

**REPORT OF AUDIT**  
**BOROUGH OF OGDENSBURG**  
**COUNTY OF SUSSEX**  
**DECEMBER 31, 2013**

BOROUGH OF OGDENSBURG, N.J.  
YEAR ENDED DECEMBER 31, 2013  
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**BOROUGH OF OGDENSBURG**

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**PART I**

**REPORT OF AUDIT ON FINANCIAL STATEMENTS**

**AND SUPPLEMENTAL DATA**

**YEAR ENDED DECEMBER 31, 2013**

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

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## INDEPENDENT AUDITOR'S REPORT

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

### **Report on the Financial Statements**

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 December 31, 2013 and 2012, the related statement 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, 2013, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As described in Note 1 of the financial statements, the financial statements are prepared by the Borough of Ogdensburg on the basis of the financial reporting provisions prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of New Jersey.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the Borough of Ogdensburg as of December 31, 2013 and 2012, or changes in financial position for the years then ended.

***Basis for Qualified Opinion on Regulatory Basis Accounting Principles***

We are unable to obtain sufficient evidence to support the cost of fixed assets. As more fully describe in Note 1, due to the length of time over which these fixed assets were acquired, it is not practical to determine their actual costs. We are, therefore, unable to express an opinion as to the general fixed assets account group at December 31, 2013, and 2012, stated as \$11,249,566.00 and \$11,257,206.00, respectively.

***Qualified Opinion on Regulatory Basis of Accounting***

In our opinion, except for the effects of the matter described in the “Basis for Qualified Opinion on Regulatory Basis Accounting Principles”, the financial statements referred to above present fairly, in all material respects, the regulatory basis balances sheets as of December 31, 2013 and 2012, the regulatory basis statements of operations for the years then ended and the regulatory basis statements of revenues and expenditures for the year ended December 31, 2013 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

***Other Matters***

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Ogdensburg’s basic financial statements. The supplementary information listed in the table of contents and the letter of comments and recommendations section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental information listed in the table of contents are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information listed in the table of contents, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The letter of comments and recommendations section has not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Honorable Mayor and  
Members of the Borough Council  
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**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 28, 2014, on our consideration of the Borough of Ogdensburg's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Ogdensburg's internal control over financial reporting and compliance.



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

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

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

Newton, New Jersey

April 28, 2014



**Borough of Ogdensburg, N.J.**

**Comparative Balance Sheet - Regulatory Basis**

**Current Fund**

**December 31,**

	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
<u>Assets</u>			
Current Fund:			
Cash	A-4	1,495,142.76	1,476,023.03
Change Fund	A-5	125.00	125.00
		<u>1,495,267.76</u>	<u>1,476,148.03</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Taxes Receivable	A-6	216,406.41	251,887.56
Tax Title Liens Receivable	A-7	114,092.19	105,418.07
Property Acquired for Taxes - Assessed Valuation	A-8	2,371,100.00	2,371,100.00
Interfund Receivables:			
Other Trust	A-11	2,752.46	
		<u>2,704,351.06</u>	<u>2,728,405.63</u>
Deferred Charges:			
Special Emergency	A-12	50,252.00	19,244.00
		<u>4,249,870.82</u>	<u>4,223,797.66</u>
Federal and State Grant Fund:			
Interfund Receivable:			
Current Fund	A-20	518,994.64	579,601.32
Grants Receivable	A-22	6,255.31	7,755.92
		<u>525,249.95</u>	<u>587,357.24</u>
		<u>4,775,120.77</u>	<u>4,811,154.90</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,**

<u>Liabilities, Reserves and Fund Balance</u>	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
<b>Current Fund:</b>			
Appropriation Reserves	A-3;A-13	184,629.09	251,905.70
Due to State of New Jersey:			
Senior Citizen and Veteran Deductions	A-10	6,323.06	8,981.28
Interfunds Payable:			
Federal and State Grants	A-11	518,994.64	579,601.32
Regional High School Taxes Payable		0.66	
Due to State of New Jersey:			
Marriage Surcharge	A-14	50.00	
Tax Overpayments	A-14	8,705.86	30,781.24
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
Outside Lien Redemption	A-14	13,391.30	
Revaluation/Reassessment	A-14	3,200.00	
Sale of Municipal Assets	A-14	800.00	800.00
Codification of Ordinance	A-14	200.00	3,500.00
Encumbrances Payable	A-15	70,777.58	68,009.82
Prepaid Taxes	A-16	35,812.69	38,392.74
County Taxes Payable	A-17		141.12
		<u>874,784.94</u>	<u>1,021,124.28</u>
Reserve for Receivables	Contra	2,704,351.06	2,728,405.63
Fund Balance	A-1	670,734.82	474,267.75
		<u>4,249,870.82</u>	<u>4,223,797.66</u>
<b>Federal and State Grant Fund:</b>			
Encumbrances Payable	A-21	10,187.48	56,833.78
Appropriated Reserves	A-23	505,981.51	516,879.83
Unappropriated Reserve for Grants	A-24	9,080.96	13,643.63
		<u>525,249.95</u>	<u>587,357.24</u>
		<u>4,775,120.77</u>	<u>4,811,154.90</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

Year Ended December 31,

	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
Revenues and Other Income:			
Fund Balance Utilized	A-2	47,148.00	47,148.00
Miscellaneous Revenue Anticipated	A-2	370,329.37	327,227.72
Receipts from Delinquent Taxes	A-2	254,915.73	257,705.80
Receipts from Current Taxes	A-2	6,234,536.17	6,103,594.50
Non-Budget Revenue	A-2	12,737.44	67,901.59
Other Credits to Income:			
Appropriated Grants Cancelled	A-11	1,594.77	9,763.67
Statutory Excess-Animal Control Trust Fund			2,409.66
Unexpended Balance of Appropriation Reserves	A-13	183,225.89	84,417.42
Cancellation of Various Reserves			4,014.90
Encumbrances Payable	A-15	49.60	24,232.12
Total Revenues and Other Income		<u>7,104,536.97</u>	<u>6,928,415.38</u>
Expenditures:			
Budget and Emergency Appropriations:			
Operations - Within "CAPS"			
Salaries and Wages	A-3	970,355.18	956,958.00
Other Expenses	A-3	1,012,677.80	940,451.00
Deferred Charges and Statutory Expenditures -			
Municipal - Within "CAPS"	A-3	222,554.00	220,278.00
Operations - Excluded From CAPS:			
Other Expenses	A-3	136,766.36	127,159.14
Capital Improvements - Excluded from Caps	A-3	20,000.00	64,000.00
Municipal Debt Service - Excluded from Caps	A-3	146,107.50	139,326.10
Deferred Charges and Statutory Expenditures -			
Municipal - Excluded from Caps	A-3	63,978.73	19,978.13
Refund of Prior Year Taxes	A-4	4,210.38	
Grants Receivable Cancelled	A-11	1,383.33	9,721.39
Interfund Advances	A-11	2,752.46	
County Taxes including Added Taxes	A-17	1,067,716.16	1,078,490.23
Local District School Tax	A-18	2,305,895.00	2,270,857.00
Regional High School Tax	A-19	954,725.00	886,918.71
Prior Year Tax Appeals			18,847.92
Total Expenditures		<u>6,909,121.90</u>	<u>6,732,985.62</u>
Excess (Deficit) Revenue Over Expenditures		195,415.07	195,429.76
Adjustment to Income Before Fund Balance			
Expenditures Included above Which are by Statute			
Deferred Charges to Budget of Succeeding Year		48,200.00	
Statutory Excess to Fund Balance		243,615.07	195,429.76
Fund Balance, January 1,	A-1	<u>474,267.75</u>	<u>325,985.99</u>
		717,882.82	521,415.75
Decreased by:			
Fund Balance Utilized as Budget Revenue	A-1	<u>47,148.00</u>	<u>47,148.00</u>
Fund Balance, December 31,	A	<u>670,734.82</u>	<u>474,267.75</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, 2013**

