash Disbursement	B-1	<u>587.40</u>

Borough of Ogdensburg, N. J.

Schedule of Other Trust Funds

Trust Funds

Year Ended December 31, 2011

	Balance <u>Dec. 31, 2010</u>	<u>Increased</u>	<u>Decreased</u>	Balance <u>Dec. 31, 2011</u>
Reserve for:				
Unemployment	43,115.88	1,341.28	2,042.35	42,414.81
Municipal Alliance	393.00			393.00
Tax Sale Premiums	37,900.00	13,400.00	4,900.00	46,400.00
Municipal Court P.O.A.A. Fees	167.00	4.00		171.00
COAH - RCA - Park Ridge	105,437.67	384.71		105,822.38
COAH - RCA - Saddle River	99,208.36	221.07		99,429.43
COAH - RCA - Vernon	216,721.56	790.82	182.00	217,330.38
Ogdensburg Day	0.16			0.16
Memorial Park	1,388.55	1,238.66		2,627.21
Escrow	13,727.17	1,645.74	6,168.46	9,204.45
Police Outside Services		19,817.92	18,149.04	1,668.88
Public Defender	3,331.20	2,110.85	2,850.00	2,592.05
Snow Removal	1,281.94			1,281.94
Sick and Vacation	22,025.17	5,000.00		27,025.17
5 K Run	3,734.33	17.44		3,751.77
Encumbrances	2,200.00	21,274.49	23,474.49	
Payroll	11,236.56	1,409,247.26	1,410,159.80	10,324.02
	<u>561,868.55</u>	<u>1,476,494.24</u>	<u>1,467,926.14</u>	<u>570,436.65</u>
	B	B-1	B-1	B

Borough of Ogdensburg, N. J.

Schedule of Cash

General Capital Fund

Year Ended December 31, 2011

	<u>Ref.</u>		
Balance - December 31, 2010	C;C-3		183,879.63
Increased by Receipts:			
Interfund - Current Fund	C-4	6,201.56	
Budget Appropriation:			
Improvement Costs	C-6	5,500.00	
Capital Improvement Fund	C-7	<u>20,000.00</u>	
	C-3		<u>31,701.56</u>
			215,581.19
Decreased by Disbursements:			
Interfund - Current Fund	C-4	6,279.97	
Improvement Authorizations	C-8	<u>4,468.94</u>	
	C-3		<u>10,748.91</u>
Balance - December 31, 2011	C;C-3		<u><u>204,832.28</u></u>

Borough of Ogdensburg, N. J.
 Analysis of Cash
 General Capital Fund
 Year Ended December 31, 2011

	Balance Dec. 31, 2010	Receipts		Disbursements		Transfers		Balance Dec. 31, 2011
		Budget Appropriations	Miscellaneous	Improvement Authorizations	Miscellaneous	To	(From)	
Fund Balance	52,669.14							48,669.14
Capital Improvement Fund	98,715.37	20,000.00					(4,000.00)	118,715.37
Various Reserves	41,250.00							41,250.00
Interfund - Current Fund	78.41		6,201.56		6,279.97			
<u>Improvement Authorizations</u>								
Ordinance								
01-92 Imp. To Inter. Books Flat Rd.	(8,286.13)	5,500.00						(2,786.13)
02-92 Acq. Of Pick-up Truck	(14,928.00)							(14,928.00)
02-93 Various Improvements	(39.91)							(39.91)
01-97 Various Public Improvements	(18,050.00)							(18,050.00)
02-99 Acquisition of Backhoe and Other Equip. and Machinery	(6,600.00)							(6,600.00)
04-04 Improvements to Roads	20.66							20.66
01-04 Improvements to Kennedy Avenue	(41,448.16)							(41,448.16)
01-08 Acquisition of Real Property and the Construction of a Municipal Parking Lot	87,137.11			408.28				86,728.83
02-08 Imp. To Highland Ave. and High Street	(41,186.16)			60.66				(41,246.82)
05-09 Road Improvements	28,314.64							28,314.64
07-09 Improvements to DPW Garage, Borough Hall and the Gazebo	6,232.66							6,232.66
05-11 Float with Ladder for Heaters Pond				4,000.00			4,000.00	
	<u>183,879.63</u>	<u>25,500.00</u>	<u>6,201.56</u>	<u>4,468.94</u>	<u>6,279.97</u>	<u>(4,000.00)</u>	<u>(4,000.00)</u>	<u>204,832.28</u>
	C	C-2	C-2	C-2	C-2	C-2	C	C

Borough of Ogdensburg, N. J.