	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	A-1	47,148.00	47,148.00	
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	A-9	1,000.00	1,200.00	200.00
Other	A-9	700.00	490.00	(210.00)
Fines and Costs:				
Municipal Court	A-9	43,500.00	47,116.78	3,616.78
Interest and Costs on Taxes	A-9	50,000.00	52,073.29	2,073.29
Interest on investment and deposits	A-9	3,000.00	2,548.93	(451.07)
Energy Receipts Tax	A-9	145,021.00	145,020.54	(0.46)
Consolidated Municipal Property Tax Relief Aid	A-9	45,257.00	45,257.00	
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	7,555.70	7,555.70	
Municipal Alliance	A-22	2,993.00	2,993.00	
Body Armor Fund	A-22	1,025.39	1,025.39	
Clean Communities Grant	A-22	4,468.95	4,468.95	
Municipal Court Educational Rehabilitation	A-22	593.59	593.59	
Other Special Items:				
Uniform Fire Safety Act	A-9	1,906.81	2,813.20	906.39
Reserve for Debt Service	A-9	41,250.00	41,250.00	
Cable TV Franchise Fee	A-9	8,812.00	8,812.00	
Total Miscellaneous Revenues	A-1	<u>364,194.44</u>	<u>370,329.37</u>	<u>6,134.93</u>
Receipts from Delinquent Taxes	A-1;A-2	245,000.00	254,915.73	9,915.73
Subtotal General Revenues		<u>656,342.44</u>	<u>672,393.10</u>	<u>16,050.66</u>
Amount to be Raised by Taxes for Support of				
Municipal Budget-Local Tax for Municipal				
Purposes Including Reserve for Uncollected Taxes	A-2	<u>2,173,120.13</u>	<u>2,211,423.01</u>	<u>38,302.88</u>
Budget Totals		2,829,462.57	2,883,816.11	54,353.54
Non-Budget Revenue	A-1;A-2		12,737.44	12,737.44
		<u>2,829,462.57</u>	<u>2,896,553.55</u>	<u>67,090.98</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, 2013**

	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Revenue from Collections	A-1;A-6		6,234,536.17	
Allocated to School and County Taxes	A-6		<u>4,328,336.16</u>	
Balance for Support of Municipal Budget Appropriations			1,906,200.01	
Add:				
Appropriated Reserve for Uncollected Taxes	A-3		<u>305,223.00</u>	
 Amount for Support of Municipal Budget Appropriations	 A-2		 <u><u>2,211,423.01</u></u>	
Receipts from Delinquent Taxes:				
Delinquent Taxes				
Taxes Receivable	A-6		240,476.32	
Tax Title Lien Receivable	A-7		14,439.41	
	A-2		<u>254,915.73</u>	
 <u>Analysis of Non-budget Revenues</u>	 <u>Ref.</u>			
Miscellaneous Revenues Not Anticipated:				
Revenues Accounts Receivable:				
Clerk	A-9	8.10		
Planning/Zoning	A-9	560.00		
Board of Health/Registrar of Vital Statistics	A-9	1,789.00		
Police Department	A-9	<u>751.35</u>		
			3,108.45	
Senior Citizen and Veterans Admin. Costs Reimb.		632.07		
Land Use		1,000.00		
Restitution		490.00		
Fire Prevention		1,309.00		
Garbage Stickers		646.00		
FEMA		1,050.00		
Various Refunds and Miscellaneous		<u>4,501.92</u>		
	A-4		<u>9,628.99</u>	
	A-2		<u><u>12,737.44</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**

	<b>Current Fund</b>						
	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>	
<b>General Appropriations</b>							
<b>General Government:</b>							
<b>Administrative and Executive</b>							
<b>Mayor and Council</b>							
Salaries and Wages		14,500.00	14,500.00	14,500.00			
Other Expenses		1,530.00	1,530.00	1,500.62	29.38		
<b>Clerk</b>							
Salaries and Wages		49,129.23	49,129.23	48,959.43	169.80		
Other Expenses		19,758.00	19,758.00	17,586.51	2,171.49		
<b>Financial Administration</b>							
Salaries and Wages		17,325.27	19,325.27	18,796.50	528.77		
Other Expenses		10,150.76	10,150.76	8,506.61	1,644.15		
Annual Audit		20,400.00	20,650.00	12,000.00	8,650.00		
Computer Services		4,641.00	4,641.00	4,275.00	366.00		
<b>Assessment of Taxes</b>							
Salaries and Wages		19,049.85	19,049.85	18,836.56	213.29		
Other Expenses		994.50	50,094.50	50,094.50			
<b>Collection of Taxes</b>							
Salaries and Wages		7,007.32	7,507.32	7,130.37	376.95		
Other Expenses		4,587.96	4,587.96	4,542.66	45.30		
<b>Legal Services and Costs</b>							
Other Expenses		40,495.00	36,495.00	21,438.11	15,056.89		
<b>Municipal Court</b>							
Salaries and Wages		42,998.05	42,998.05	39,417.98	3,580.07		
Other Expenses		8,168.16	8,169.16	7,344.00	825.16		
<b>Public Defender:</b>							
Other Expenses		1.00					
<b>Engineering Services and Costs</b>							
Other Expenses		6,500.00	5,000.00	3,807.50	1,192.50		
<b>Public Buildings and Grounds</b>							
Miscellaneous Other Expenses		14,280.00	14,280.00	10,082.52	4,197.48		

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, 2013**

	<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						
Municipal Land Use Law (N.J.S. 40:55 D-1)						
Planning Board		7,049.99	7,049.99	5,892.26	1,157.73	
Salaries and Wages				3,143.70	3,681.96	
Other Expenses		7,725.66	6,825.66			
Public Safety:						
Fire		25,000.00	25,000.00	23,802.10	1,197.90	
Other Expenses						
Police		640,180.84	634,879.84	623,404.38	11,475.46	
Salaries and Wages				42,381.87	4,522.13	
Other Expenses		46,904.00	46,904.00	4,000.00		
First Aid Organization		4,000.00	4,000.00			
Uniform Fire Safety Act (CH. 383, P.L. 1983)						
Fire Official		3,591.60	3,591.60	3,455.31	136.29	
Salaries and Wages		1,122.00	1,122.00	1,001.76	120.24	
Other Expenses						
Emergency Management Services		2,500.00	2,500.00	1,500.00	1,000.00	
Salaries and Wages		200.00	200.00	75.00	125.00	
Other Expenses						
Streets and Roads						
Road Repair and Maintenance		123,286.66	123,286.66	112,099.51	11,187.15	
Salaries and Wages		47,651.00	47,651.00	43,548.22	4,102.78	
Other Expenses						
Snow Removal		20,000.00	20,000.00	13,758.40	6,241.60	
Salaries and Wages		35,000.00	35,000.00	23,945.47	11,054.53	
Other Expenses						
Sanitation						
Garbage and Trash Removal		162,000.00	162,000.00	145,837.39	16,162.61	
Other Expenses - Contractual						
Recycling		1.00	1.00			
Salaries and Wages					1.00	