Schedule of Interfund Receivable (Payable) - Current Fund

General Capital Fund

Year Ended December 31, 2011

	<u>Ref.</u>	
Balance - December 31, 2010	C	(78.41)
Increased by:		
Cash Receipt	C-2	<u>6,201.56</u>
		<u>(6,279.97)</u>
Decreased by:		
Cash Disbursement	C-2	<u>6,279.97</u>

Borough of Ogdensburg, N. J.
Schedule of Deferred Charges to Future
Taxation - Funded

General Capital Fund

Year Ended December 31, 2011

	<u>Ref.</u>	
Balance - December 31, 2010	C	490,000.00
Decreased by:		
Funded by Budget Appropriation	C-11	<u>90,000.00</u>
Balance - December 31, 2011	C	<u><u>400,000.00</u></u>

Borough of Ogdensburg, N. J.
Schedule of Capital Improvement Fund
General Capital Fund
Year Ended December 31, 2011

	<u>Ref.</u>	
Balance - December 31, 2010	C	98,715.37
Increased by:		
Cash Receipts	C-2	<u>20,000.00</u>
Balance - December 31, 2011	C	<u><u>118,715.37</u></u>

Borough of Ogdensburg, N. J.

Schedule of Improvement Authorizations

General Capital Fund

Year Ended December 31, 2011

Ord. No./Date	Improvement Description	Ordinance Date	Amount	Balance Dec. 31, 2010		2011 Authorizations	Paid or Charged	Balance Dec. 31, 2011	
				Funded	Unfunded			Funded	Unfunded
	<u>General Improvements:</u>								
04-04	Improvements to Roads	11/08/04	102,574.61	20.66				20.66	
01-08	Acquisition of Real Property and the Construction of a Municipal Parking Lot	10/27/08	200,000.00	87,137.11		408.28			86,728.83
02-08	Imp. to Highland Ave. and High Street	10/27/08	210,000.00	60.66		60.66			
05-09	Road Improvements	05/11/09	50,000.00	28,314.64				28,314.64	
07-09	Improvements to DPW Garage, Borough Hall and the Gazebo	05/26/09	38,000.00	6,232.66				6,232.66	
05-11	Float with Ladder for Heaters Pond	06/13/11	4,000.00		4,000.00	4,000.00			
				<u>34,567.96</u>	<u>87,197.77</u>	<u>4,000.00</u>	<u>4,468.94</u>	<u>34,567.96</u>	<u>86,728.83</u>
				C	C	C-1	C-2	C	C

Borough of Ogdensburg, N. J.**Schedule of Various Reserves****General Capital Fund****Year Ended December 31, 2011**

<u>Description</u>	Balance <u>Dec. 31, 2010</u>	Balance <u>Dec. 31, 2011</u>
Debt Service	<u>41,250.00</u>	<u>41,250.00</u>
	C	C

Borough of Ogdensburg, N. J.

Schedule of Bond Anticipation Notes Payable

General Capital Fund

Year Ended December 31, 2011

Ord. No./Date	Improvement Description	Date of		Interest Rate	Date of Maturity	Balance		Increased	Decreased	Balance Dec. 31, 2011
		Original Issue	Date of Issue			Dec. 31, 2010	Dec. 31, 2011			
01-08	Acq. of Real Property and the Const. of a Mun. Parking Lot	12/10/09	12/09/11	1.35%	12/06/12	190,000.00	190,000.00	190,000.00	190,000.00	190,000.00
02-08	Improvements to Highland Ave. and High Street	12/10/09	12/09/11	1.35%	12/06/12	22,000.00	22,000.00	22,000.00	22,000.00	22,000.00
						<u>212,000.00</u>	<u>212,000.00</u>	<u>212,000.00</u>	<u>212,000.00</u>	<u>212,000.00</u>
						C				C
				Renewals			<u>212,000.00</u>	<u>212,000.00</u>		

Borough of Ogdensburg, N. J.

Schedule of General Serial Bonds Payable

General Capital Fund

Year Ended December 31, 2011

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding, December 31, 2011		Interest Rate	Balance Dec. 31, 2010	Decreased	Balance Dec. 31, 2011
			Date	Amount				
General Improvement Bonds	04/01/08	660,000.00	4/1/2012	95,000.00	4.25%			
			4/1/13-4/1/14	100,000.00	4.25%			
			4/1/2015	105,000.00	4.25%	490,000.00	90,000.00	400,000.00
						<u>C</u>	<u>C-5</u>	<u>C</u>

Borough of Ogdensburg, N. J.