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

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

	<b>Current Fund</b>				<b>Unexpended</b>
	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Balance Canceled</u>
		1.00	1.00		1.00
<u>General Appropriations</u>					
Other Expenses					
Health and Welfare					
Board of Health		13,503.17	13,653.17	13,347.54	305.63
Salaries and Wages		2,315.40	2,315.40	1,252.90	1,062.50
Other Expenses					
Recreation and Education					
Parks and Playgrounds		10,000.00	5,700.00	5,695.27	4.73
Salaries and Wages		30,500.00	28,500.00	17,871.11	10,628.89
Other Expenses		750.00	750.00	750.00	
Historical Committee					
Utility Expenses					
Electricity		56,100.00	56,100.00	41,288.11	14,811.89
Telephone		18,972.00	18,972.00	18,632.78	339.22
Natural Gas		5,000.00	5,000.00	3,440.42	1,559.58
Fuel Oil		23,000.00	27,200.00	24,133.75	3,066.25
Gasoline/Diesel Fuel		40,000.00	40,000.00	34,029.48	5,970.52

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

**Current Fund**

**Year Ended December 31, 2013**

<u>General Appropriations</u>	<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>Insurance:</u>						
General Liability		110,830.08	110,830.08	110,489.00	341.08	
Worker's Compensations		37,823.00	37,824.00	37,824.00		
Employee Group Health		157,967.28	167,967.28	143,800.87	24,166.41	
Surety Bonds		659.00	659.00	659.00		
Health Benefit Waiver		7,000.00	7,000.00	6,222.26	777.74	
Uniform Construction Code - Appropriations Offset by Dedicated Revenues (N.J.A.C. 5:23-4.17)						
Construction Code Official: Building Inspector Salaries and Wages		7,183.20	7,183.20	6,910.62	272.58	
Unclassified:						
Sick Pay Benefits		5,500.00	5,500.00	5,500.00		
Total Operations Within "CAPS"		<u>1,934,832.98</u>	<u>1,983,032.98</u>	<u>1,808,511.35</u>	<u>174,521.63</u>	
Total Operations Including Contingent- Within "CAPS"		<u>1,934,832.98</u>	<u>1,983,032.98</u>	<u>1,808,511.35</u>	<u>174,521.63</u>	
Detail:						
Salaries and Wages	A-1	977,306.18	970,355.18	933,704.13	36,651.05	
Other Expenses (Including Contingent)	A-1	<u>957,526.80</u>	<u>1,012,677.80</u>	<u>874,807.22</u>	<u>137,870.58</u>	

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

**Current Fund**

**Year Ended December 31, 2013**

<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					
Deferred Charges and Statutory Expenditures-					
Municipal Within "CAPS"					
Statutory Expenditures					
Contribution to:					
Public Employees Retirement System	33,550.00	33,550.00	28,550.00	5,000.00	
Social Security System (O.A.S.I.)	76,092.00	76,092.00	71,096.95	4,995.05	
Defined contribution retirement program	1.00	1.00		1.00	
Police and Firemen's Retirement System	112,910.00	112,910.00	112,910.00		
Unemployment Compensation Insurance	1.00	1.00		1.00	
Total Deferred Charged and Statutory Expenditures - Municipal within "CAPS"	222,554.00	222,554.00	212,556.95	9,997.05	
(G) Cash Deficit of Preceding Year					
Total General Appropriations for Municipal Purposes within "CAPS"	2,157,386.98	2,205,586.98	2,021,068.30	184,518.68	
Operations - Excluded From "CAPS"					
Employee Group Health	7,504.00	7,504.00	7,504.00		
Total Other Operations - Excluded From Caps	7,504.00	7,504.00	7,504.00		
Interlocal Municipal Service Agreements					
Animal Control "Contractual"	11,440.00	11,440.00	11,440.00		
"911" Services "Contractual"	51,106.00	51,106.00	51,096.00	10.00	
Financial Administration "Contractual"	49,231.73	49,231.73	49,231.32	0.41	
Total Interlocal Municipal Service Agreements	111,777.73	111,777.73	111,767.32	10.41	

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

		<b>Current Fund</b>				<b>Unexpended Balance Canceled</b>
		<b>Ref.</b>	<b>Budget</b>	<b>Budget After Modification</b>	<b>Paid or Charged</b>	<b>Reserved</b>
<b>General Appropriations</b>						
<b>Public and Private Programs Offset By Revenues</b>						
Recycling Tonnage Grant			7,555.70	7,555.70	7,555.70	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			593.59	593.59	593.59	
Other Expenses						
Reserve for Clean Communities						
Other Expenses			4,468.95	4,468.95	4,468.95	
Reserve for Body Armor Fund						
Other Expenses			1,025.39	1,025.39	1,025.39	
Total Public and Private Programs Offset						
By Revenues			17,484.63	17,484.63	17,384.63	100.00
Total Operations - Excluded from "CAPS"			136,766.36	136,766.36	136,655.95	110.41
Detail:						
Other Expenses	A-1		136,766.36	136,766.36	136,655.95	110.41
Capital Improvements - Excluded From "CAPS"						
Capital Improvement Fund			20,000.00	20,000.00	20,000.00	
Total Capital Improvements Excluded from "CAPS"	A-1		20,000.00	20,000.00	20,000.00	

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				Unexpended Balance Canceled
		Ref.	Budget	Budget After Modification	Paid or Charged	Reserved
<b>General Appropriations</b>						
Municipal Debt Service - Excluded From "CAPS"						
Payment of Bond Principal			100,000.00	100,000.00	100,000.00	
Payment of Bond Anticipation and Capital Notes			26,500.00	26,500.00	26,500.00	
Interest on Bonds			10,837.50	10,837.50	10,837.50	
Interest on Notes			8,770.00	8,770.00	8,770.00	
Total Municipal Debt Service-Excluded from "CAPS"		A-1	146,107.50	146,107.50	146,107.50	
Deferred Charges - Municipal - Excluded From "CAPS"						
Deferred Charges to Future Taxation Unfunded:						
Emergency Authorizations			5,500.00	5,500.00	5,500.00	
Acquisition of Pick-up Truck			39.91	39.91	39.91	
Various Improvements			41,246.82	41,246.82	41,246.82	
Improv. To Highland Ave. and High Street						
Special Emergency Authorizations - 5 Years (N.J.S. 40A:4-55)			17,192.00	17,192.00	17,192.00	
Total Deferred Charges - Excluded from "CAPS"		A-1	63,978.73	63,978.73	63,978.73	
Total General Appropriations for Municipal Purposes Excluded from "CAPS"			366,852.59	366,852.59	366,742.18	110.41
Total General Appropriations - Excluded From "CAPS"			366,852.59	366,852.59	366,742.18	110.41
Subtotal General Appropriations			2,524,239.57	2,572,439.57	2,387,810.48	184,629.09
Reserve for Uncollected Taxes			305,223.00	305,223.00	305,223.00	
Total General Appropriations			2,829,462.57	2,877,662.57	2,693,033.48	184,629.09
						A

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

Current Fund

Year Ended December 31, 2013

	<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>						
Adopted Budget		A-2	2,829,462.57			
Special Emergency Appropriation 40A:4-55		A-12	48,200.00			
			<u>2,877,662.57</u>			
<u>Analysis of Paid or Charged</u>						
Reserve for Uncollected Taxes	A-2			305,223.00		
Cash Disbursed	A-4			2,318,940.44		
Deferred Charges - Special Emergency	A-12			17,192.00		
Encumbrances Payable	A-15			48,177.58		
Interfund - Other Trust Fund	A-11			3,500.46		
				<u>2,693,033.48</u>		