Schedule of Bonds and Notes Authorized But Not Issued

General Capital Fund

Year Ended December 31, 2011

Ord. No./Date	Improvement Description	Balance	Funded by	Balance
		Dec. 31, 2010	Budget Appropriation	Dec. 31, 2011
<u>General Improvements:</u>				
01-92	Improvements to Intersection of Brooks Flat Road	8,286.13	5,500.00	2,786.13
02-92	Acquisition of Pick-up Truck	14,928.00		14,928.00
02-93	Various Improvements	39.91		39.91
01-97	Various Public Improvements	18,050.00		18,050.00
02-99	Acquisition of Backhoe and Other Equipment and Machinery	6,600.00		6,600.00
01-04	Improvements to Kennedy Avenue	41,448.16		41,448.16
02-08	Improvements to Highland Ave. and High Street	41,246.82		41,246.82
		<u>130,599.02</u>	<u>5,500.00</u>	<u>125,099.02</u>
			C-6	Footnote C

Borough of Ogdensburg, N. J.

Schedule of Cash

Water Utility Fund

Year Ended December 31, 2011

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance - December 31, 2010	D;D-6	<u>217,870.57</u>	<u>246,511.71</u>
Increased by Receipts:			
Miscellaneous Revenue Not Anticipated	D-3	2,125.00	
Interest on Deposits	D-3	772.68	
Consumer Accounts/Liens Receivable	D-8	293,518.75	
Interfund-Water Operating	D-11		724.90
Interfund - Water Capital	D-11	825.07	
Water Rent Overpayment	D-16	2,029.81	
Reserve for Capital Outlay	D-19		16,250.00
Capital Improvement Fund	D-20		10,000.00
	D-6	<u>299,271.31</u>	<u>26,974.90</u>
		<u>517,141.88</u>	<u>273,486.61</u>
Decreased by Disbursements:			
Budget Appropriations	D-4	236,916.68	
Interfund - Current Fund	D-11		825.07
Appropriation Reserves	D-14	4,509.92	
Encumbrances Payable	D-15	9,258.18	
Accrued Interest	D-17	135,691.18	
Capital Reserves	D-19		72,996.64
	D-6	<u>386,375.96</u>	<u>73,821.71</u>
Balance - December 31, 2011	D;D-6	<u><u>130,765.92</u></u>	<u><u>199,664.90</u></u>

Borough of Ogdensburg, N. J.

Analysis of Cash

Water Utility Capital Fund

Year Ended December 31, 2011

	Balance Dec. 31, 2010	Receipts		Disbursements		Transfers		Balance Dec. 31, 2011
		Budget Appropriations	Miscellaneous	Miscellaneous		To	From	
Fund Balance	25,314.71							314.71
Capital Improvement Fund	67,430.00	10,000.00				(25,000.00)		77,430.00
Reserve for Capital Outlay	23,198.18		16,250.00			(12,000.00)		27,448.18
Reserve for Debt Service	108.24							108.24
Reserve for Encumbrances	35,148.22		724.90	72,996.64		37,848.42		
Interfund - Water Operating Fund	100.17			825.07				
<u>Ord. No.</u>								
01-99	13,496.61							13,496.61
08-09	126.39							126.39
10-09	12,334.00					(1,935.55)		10,398.45
11-09	327.93							327.93
01-10	68,927.26					(35,912.87)		33,014.39
11-11								
	<u>246,511.71</u>	<u>10,000.00</u>	<u>16,974.90</u>	<u>73,821.71</u>		<u>37,000.00</u>		<u>37,000.00</u>
								<u>199,664.90</u>
	D;D-5	D-5	D-5	D-5				D;D-5

Borough of Ogdensburg, N. J.

Schedule of Change Fund

Water Utility Operating Fund

Year Ended December 31, 2011

	<u>Ref.</u>	
Balance - December 31, 2010	D	<u>25.00</u>
Balance - December 31, 2011	D	<u>25.00</u>

Schedule of Consumer Accounts Receivable

Water Utility Operating Fund

Year Ended December 31, 2011

	<u>Balance Dec. 31, 2010</u>	<u>Charges</u>	<u>Collections</u>	<u>Balance Dec. 31, 2011</u>
Consumer Accounts Receivable	70,650.91	295,245.61	294,181.67	71,714.85
	D			D
Rents Received		<u>Ref.</u>	293,518.75	
Transfer to Lien		D-3;D-5 D-9	662.92	
			<u>294,181.67</u>	

Borough of Ogdensburg, N. J.

Schedule of Water Liens

Water Utility Operating Fund

Year Ended December 31, 2011

	<u>Ref.</u>	
Increased by:		
Transferred from Receivable	D-8	<u>662.92</u>
Balance - December 31, 2011	D	<u>662.92</u>

Schedule of Inventory

Water Utility Operating Fund

Year Ended December 31, 2011

	<u>Ref.</u>	
Balance - December 31, 2010	D	<u>2,583.00</u>
Balance - December 31, 2011	D	<u>2,583.00</u>

Borough of Ogdensburg, N. J.

Schedule of Interfund Accounts Receivable (Payable)

Water Utility Fund

Year Ended December 31, 2011

	<u>Ref.</u>	<u>Water Operating Fund</u>	<u>Water Capital Fund</u>	<u>Water Operating Fund</u>
Balance - December 31, 2010	D	100.17		(100.17)
Increased by:				
Interest Earned	D-3	724.90		724.90
		<u>825.07</u>		<u>(825.07)</u>
Decreased by:				
Cash Disbursed	D-5		825.07	825.07
Cash Received	D-5		<u>825.07</u>	<u>825.07</u>

Borough of Ogdensburg, N. J.

Schedule of Fixed Capital

Water Utility Capital Fund

Year Ended December 31, 2011

<u>Description</u>	<u>Balance</u> <u>Dec. 31, 2010</u>	<u>Balance</u> <u>Dec. 31, 2011</u>
Distribution, Mains and Accessories	3,442,936.01	3,442,936.01
Meters, Water Boxes and Vaults	52,438.96	52,438.96
Hydrants and Cisterns	3,398.71	3,398.71
Land, Plant and General Equipment	319,968.94	319,968.94
Organization and Engineering	2,136.14	2,136.14
Water Storage Tank	350,000.00	350,000.00
Acquisition of New Backhoe	24,000.00	24,000.00
Improvements to Well	15,000.00	15,000.00
Improvements to Kennedy Avenue	1,918.09	1,918.09
Various Public Improvements	159,914.84	159,914.84
	<u>4,371,711.69</u>	<u>4,371,711.69</u>
	D	D

Borough of Ogdensburg, N. J.

Schedule of Fixed Capital Authorized and Uncompleted

Water Utility Capital Fund

Year Ended December 31, 2011

Ordinance Number	Improvement Description	Ordinance		Balance, Dec. 31, 2010	Improvement Authorizations	Balance, Dec. 31, 2011
		Date	Amount			
01-99	Various Public Improvements	11/08/99	600,000.00	600,000.00		600,000.00
08-09	Acquisition of Water Main on High St.	05/26/09	67,000.00	67,000.00		67,000.00
10-09	Design and Construction of an Emergency Generator for Well No. 3	08/24/09	87,500.00	87,500.00		87,500.00
11-09	Purchase of a Water Utility Truck and Snow Plow	08/24/09	41,000.00	41,000.00		41,000.00
01-10	Various Public Improvements and the acquisition of New Additional or Replacement Equipment	09/27/10	80,000.00	80,000.00		80,000.00
11-11	Replacement of the Pump at Well #3 and the Purchase of Water Meters	11/14/11	37,000.00		37,000.00	37,000.00
				<u>875,500.00</u>	<u>37,000.00</u>	<u>912,500.00</u>

D D-18 D

Borough of Ogdensburg, N. J.
Schedule of Appropriation Reserves
Water Utility Operating Fund
Year Ended December 31, 2011

	Balance, Dec. 31, <u>2010</u>	Balance after <u>Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
Operating:				
Salaries and Wages	205.04	205.04		205.04
Other Expenses	<u>28,529.34</u>	<u>28,529.34</u>	<u>4,509.92</u>	<u>24,019.42</u>
	<u><u>28,734.38</u></u>	<u><u>28,734.38</u></u>	<u><u>4,509.92</u></u>	<u><u>24,224.46</u></u>
	D		D-5	D-1

Borough of Ogdensburg, N. J.
Schedule of Encumbrances Payable
Water Utility Operating Fund
Year Ended December 31, 2011

	<u>Ref.</u>	
Balance - December 31, 2010	D	9,258.18
Increased by:		
Transfer from Budget	D-4	2,430.00
		<u>11,688.18</u>
Decreased by:		
Cash Disbursed	D-5	9,258.18
		<u>9,258.18</u>
Balance - December 31, 2011	D	<u><u>2,430.00</u></u>

Schedule of Water Rent Overpayments
Water Utility Operating Fund
Year Ended December 31, 2011

	<u>Ref.</u>	
Increased by:		
Cash Receipts	D-5	2,029.81
		<u><u>2,029.81</u></u>
Balance - December 31, 2011	D	<u><u>2,029.81</u></u>

Borough of Ogdensburg, N. J.