## Borough of Ogdensburg, N. J.

## Comparative Balance Sheet - Regulatory Basis

## Trust Funds

December 31,

	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
<u>Assets</u>			
Animal Control Trust Fund:			
Cash- Treasurer	B-1	6,882.92	7,061.60
Change Fund	B-2	100.00	100.00
		<u>6,982.92</u>	<u>7,161.60</u>
Other Trust Funds:			
Cash	B-1	<u>541,560.38</u>	<u>519,987.40</u>
		<u>548,543.30</u>	<u>527,149.00</u>
<u>Liabilities, Reserves &amp; Fund Balance</u>			
Animal Control Trust Fund:			
Reserve for Animal Control Trust			
Fund Expenditures	B-3	6,982.92	7,155.00
Due to the State of New Jersey	B-5		6.60
		<u>6,982.92</u>	<u>7,161.60</u>
Other Trust Fund:			
Interfund - Current Fund	B-4	2,752.46	
Reserve for:			
Unemployment	B-6	41,821.02	40,520.25
Municipal Alliance	B-6	393.00	393.00
Tax Sale Premiums	B-6	106,200.00	38,000.00
Municipal Court P.O.A.A. Fees	B-6	177.00	175.00
Public Defender	B-6	3,923.90	2,986.12
COAH - RCA - Park Ridge	B-6		105,994.08
COAH - RCA - Saddle River	B-6		99,721.61
COAH - RCA - Vernon	B-6	312,562.87	151,978.72
Escrow Deposits	B-6	4,114.18	11,522.46
Police Outside Services	B-6	30.35	1,998.26
Memorial Park	B-6	5,771.07	4,331.62
Snow Removal	B-6	1,281.94	1,281.94
Sick and Vacation	B-6	37,525.17	32,025.17
100th Year Anniversary	B-6	13,780.16	3,769.77
Payroll	B-6	11,227.26	25,289.40
		<u>541,560.38</u>	<u>519,987.40</u>
		<u>548,543.30</u>	<u>527,149.00</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,

<u>Assets</u>	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
Cash	C-2;C-3	815,945.94	810,032.98
Grants Receivable	C-4	50,000.00	200,000.00
Deferred Charges to Future Taxation			
Funded	C-5	205,000.00	305,000.00
Unfunded	C-6	791,526.16	864,812.89
		<u>1,862,472.10</u>	<u>2,179,845.87</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Capital Improvement Fund	C-7	11,215.37	154,715.37
Improvement Authorizations:			
Funded	C-8	127,294.82	29,965.46
Unfunded	C-8	723,577.77	807,146.62
Encumbrances Payable	C-9	27,876.00	49,991.28
Reserve for:			
Debt Service	C-9		41,250.00
Bond Anticipation Notes	C-10	716,000.00	742,500.00
General Serial Bonds Payable	C-11	205,000.00	305,000.00
Fund Balance	C-1	51,508.14	49,277.14
		<u>1,862,472.10</u>	<u>2,179,845.87</u>

Footnote C: There were Bonds and Notes Authorized But Not Issued in the amount \$75,526.16 and \$122,312.89 on December 31, 2013 and 2012. See Exhibit C-12.

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

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

	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
Balance - January 1,	C	49,277.14	48,669.14
Increased by:			
Premium on Note Sale	C-2	<u>2,231.00</u>	<u>608.00</u>
Balance - December 31, 2013	C	<u><u>51,508.14</u></u>	<u><u>49,277.14</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,**

	<u>Ref</u>	<u>2013</u>	<u>2012</u>
<u>Assets</u>			
Operating Fund:			
Cash-Treasurer	D-5	158,059.22	194,592.34
Change Fund	D-7	25.00	25.00
		<u>158,084.22</u>	<u>194,617.34</u>
Receivables with Full Reserves:			
Consumer Accounts	D-8	115,592.52	62,143.70
Water Liens Receivable	D-9		662.92
Inventory	D-10	2,583.00	2,583.00
		<u>118,175.52</u>	<u>65,389.62</u>
Deferred Charges:			
Operating Deficit	D-11		2,029.81
Total Operating Fund		<u>276,259.74</u>	<u>262,036.77</u>
Capital Fund:			
Cash	D-5;D-6	165,705.50	257,536.30
Fixed Capital*	D-12	4,479,257.37	4,479,257.37
Fixed Capital Authorized and Uncompleted*	D-13	910,500.00	910,500.00
Total Capital Fund		<u>5,555,462.87</u>	<u>5,647,293.67</u>
Total Assets		<u>5,831,722.61</u>	<u>5,909,330.44</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,**

	<u>Ref</u>	<u>2013</u>	<u>2012</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Operating Fund:			
Appropriation Reserve	D-4;D-14	38,114.48	36,770.74
Encumbrances Payable	D-15	2,429.10	10,171.42
Accrued Interest on Loans and Notes	D-17	39,981.59	41,043.15
Water Overpayments	D-16	1,056.58	1,164.86
		<u>81,581.75</u>	<u>89,150.17</u>
 Reserve for Receivables	 Contra	 118,175.52	 65,389.62
Fund Balance	D-1	76,502.47	107,496.98
Total Operating Fund		<u>276,259.74</u>	<u>262,036.77</u>
 Capital Fund:			
Improvement Authorization			
Funded	D-18	44,677.44	17,657.99
Unfunded	D-18	11,380.85	132,772.86
Reserve for Encumbrances	D-19		7,350.00
Reserve for Capital Outlay	D-19	27,448.18	27,448.18
Reserve for Debt Service	D-19		108.24
Capital Improvement Fund	D-20	81,430.00	71,430.00
Reserve for Amortization	D-21	3,296,957.30	3,265,956.25
Reserve for Deferred Amortization	D-22	172,500.00	134,500.00
USDA Rural Development Loan	D-23	1,820,300.07	1,851,301.12
Bond Anticipation Notes Payable	D-24	100,000.00	138,000.00
Fund Balance	D-2	769.03	769.03
		<u>5,555,462.87</u>	<u>5,647,293.67</u>
 Total Liabilities, Reserves and Fund Balances		 <u>5,831,722.61</u>	 <u>5,909,330.44</u>

Footnote D: There were no Bonds and Notes Authorized But Not Issued on December 31, 2013 and 2012  
Per Exhibit D-25.

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

Year Ended December 31,

	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
Revenue and Other Income Realized:			
Operating Surplus Anticipated	D-1;D-3	50,707.50	54,072.45
Rents	D-3	286,115.73	317,328.56
Interest on Investments	D-3	447.03	540.10
Non-Budget Revenues			489.23
Reserve for Debt Service - Water Capital	D-3	108.24	
Other Credits to Income:			
Unexpended Balance of			
Appropriation Reserves	D-14	34,759.91	21,036.66
Encumbrances Cancelled			800.00
Total Income		<u>372,138.41</u>	<u>394,267.00</u>
Expenditures:			
Operating	D-4	167,086.93	163,250.00
Capital Improvements		10,000.00	
Debt Service	D-4	163,922.68	126,217.83
Deferred Charges and			
Statutory Expenditures	D-4	11,415.81	61,004.28
Refund of Prior Year Water Rents	D-5		312.10
Total Expenditures		<u>352,425.42</u>	<u>350,784.21</u>
Excess in Revenue over Expenditures		<u>19,712.99</u>	<u>43,482.79</u>
Statutory Excess to Surplus		19,712.99	43,482.79
Fund Balance - January 1,	D-1	<u>107,496.98</u>	<u>118,086.64</u>
		127,209.97	161,569.43
Decreased by:			
Utilized as Anticipated Revenue		<u>50,707.50</u>	<u>54,072.45</u>
Fund Balance - December 31,	D	<u><u>76,502.47</u></u>	<u><u>107,496.98</u></u>

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

**Borough of Ogdensburg, N. J.**

**Comparative Statement of Fund Balance - Regulatory Basis**

**Water Utility Capital Fund**

**Year Ended December 31,**

	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
Balance - December 31, 2012	D	<u>769.03</u>	314.71
Increased by:			
Improvement Authorizations Cancelled			<u>454.32</u>
Balance - December 31, 2013	D	<u>769.03</u>	<u>769.03</u>

**Statement of Revenues - Regulatory Basis**

**Water Utility Operating Fund**

**Year Ended December 31, 2013**

	<u>Ref.</u>	<u>Anticipated</u>	<u>Realized</u>	<u>Excess (Deficit)</u>
Operating Surplus Anticipated	D-1	50,707.50	50,707.50	
Rents	D-1;D-8	301,110.00	286,115.73	(14,994.27)
Interest on Investments	D-1;D-5	500.00	447.03	(52.97)
Reserve for Debt Service - Water Cap	D-1;D-5	108.24	108.24	
Budget Totals		<u>352,425.74</u>	<u>337,378.50</u>	<u>(15,047.24)</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, 2013

	Ref.	Appropriated		Paid or Charged	Expended	Reserved	Unexpended Balance Cancelled
		Budget	Budget After Modification				
Operating:							
Salaries and Wages		57,311.03	57,311.03	56,440.72	870.31		
Other Expenses		109,775.90	109,775.90	72,531.73	37,244.17		
Total Operating	D-1	167,086.93	167,086.93	128,972.45	38,114.48		
Capital Improvements:							
Capital Improvement Fund	D-1	10,000.00	10,000.00	10,000.00			
Debt Service:							
Payment of Bond Anticipation Note		38,000.00	38,000.00	38,000.00			
Interest on Notes		2,110.00	2,110.00	2,110.00			
Rehabilitation Loan:							
Principal		31,023.00	31,023.00	31,022.68	0.32		
Interest		92,790.00	92,790.00	92,790.00			
Total Debt Service	D-1	163,923.00	163,923.00	163,922.68	0.32		

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, 2013

Ref.	Appropriated		Paid or Charged	Expended	Unexpended Balance Cancelled
	Budget	Budget After Modification			
	2,029.81	2,029.81	2,029.81		
Deferred Charges and Statutory Expenditures					
Operating Deficit			2,029.81		
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System	5,000.00	5,000.00	5,000.00		
Social Security System (O.A.S.I.)	4,386.00	4,386.00	4,386.00		
Total Deferred Charges and Statutory Expenditures	<u>11,415.81</u>	<u>11,415.81</u>	<u>11,415.81</u>		
Total Water Utility Appropriations	<u>352,425.74</u>	<u>352,425.74</u>	<u>314,310.94</u>	<u>38,114.48</u>	<u>0.32</u>
				D	
Cash Disbursed			214,952.03		
Encumbrances Payable			2,429.10		
Accrued Interest			94,900.00		
Deferred Charges			<u>2,029.81</u>		
			<u>314,310.94</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, 2013 and 2012

(Unaudited)

	<u>2013</u>	<u>2012</u>
<u>General Fixed Assets:</u>		
Land	6,695,200.00	6,695,200.00
Buildings	2,369,600.00	2,369,600.00
Machinery and Equipment	<u>2,184,766.00</u>	<u>2,192,406.00</u>
	<u>11,249,566.00</u>	<u>11,257,206.00</u>
 Investment in Fixed Assets	 <u>11,249,566.00</u>	 <u>11,257,206.00</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, 2013 AND 2012**

**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, 2013 AND 2012  
(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, 2013 AND 2012  
(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, 2013 AND 2012  
(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  
Trust Fund

General Capital 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 2013, the Governing Body increased the original Current Fund budget for a special emergency authorization. Also, several budget transfers were approved by the Governing Body.

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, 2013 AND 2012  
(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, 2013 AND 2012  
(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, 2013 AND 2012  
(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 2013 statutory budget included a reserve for uncollected taxes in the amount of \$305,223.00. To balance the budget, the municipality is required to show a budgeted fund balance. The amount of fund balance budgeted to balance the 2013 statutory budget was \$47,148.00.

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 2013.

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 2013, the Borough had a special emergency appropriation for Revaluation of Real Property in the amount of \$48,200.00.

**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, 2013, the following deferred charges are shown on the balance sheets of the various funds:

	<u>Balance 12/31/13</u>	<u>2014 Budget Appropriation</u>	<u>Balance to Succeeding Budget</u>
Current Fund			
Special Emergency -			
Revaluation	\$48,200.00	\$ 9,640.00	\$38,560.00
Codification of Ordinances	<u>2,052.00</u>	<u>2,052.00</u>	<u>                    </u>
	<u>\$50,252.00</u>	<u>\$11,692.00</u>	<u>\$38,560.00</u>

**BOROUGH OF OGDENSBURG, N.J.**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012  
(CONTINUED)**

**NOTE 4: GENERAL FIXED ASSETS (UNAUDITED)**

The following schedule is a summary of changes in the general fixed assets account group for the year 2013.

	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>Dec. 31, 2013</u>
Land	\$ 6,695,200.00	\$	\$	\$ 6,695,200.00
Buildings	2,369,600.00			2,369,600.00
Equipment (Including Vehicles)	<u>2,192,406.00</u>	<u>19,856.00</u>	<u>27,496.00</u>	<u>2,184,766.00</u>
	<u>\$11,257,206.00</u>	<u>\$19,856.00</u>	<u>\$27,496.00</u>	<u>\$11,249,566.00</u>

**NOTE 5: MUNICIPAL DEBT**

Long-term debt as of December 31, 2013 consisted of the following:

	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>Dec. 31, 2013</u>	<u>Due Within</u> <u>One Year</u>
General Capital Fund:					
Bonds Payable	<u>\$ 305,000.00</u>	<u>\$</u>	<u>\$100,000.00</u>	<u>\$ 205,000.00</u>	<u>\$100,000.00</u>
Water Capital Fund:					
U.S.D.A. Rural Dev. Loan	<u>1,851,301.12</u>	<u></u>	<u>31,001.05</u>	<u>1,820,300.07</u>	<u>32,616.77</u>
Compensated Absences Payable	<u>127,274.62</u>	<u>6,004.54</u>	<u></u>	<u>133,279.16</u>	<u></u>
Capital Leases	<u>20,509.29</u>	<u></u>	<u>13,029.07</u>	<u>7,480.22</u>	<u>6,005.22</u>
	<u>\$2,304,085.03</u>	<u>\$6,004.54</u>	<u>\$144,030.12</u>	<u>\$2,166,059.45</u>	<u>\$138,621.99</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, 2013 AND 2012  
(CONTINUED)**

**NOTE 5: MUNICIPAL DEBT (CONTINUED)**

The Borough's debt is summarized as follows:

<u>Issued</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
General:			
Bonds and Notes	921,000.00	1,047,500.00	612,000.00
Water Utility:			
Bonds and Notes	<u>1,920,300.07</u>	<u>1,989,301.12</u>	<u>1,918,787.20</u>
Total Issued	<u>2,841,300.07</u>	<u>3,036,801.12</u>	<u>2,530,787.20</u>
<u>Authorized But Not Issued</u>			
General:			
Bonds and Notes	<u>75,526.16</u>	<u>122,312.89</u>	<u>125,099.02</u>
Net Bonds and Notes Issued and Authorized But Not Issued	2,916,826.23	3,159,114.01	2,655,886.22
Less:			
Applicable Deductions		41,250.00	41,250.00
Self Liquidating	<u>1,920,300.07</u>	<u>1,989,301.12</u>	<u>1,262,471.00</u>
Net Debt	<u>996,526.16</u>	<u>1,128,562.89</u>	<u>1,352,165.22</u>

**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 .493%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	127,000.00	127,000.00	-
Reg. School Dist. Debt	410,027.39	410,027.39	-
Water Utility Debt	1,920,300.07	1,857,793.07	62,507.00
General Debt	<u>996,526.16</u>	<u>-</u>	<u>996,526.16</u>
	<u>3,453,853.62</u>	<u>2,394,820.46</u>	<u>1,059,033.16</u>

**BOROUGH OF OGDENSBURG, N.J.**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012  
(CONTINUED)**

**NOTE 5: MUNICIPAL DEBT (CONTINUED)**

Net Debt \$1,059,033.16 divided by Average Equalized Valuation Basis per N.J.S. 40A:2-2 as amended, 214,802,767.67 = .493%.

**SUMMARY OF AVERAGE EQUALIZED VALUATIONS**

2013	214,802,767.67	
2012		228,692,234.67
2011		238,498,167.00

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

3 ½% of Equalized Valuation Basis (Municipal)	\$7,518,096.87
Net Debt	<u>1,059,033.16</u>
Remaining Borrowing Power	<u>\$6,459,063.71</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	\$337,270.26
Deductions:	
Operating and Maintenance Cost	\$176,472.93
Debt Service	<u>163,922.68</u>
Total Deductions	<u>340,395.61</u>
Excess in Revenue/(Deficit)	<u>\$ (3,125.35)</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 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, 2013 AND 2012  
(CONTINUED)**

**NOTE 5: MUNICIPAL DEBT (CONTINUED)**

An analysis of Long-term debt as of December 31, 2013 consisted of the following:

Paid by Current Fund:

General Obligation Bond - General Improvements - dated 4/1/08, in the amount of \$660,000.00. 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, 2013 was \$205,000.00. 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, in the amount of \$200,000.00, 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, 2013 was \$175,369.41. 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, in the amount of \$1,924,000.00, 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, 2013 was \$1,644,930.66. Outstanding loan principal and interest are paid from the Water Utility Operating Fund of the Borough.

Total General Capital Bond - Listed in above \$ 205,000.00

Total Water Utility Capital Bonds and Loans -  
Listed in above \$1,820,300.07

**BOROUGH OF OGDENSBURG, N.J.**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012  
(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
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	-	-	37,908.87	86,839.13	37,908.87	86,839.13
2018	-	-	39,857.72	84,890.28	39,857.72	84,890.28
2019-2023	-	-	232,223.84	391,516.16	232,223.84	391,516.16
2024-2028	-	-	298,430.64	325,309.36	298,430.64	325,309.36
2029-2033	-	-	383,571.98	240,168.02	383,571.98	240,168.02
2034-2038	-	-	493,082.43	130,657.57	493,082.43	130,657.57
2039-2040	-	-	232,259.35	15,151.41	232,259.35	15,151.41
	<u>205,000.00</u>	<u>8,818.75</u>	<u>1,820,300.07</u>	<u>1,545,810.69</u>	<u>2,025,300.07</u>	<u>1,554,629.44</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, 2013 AND 2012  
(CONTINUED)**

**NOTE 6: BOND ANTICIPATION NOTES (CONTINUED)**

The following activity related to Bond Anticipation Notes occurred during the calendar year ended December 31, 2013:

	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>Dec. 31, 2013</u>
General Capital:				
Roosevelt & Cross Inc.	\$742,500.00	\$	\$742,500.00	
Sussex Bank	<u>                    </u>	<u>716,000.00</u>	<u>                    </u>	<u>716,000.00</u>
Water Capital Fund:				
Roosevelt & Cross Inc.	138,000.00		138,000.00	
Sussex Bank	<u>                    </u>	<u>100,000.00</u>	<u>                    </u>	<u>100,000.00</u>
	<u>\$880,500.00</u>	<u>\$816,000.00</u>	<u>\$880,500.00</u>	<u>\$816,000.00</u>

The Borough has outstanding at December 31, 2013, a bond anticipation note in the amount of \$716,000.00 payable to Sussex Bank. This note will mature on December 05, 2014 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 1.25%. Principal and interest on this note is paid from the Current Fund Budget of the Borough.

The Borough has outstanding at December 31, 2013, a bond anticipation note in the amount of \$100,000.00 payable to Sussex Bank. This note will mature on December 05, 2014 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 1.25%. 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, 2013 AND 2012  
(CONTINUED)**

**NOTE 7: DUE TO/FROM OTHER FUNDS**

Balances due to/from other funds at December 31, 2013 consist of the following:

\$518,994.64	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.
<u>2,752.46</u>	Due to Current Fund from Other Trust Fund for a disbursement in Current Fund for the Other Trust Reserve.
<u>\$521,747.10</u>	

**NOTE 8: FUND BALANCES APPROPRIATED**

Fund balances at December 31, 2013 and 2012 which were appropriated and included as anticipated revenue in their own respective funds for the years ending December 31, 2014 and 2013 were as follows:

	<u>2013</u>	<u>2012</u>
Current Fund	<u>\$60,267.89</u>	<u>\$47,148.00</u>
Water Utility Operating Fund	<u>\$49,374.99</u>	<u>\$50,707.50</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**

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, 2013 AND 2012  
(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, 2013 AND 2012  
(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, (Tier 2 members) 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, 2013 AND 2012  
(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>
2013	\$42,971.00	\$112,910.00
2012	42,196.00	103,480.00
2011	46,184.00	120,656.00

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, 2013 AND 2012  
(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.

There were two employees eligible to be enrolled in the DCRP as of December 31, 2013.

**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 \$133,279.16. This amount is not reported either as an expenditure or liability. The Borough has reserved \$37,525.17 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, 2013 AND 2012  
(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, 2013, \$-0- of the Borough's bank balance of \$3,213,793.19 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 2013 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, 2013 AND 2012  
(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 rate 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, 2013:

Total minimum lease payment	\$7,734.92
Less: amount representing interest	<u>254.70</u>
Present Value of net minimum lease payments	<u>\$7,480.22</u>

Calendar Year	Principal	Interest	Total Lease Payments
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>\$7,480.22</u>	<u>\$254.70</u>	<u>\$7,734.92</u>

**BOROUGH OF OGDENSBURG, N.J.**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012  
(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, 2013</u>	<u>Balance Dec. 31, 2012</u>
Prepaid Taxes	<u>\$35,812.69</u>	<u>\$38,392.74</u>
Cash Liability for Taxes Collected in Advance	<u>\$35,812.69</u>	<u>\$38,392.74</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.