Schedule of Accrued Interest

Water Utility Operating Fund

Year Ended December 31, 2011

	<u>Ref.</u>	<u>Totals</u>	<u>Loans</u>	<u>Bond</u> <u>Anticipation Notes</u>
Balance - December 31, 2010	D	43,410.54	41,910.53	1,500.01
Increased by:				
Budget Appropriations	D-4	133,856.00	95,856.00	38,000.00
		<u>177,266.54</u>	<u>137,766.53</u>	<u>39,500.01</u>
Decreased by:				
Cancelled	D-1	1,500.01		1,500.01
Disbursements	D-5	135,691.18	97,835.11	37,856.07
		<u>137,191.19</u>	<u>97,835.11</u>	<u>39,356.08</u>
Balance - December 31, 2011	D	<u>40,075.35</u>	<u>39,931.42</u>	<u>143.93</u>

Principal Outstanding December 31, 2011	Interest Rate	From	To	Period in Days	Required Amount	Excess/ (Deficit)	Actual Amount
Bond Anticipation Notes 38,000.00	1.35%	12/9/11	12/31/11	22	31.35	(31.35)	143.93
U.S.D.A. Rural Development Loan:							
180,461.09	5.875%	9/1/11	12/31/11	121	3,563.48	864.08	4,427.56
1,700,326.11	5.000%	9/1/11	12/31/11	121	28,574.92	6,928.93	35,503.86
					<u>32,138.40</u>	<u>7,793.02</u>	<u>39,931.42</u>

Borough of Ogdensburg, N. J.

Schedule of Improvement Authorizations

Water Utility Capital Fund

Year Ended December 31, 2011

ORD. No.	Improvement Description	Ordinance Date	Amount	Balance Dec. 31, 2010		2011 Authorizations	Paid or Charged	Balance Dec. 31, 2011	
				Funded	Unfunded			Funded	Unfunded
01-99	Various Public Improvements	11/08/99	600,000.00	13,496.61				13,496.61	
08-09	Acquisition of Water Main on High St.	05/26/09	67,000.00	126.39				126.39	
10-09	Design and Construction of an Emergency Generator for Well No. 3	08/24/09	87,500.00	12,334.00			1,935.55	10,398.45	
11-09	Purchase of a Water Utility Truck and Snow Plow	08/24/09	41,000.00	327.93				327.93	
01-10	Various Public Improvements and the acquisition of New Additional or Replacement Equipment	09/27/10	80,000.00		68,927.26		35,912.87		33,014.39
11-11	Replacement of the Pump at Well #3 and the Purchase of Water Meters	11/14/11	37,000.00			37,000.00		37,000.00	
				<u>26,284.93</u>	<u>68,927.26</u>	<u>37,000.00</u>	<u>37,848.42</u>	<u>61,349.38</u>	<u>33,014.39</u>
				D	D	D	D	D	D
				Ref.					
	Fund Balance					25,000.00			
	Capital Outlay Fund					12,000.00			
	Encumbrances Payable						37,848.42		
						<u>37,000.00</u>	<u>37,848.42</u>		

Borough of Ogdensburg, N. J.

Schedule of Reserves

Water Utility Capital Fund

Year Ended December 31, 2011

<u>Description</u>	<u>Balance</u> <u>Dec. 31,2010</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance</u> <u>Dec. 31,2011</u>
Reserve for Encumbrances Payable	35,148.22	37,848.42	72,996.64	
Reserve for Capital Outlay	23,198.18	16,250.00	12,000.00	27,448.18
Reserve for Debt Service	108.24			108.24
	<u>58,454.64</u>	<u>54,098.42</u>	<u>84,996.64</u>	<u>27,556.42</u>
	D			D
	<u>Ref.</u>			
Cash Receipts	D-5	16,250.00		
Cash Disbursements	D-5		72,996.64	
Improvement Authorizations	D-18	37,848.42	12,000.00	
		<u>54,098.42</u>	<u>84,996.64</u>	

Borough of Ogdensburg, N. J.
Schedule of Capital Improvement Fund
Water Utility Capital Fund
Year Ended December 31, 2011

	<u>Ref.</u>	
Balance - December 31, 2010	D	67,430.00
Increased by:		
Budget Appropriation	D-5	<u>10,000.00</u>
Balance - December 31, 2011	D	<u><u>77,430.00</u></u>

Schedule of Reserve for Amortization
Water Utility Capital Fund
Year Ended December 31, 2011

	<u>Ref.</u>		
Balance - December 31, 2010	D		3,062,879.17
Increased by:			
USDA Rural Development Loan by Operating Budget	D-23	28,045.32	
Bond Anticipation Notes Paid by Operating Budget	D-24	<u>38,000.00</u>	
			<u>66,045.32</u>
Balance - December 31, 2011	D		<u><u>3,128,924.49</u></u>

Borough of Ogdensburg, N. J.

Schedule of Deferred Reserve for Amortization

Water Utility Capital Fund

Year Ended December 31, 2011

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Ordinance</u>	<u>Balance, Dec. 31, 2010</u>	<u>Increased</u>	<u>Balance, Dec. 31, 2011</u>
08-09	Acquisition of Water Main on High St.	08/24/09	67,000.00		67,000.00
10-09	Design and Construction of an Emergency Generator for Well No. 3	08/24/09	87,500.00		87,500.00
11-09	Purchase of a Water Utility Truck and Snow Plow	08/24/09	41,000.00		41,000.00
01-10	Various Public Improvements and the acquisition of New Additional or Replacement Equipment	09/27/10	4,000.00		4,000.00
11-11	Replacement of the Pump at Well #3 and the Purchase of Water Meters	11/14/11		37,000.00	37,000.00
			<u>199,500.00</u>	<u>37,000.00</u>	<u>236,500.00</u>
			D	D-18	D

Borough of Ogdensburg, N. J.
Schedule of U.S.D.A Rural Development Loan

Water Utility Capital Fund

Year Ended December 31, 2011

Purpose	Date of Issue	Amount of Original Issue	Maturities Outstanding December 31, 2011		Interest Rate	Balance Dec. 31, 2010	Decreased	Balance Dec. 31, 2011
			Date	Amount				
Water Improvements	07/28/00	200,000.00	07/28/12-07/28/40	See Notes	5.875%	182,794.16	2,333.07	180,461.09
Water Improvements	07/28/00	1,924,000.00	07/28/12-07/28/40	See Notes	5.00%	1,726,038.36	25,712.25	1,700,326.11
						<u>1,908,832.52</u>	<u>28,045.32</u>	<u>1,880,787.20</u>

D D-21 D

Borough of Ogdensburg, N. J.

Schedule of Bond Anticipation Notes Payable

Water Utility Capital Fund

Year Ended December 31, 2011

Ord. No.	Improvement Description	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance		Decreased	Balance Dec. 31, 2011
						Dec. 31, 2010	Increased		
01-10	Various Public Improvements and the Acquisition of New Additional or Replacement Equipment	12/10/10	12/09/11	12/06/12	1.35%	76,000.00	38,000.00	76,000.00	38,000.00
						D			D
						Ref.	38,000.00		38,000.00
						Renewals			
						Raised in Budget			
						D-21			
							38,000.00	76,000.00	76,000.00

BOROUGH OF OGDENSBURG

PART II

**REPORT ON INTERNAL CONTROL AND ON COMPLIANCE
AND OTHER MATTERS**

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2011

Ferraioli, Wielkotz, Cerullo & Cuva, P.A.

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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

May 15, 2012

Honorable Mayor and
Members of the Borough Council
Borough of Ogdensburg
14 Highland Avenue
Ogdensburg, New Jersey 07439

We have audited the financial statements - regulatory basis of the Borough of Ogdensburg, in the County of Sussex, State of New Jersey as of and for the year ended December 31, 2011, and have issued our report thereon dated May 15, 2012. Our report disclosed that, as described in Note 1 to the financial statements - regulatory basis, the Borough of Ogdensburg prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with a modified accrual basis of accounting and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the Borough of Ogdensburg is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Borough of Ogdensburg's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements - regulatory basis, but not for the purpose of expressing an opinion on the effectiveness of the Borough of Ogdensburg's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Borough of Ogdensburg's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore,



Honorable Mayor and
Members of the Borough Council
May 15, 2012
Page 2

there can be no assurance that all deficiencies, significant deficiencies or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we have been identified certain deficiencies in internal control over financial reporting that we consider to be a significant deficiency.

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 combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

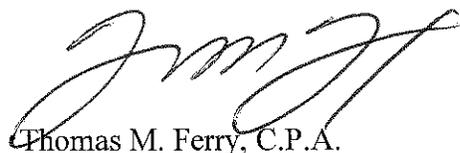
A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs as 11-01 to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough of Ogdensburg's financial statements-regulatory basis 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.

We noted certain immaterial instances of noncompliance that we have reported to the management of the Borough of Ogdensburg in the accompanying comments and recommendations section of this report.

This report is intended solely for the information of management, The Division of Local Government Services, Department of Community Affairs, State of New Jersey, Federal Awarding Agencies and Pass Through Entities and is not intended to be and should not be used by anyone other than these specified parties.



Thomas M. Ferry, C.P.A.
Registered Municipal Accountant

Ferraioli, Wielkottz, Cerullo, & Cuva, P.A.

BOROUGH OF OGDENSBURG
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2011

Summary of Auditor's Results:

A qualified opinion was issued on the Borough's financial statements prepared on an other comprehensive basis of accounting.

The audit did disclose a significant deficiency in the internal controls of the Borough.

The Borough was not subject to the single audit provisions of Federal OMB Circular A-133 (the "Circular") and State Circular 04-04 OMB for 2011 as grant expenditures were less than the single audit thresholds identified in the Circulars.