CONSIDERATIONS

For FYE 2012, there were 6 retirees plus dependents who are receiving employer subsidized benefits. We reflected known retirements and terminations in our database through December 31, 2011. Where data was missing or inaccurate, we assumed reasonable estimates. In all, we valued 10 active employees plus dependents.

Retiree medical coverage is provided primarily through Horizon Blue Cross/Blue Shield and Aetna. Dental coverage is a flat \$1,500/yr. for police.

**BOROUGH OF OGDENSBURG, N.J.**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012  
(CONTINUED)**

**NOTE 18: POST-RETIREMENT BENEFITS (CONTINUED)**

Future retirees are assumed to be covered by the existing arrangement as outlined in the materials forwarded by the Borough. Those provisions, as they relate to employer liability, can be found in the Summary of Plan Provisions section of this report.

**ASSUMPTIONS/RECOGNITION**

To establish the per capita claims cost of medical benefits, we used current premium rates provided by the Borough as the starting point for our calculations. We then employed a health care trend rate that begins at 9.5% for the first year, decreases by 0.5% per year through year 10 to 5% thereafter. This assumption needs to be reviewed periodically. The health care trend rate is a major contributor to widening the gap between pay-as-you-go recognition and GASB #45 recognition. Adjustments were also required to be made to recognize differences between the average age of the 'full' population and the average age of a 'retiree only' population (to develop "age adjusted" current premium rate equivalents).

**SUMMARY OF PLAN PROVISIONS**

The following is a summary of the current major provisions of the retiree medical program.

1. **MEDICAL BENEFITS**

The plan is a fully insured plan. Current (renewal) retiree premium rates provided to us by the Borough include [(a) through (d) are medical plus prescriptions]:

- |                            |   |
|----------------------------|---|
| a) Individual Pre-age 65:  | Horizon generally \$442 per month.          |
| b) Family Pre-age 65:      | Horizon: generally \$1,131 per month.       |
| c) Individual Post-age 65: | Aetna: \$102.60 per month.                  |
| d) Family Post-age 65:     | Aetna: \$241.08 per month (Atlantic County) |
| e) Dental/Vision (Police): | A flat \$1,500 per year.                    |

In addition, current pre-age 65 retirees have coverage priced separately under Horizon.

Adjustments to these premium equivalents to reflect the difference between the active/retiree group (for which the current premium rates were based on) and a retiree-only group, were required, in accordance with ASOP 6. These adjustments were required for the pre-age 65 medical coverage purposes only.

2. **MEDICARE PART B PREMIUMS** - Not applicable

**BOROUGH OF OGDENSBURG, N.J.**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012  
(CONTINUED)**

**NOTE 18: POST-RETIREMENT BENEFITS (CONTINUED)**

3. ELIGIBILITY

- a) Police & Fire:  
An employee must retire after age 55 with at least 25 years of service (20 years if hired prior to 1/1/2000).
- b) Other employees (Must retire/satisfy PERS requirements):  
Tier I and 2: Age 60; Tier 3: Age 62.
- c) Spousal benefit upon retiree's death:  
Coverage continues, until the spouse reaches age 65.

4. BOROUGH SUBSIDY

Generally, the Borough will contribute 100% of the cost for retirees and eligible dependents.

5. FUNDING POLICY

The employer's funding policy is to contribute the current annual premium (net of employee contributions) for all retired participants (i.e., pay-as-you-go). Current New Jersey state law prohibit municipalities from pre-funding retiree medical benefit obligations in a Trust, although pre-funding moneys can arguably be "set aside" on the municipality's balance sheet.

Medicare Part D reimbursement by CMS or New Jersey is also considered an "employer contribution" for GASB #45 purposes. (N/A for Borough of Ogdensburg).

ACTUARIAL BASIS

ACTUARIAL FUNDING METHOD: Projected Unit Credit

ACTUARIAL ASSUMPTIONS

- 1. Valuation date: January 1, 2012
- 2. Discount Rate: 4.5% per annum.
- 3. Salary Scale: Not applicable.
- 4. Mortality: RP-2000 Mortality Table  
(Projected 27 and 19 years)
- 5. Withdrawal: Sarasson T-5 Table.
- 6. Disability: N/A

**BOROUGH OF OGDENSBURG, N.J.**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012  
(CONTINUED)**

**NOTE 18: POST-RETIREMENT BENEFITS (CONTINUED)**

**EXECUTIVE SUMMARY OF RESULTS**

Valuation Date	January 1, 2012
Number of Plan Members:	
Active Participants	10
Retired Participants	<u>6</u>
Total	16
Average Age of Actives	40 yrs.
Average Credited Service of Actives	11 yrs.
Current Covered Payroll	\$780,000
Market Value of assets as of January 1	\$ -0-
Unfunded Accrued Liability	\$750,000
Annual Required Contribution (ARC)	\$ 50,000
OPEB Cost for the Year	\$ 50,000

**RESULTS AND DISCLOSURES**

Results have been presented rounded to the nearest \$10,000.

**VALUATION RESULTS - (Cost to Borough)**

1. Actuarial present values as of January 1, 2012

		(EPBO) Projected <u>Benefits</u>	(APBO) Unit Credit <u>Accrued Liability</u>
a) Actives	(123)	\$ 580,000	\$240,000
b) Retirees and Beneficiaries	<u>(19)</u>	<u>\$ 510,000</u>	<u>\$510,000</u>
c) Total	(142)	\$1,090,000	\$750,000
2. Accrued Liability as of January 1, 2012		\$750,000	
3. Actuarial value of assets, January 1, 2012		-0-	
4. Unfunded accrued liability, January 1, 2012		\$750,000	
5. Normal cost as of January 1, 2012		\$ 19,000	
6. Amortization of unfunded accrued liability (Level percentage of pay basis/Closed, over 30 years; 29 years remain)		\$ 29,000	
7. Interest (rounded) on Normal Cost (\$800) and Amortization (\$1,200)		\$ 2,000	
8. Annual Required Contribution (ARC) (5+6+7)		\$50,000	

**BOROUGH OF OGDENSBURG, N.J.**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012  
(CONTINUED)**

**NOTE 18: POST-RETIREMENT BENEFITS (CONTINUED)**

DEVELOPMENT OF THE OPEB COST FOR THE YEAR ENDING DECEMBER 31, 2012

Actual contribution information is included below.

<u>Contribution rates:</u>	Varies by employee class
Plan Members	(See summary of Plan Provision)
Town:	Actuarially determined, equals the balance not paid by plan members
Annual required contribution (ARC)	\$50,000
Interest on net OPEB obligation	-0-
Adjustment to annual required contribution (-)	-0-
Annual OPEB cost	\$50,000
Contributions made*	\$50,000
Increase in net OPEB obligation	-0-
Net OPEB obligation-beginning of year	<u>\$10,000</u>
Net OPEB obligation-end of year	<u>\$10,000</u>

\*Contributions made include Medical premium and dental, vision payments of \$50,000 (rounded).