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

The audit did disclose findings required to be reported under Generally Accepted Government Auditing Standards, as follows:

Finding 11-01:

Segregation of Duties

The Borough does not maintain an adequate segregation of duties within the Tax Collector and Water Utility Collector's Departments. Segregation of duties refers to separating those functions that place too much control over a transaction or class of transactions that would enable a person to misappropriate funds and prevent detection within a reasonable period of time. This situation occurred because of the limited number of employees qualified to perform other accounting functions. The Borough was made aware of this lack of Internal Control and will consider strengthening internal control within reason of the costs and benefits derived. Therefore, no formal recommendation is deemed necessary at this time.

Findings and Questioned Costs for Federal Awards:

Not applicable

Findings and Questioned Costs for State Awards:

Not applicable

BOROUGH OF OGDENSBURG
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2011

The Borough's prior year finding 10-01 regarding segregation of duties has not been corrected and is included in the audit for year ended December 31, 2011.

GENERAL COMMENTS

Cash Balances

Cash balances in all funds were verified by independent certificates obtained from the depositories as of December 31, 2011, and at May 15, 2012, in connection with the supplemental reconciliations made for all officials. Cash on hand was counted on that date.

Contracts and Agreements Required to be Advertised for N.J.S.A. 40A:11-4

N.J.S.A. 40A:11-3 states:

- a. "When the cost or price of any contract awarded by the contracting agent in the aggregate does not exceed in a contract year the total sum of \$17,500, the contract may be awarded by a purchasing agent when so authorized by ordinance or resolution, as appropriate to the contracting unit, of the governing body of the contracting unit without public advertising for bids, except that the governing body of any contracting unit may adopt an ordinance or resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to subsection b. of section 9 of P.L. 1971, c.198 (C.40A:11-9), the governing body of the contracting unit may establish that the bid threshold may be up to \$25,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.
- b. Any contracts made pursuant to this section may be awarded for a period of 24 consecutive months, except that contracts for professional services pursuant to subparagraph (i) of paragraph (a) of subsection (1) of section 5 of P.L. 1971, c.198 (C.40A:11-5) may be awarded for a period not exceeding 12 consecutive months. The Division of Local Government Services shall adopt and promulgate rules and regulations concerning the methods of accounting for all contracts that do not coincide with the contracting unit's fiscal year.
- c. The Governor, in consultation with the Department of the Treasury, shall, no later than March 1 of every fifth year beginning in the fifth year after the year in which P.L. 1999, c.440 takes effect, adjust the threshold amount and the higher threshold amount which the governing body is permitted to establish, as set forth in subsection a. of this section, or the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the index rate as that term is defined in section 2 of P.L. 1971, c.198 (C.40A:11-2), and shall round the adjustment to the nearest \$1,000. The Governor shall, no later than June 1 of every fifth year, notify each governing body of the adjustment. That adjustment shall become effective on July 1 of the year in which it is made."

N.J.S.A. 40A:11-4 states: "Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. The governing body of a contracting unit may, by resolution approved by a majority of the governing body and subject to subsection b. and c. of this section, disqualify a bidder who would otherwise be determined to be the lowest responsible bidder, if the governing body finds that it has had prior negative experience with the bidder."

GENERAL COMMENTS (CONTINUED)

Contracts and Agreements Required to be Advertised for N.J.S.A. 40A:11-4 (continued)

Effective January 1, 2011, the bid threshold in accordance with N.J.S. 40A:11-3 and 40A:11-4 (as amended) is \$17,500.00 and with a qualified purchasing agent the threshold may be up to \$36,000.00.

The Governing Body of the Borough of Ogdensburg have the responsibility of determining whether the expenditures in any category will exceed the bid threshold within the fiscal year and where question arises as to whether any contract or agreement might result in violation of the statute, the Borough Attorney's opinion should be sought before a commitment is made.

The minutes indicated the bids were requested by public advertising per N.J.S.A. 40A:11-4. The minutes also indicated that resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S.A. 40A:11-5.

Inasmuch as the system of records did not provide for the accumulation of payments for categories for the performance of any work or the furnishing or hiring of any material or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear cut violation existed. None were noted.

Our review of the Borough's minutes indicated that resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S.A. 40A:11-5.

Our examination of expenditures did not reveal any individual payments, contracts or agreements in excess of the statutory threshold "for the performance of any work or the furnishing or hiring of any materials or supplies," other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of N.J.S.A. 40A:11-6.

Collection of Interest on Delinquent Taxes

The statute provides the method for authorizing interest and the maximum rates to be charged for the nonpayment of taxes or assessments on or before the date when they would become delinquent.

The Governing Body on January 3, 2011 adopted the following resolutions authorizing interest to be charged on delinquent taxes:

WHEREAS, N.J.S.A. 54:4-67 permits the Governing Body of each municipality to fix the rate of interest to be charged for late non-payment of taxes or assessments subject to any abatement or discount for the late payment of taxes as provided by law, and

WHEREAS, N.J.S.A. 54:4-67 has been amended to permit the fixing of said rate at eight percent (8%) per annum for the first \$1,500.00 of the delinquency and eighteen percent (18%) per annum on amounts in excess of \$1,500.00, and allows for an additional penalty of six percent (6%) to be collected against a delinquency in excess of \$10,000.00 from properties that fail to pay the delinquency prior to the end of the calendar year;

GENERAL COMMENTS (CONTINUED)

Collection of Interest on Delinquent Taxes (continued)

NOW THEREFORE BE IT RESOLVED by the Borough Committee of the Borough of Ogdensburg, County of Sussex, State of New Jersey as follows:

- 1) The Tax Collector is hereby authorized and directed to charge an 8% rate of interest per annum on the first \$1,500.00 of taxes becoming delinquent after due date, and 18% per annum on any amount of taxes in excess of \$1,500.00 becoming delinquent after due date and if a delinquency is in excess of \$10,000.00 and remains in arrears beyond December 31st, an additional penalty of 6% shall be charged against the delinquency.
- 2) Effective January 3, 2011 there will be a ten (10) day grace period of quarterly tax payments made by cash, check or money order.

Any payments not made in accordance with paragraph two of this resolution shall be charged interest from the due date as set forth in paragraph one of this resolution.

It appears from an examination of the Tax Collector's records that interest was not collected in accordance with forgoing resolutions.

It appears from an examination of the Utility Collector's records that interest was collected in accordance with the forgoing resolutions.

Delinquent Taxes and Tax Title Liens

The last tax sale was held on December 7, 2011 and was complete, except for properties in Bankruptcy Court.

Inspection of tax sale certificates on file revealed that all tax sale certificates were available for audit.

The following comparison is made of the number of tax title liens receivable on December 31 of the last three years:

<u>Year</u>	<u>Number of Liens</u>
2011	9
2010	8
2009	6

GENERAL COMMENTS (CONTINUED)

Verification of Delinquent Taxes and other Charges

A test verification of delinquent charges and current payments was made in accordance with the requirements of the Division of Local Government Services.

The result of the test which was made as of December 31, 2011 is not yet known, but a separate report will be rendered if any irregularities are developed.

In addition, analytical review procedures were utilized to ascertain the validity of the receivables.

Municipal Court

The report required by statute covering the accounts of the Municipal Court has been filed under separate cover with the Judge, Borough Clerk and Division of Local Government Services. We noted, however, that there are internal control problems that exist throughout the State of New Jersey Municipal Court System caused by the implementation of the Automated Traffic System and the Automated Complaint System.

OTHER COMMENTS

Finance

1. The analysis of General Capital Fund cash include cash deficits for ordinances over 5 years old.

Management Response:

The Borough is aware of this and is funding through future budget.

2. It was noted that two employees were not paid within the Borough's salary range.

Management Response:

Management was aware of this issue. An updated range is in the process of being completed.

Segregation of Duties

The Borough does not maintain an adequate segregation of duties within the Tax Collector and Water Utility Collector's Departments. Segregation of duties refers to separating those functions that place too much control over a transaction or class of transactions that would enable a person to misappropriate funds and prevent detection within a reasonable period of time. This situation occurred because of the limited number of employees qualified to perform other accounting functions. The Borough was made aware of this lack of Internal Control and will consider strengthening internal control within reason of the costs and benefits derived. Therefore, no formal recommendation is deemed necessary at this time.

RECOMMENDATIONS

It is recommended:

1. That ordinances with a cash deficit over 5 years be funded.
2. That employees are compensated within the approved salary ranges.

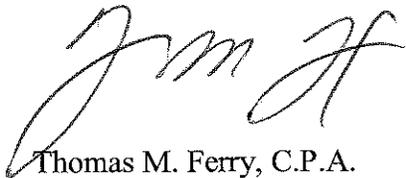
Status of Prior Year's Audit Findings/Recommendations

A review was performed on all prior year's recommendations and corrective action was taken on all, except for the following:

1. That ordinances with a cash deficit over 5 years be funded.

The problems and weaknesses note in our review were not of such magnitude that they would affect our ability to express an opinion on the financial statements taken as a whole.

Should any questions arise as to our comments or recommendations, or should you desire assistance in implementing our recommendations, please do not hesitate to call us.



Thomas M. Ferry, C.P.A.
Registered Municipal Accountant
No. 497

Ferraioli, Wielkutz, Cerullo, + Cuva, P.A.

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Certified Public Accountants