DEVELOPMENT OF UNFUNDED ACTUARIAL ACCRUED LIABILITY  
AND FUNDED RATIO (actual)

Actuarial accrued liability (a)	\$750,000
Actuarial value of plan assets (b)	-0-
Unfunded actuarial accrued liability (a - b)	\$750,000
Funded ratio (b / a)	0.0%
Covered payroll (c)	\$780,000
Unfunded actuarial accrued liability as percentage of covered payroll [(a - b) / c]	96%

DEVELOPMENT OF OPEB COST AND OPEB OBLIGATION  
FOR THE LAST THREE YEARS (actual)

<u>Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of OPEB cost Contributed</u>	<u>Net OPEB Obligation</u>
12/31/2009	\$40,502	78.0%	\$ 8,927
12/31/2012	\$50,000	100.0%	\$10,000

**BOROUGH OF OGDENSBURG, N.J.**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012  
(CONTINUED)**

**NOTE 18: POST-RETIREMENT BENEFITS (CONTINUED)**

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF FUNDING PROGRESS (actual)**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Unit Credit (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b - a) / c]
1/1/2009	\$0	\$0.56M	\$0.56M	0.0%	\$0.70M	80%
1/1/2012	\$0	\$0.75M	\$0.75M	0.0%	\$0.78M	96%

Information for this note was obtained from Danziger & Markhoff LLP report dated February 2013.

**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.

**NOTE 20: SUBSEQUENT EVENT**

The Borough has evaluated subsequent events through April 28, 2014, the date which the financial statements were available to be issued and no other items were noted for disclosure.

**SUPPLEMENTARY DATA**

BOROUGH OF OGDENSBURG, N.J.  
OFFICIALS IN OFFICE AND SURETY BONDS  
Year ended December 31, 2013

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

<u>Name</u>	<u>Title</u>
Steve Ciasullo	Mayor
Robert McGuire	Council President
Bill Amodeo	Councilperson
Bill Andrews	Councilperson
David Astor	Councilperson
George Hutnick	Councilperson
Peter Opilla	Councilperson
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; Deputy Clerk
Ann Peters	Water Cashier to 9/27/13
Jacquelin Ward	Water Cashier from 9/18/13
Kevin Kervatt	Zoning Officer; Fire Subcode Official
Bill Varcadipane	Chief of Police
John Mulhern	Judge
Nancy Kurzweil	Adm. of the Court to 5/2/13
Bonnie Diamond	Adm. of the Court from 5/6/13
Kathleen Quinn	Dep. Adm. of the Court to 5/10/13
Aida Cahill	Dep. Adm. Of the Court from 5/13/13
Jonathan McMeen	Borough Prosecutor
Kathleen Kieb	Tax Assessor
Eugene Buczynski	Borough Engineer
State of New Jersey	Building Inspector; Construction Code Official
Daniel Colfax	Public Defender
Township of Wantage	Animal Control Officer
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, 2013

Federal Grantor/Pass-Through Grantor/ Program Title	Federal C.F.D.A Number	Program or Award Amount	Grant Period To/From	12/31/2012		12/31/2013		MEMO Cumulative Total Expenditures
				Receipts	Expended	(Receivable)	Reserve Balance	
United States Department of Homeland Security (Passed through NJ Office of Emergency Management) Disaster Grants	97.036	1,050.00	1/1/13-12/31/13	1,050.00	1,050.00			1,050.00
<b>TOTAL FEDERAL AID</b>				<b>1,050.00</b>	<b>1,050.00</b>			

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, 2013

State Grant/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From To	12/31/2012		12/31/2013		MEMO Cumulative Total Expenditures
				(Receivable)	Reserve Balance	(Receivable)	Reserve Balance	
<b>FEDERAL STATE GRANT FUND</b>								
NJ Department of Environmental Protection:								
Clean Communities	4900-765-4900-004-V42Y-6020	4,000.00	1/1/07-12/31/07	3,906.32	1,608.46	2,297.86	2,297.86	2,297.86
Clean Communities	4900-765-4900-004-V42Y-6020	4,000.00	1/1/08-12/31/08	4,000.00	4,000.00	-	-	4,000.00
Clean Communities	4900-765-4900-004-V42Y-6020	4,577.14	1/1/09-12/31/09	4,577.14	4,577.14	-	-	4,577.14
Clean Communities	4900-765-4900-004-V42Y-6020	4,786.99	1/1/10-12/31/10	4,786.99	4,786.99	-	-	4,786.99
Clean Communities	4900-765-4900-004-V42Y-6020	4,548.65	1/1/11-12/31/11	4,548.65	4,548.65	-	-	4,548.65
Clean Communities	4900-765-4900-004-V42Y-6020	4,468.95	1/1/12-12/31/12	4,468.95	4,468.95	-	-	4,468.95
Clean Communities	4900-765-4900-004-V42Y-6020	5,246.91	1/1/13-12/31/13	5,246.91	5,246.91	2,297.86	2,297.86	3,949.05
Highlands Assessment	09-4033-011-2116	50,000.00	1/1/09-12/31/09	(5,000.00)	5,000.00	-	(5,000.00)	45,000.00
Stormwater Management	N/A	3,750.00	1/1/06-12/31/06	1,562.50	1,312.50	250.00	1,312.50	2,437.50
Stormwater Management	N/A	1,250.00	1/1/07-12/31/07	1,250.00	1,250.00	250.00	1,250.00	2,437.50
				2,812.50	2,562.50	-	2,562.50	-
				(5,000.00)	34,120.55	5,246.91	(5,000.00)	36,819.60
								49,820.04
<b>Total NJ Department of Environmental Protection:</b>								
								59.43
NJ Department of Community Affairs:								
Alcohol Education Rehab Fund	9735-760-099-1900-001-X100-6020	1,020.16	1/1/08-12/31/08	979.73	979.73	-	979.73	979.73
Alcohol Education Rehab Fund	9735-760-099-1900-001-X100-6020	139.23	1/1/08-12/31/08	139.23	139.23	-	139.23	139.23
Alcohol Education Rehab Fund	9735-760-099-1900-001-X100-6020	268.67	1/1/11-12/31/11	268.67	268.67	-	268.67	268.67
Alcohol Education Rehab Fund	9735-760-099-1900-001-X100-6020	593.59	1/1/12-12/31/12	593.59	593.59	-	593.59	593.59
Alcohol Education Rehab Fund	9735-760-099-1900-001-X100-6020	158.32	1/1/13-12/31/13	1,982.22	158.32	-	158.32	59.43
Council on Affordable Housing	N/A	60,000.00	1/1/00-12/31/00	4,130.00	4,130.00	-	4,130.00	58,870.00
Municipal Alliance	N/A	2,993.00	1/1/10-12/31/10	1,842.39	1,842.39	-	1,842.39	1,842.39
Municipal Alliance	N/A	2,993.00	1/1/11-12/31/11	2,993.00	2,993.00	-	2,993.00	2,993.00
Municipal Alliance	N/A	2,993.00	1/1/12-12/31/12	(2,755.92)	1,372.59	-	1,372.59	1,372.59
Municipal Alliance	N/A	2,993.00	1/1/13-12/31/13	(5,255.92)	1,237.69	-	1,237.69	59.43
				7,828.39	3,110.28	2,785.44	1,383.33	6,648.62
				593.00	593.00	-	593.00	593.00
				1,000,000.00	458,435.04	9,215.75	1,383.33	547,780.71
					472,970.65	3,288.60	1,383.33	469,033.52
					(2,755.92)		(1,255.31)	
<b>Total NJ Department of Community Affairs:</b>								
								90.99
NJ Division of Motor Vehicles:								
Drunk Driving Enforcement Fund	6400-100-078-6400-Y42Y	813.00	1/1/04-12/31/04	722.01	722.01	-	722.01	722.01
Drunk Driving Enforcement Fund	6400-100-078-6400-Y42Y	1,336.80	1/1/05-12/31/05	1,526.80	1,526.80	-	1,526.80	1,526.80
Drunk Driving Enforcement Fund	6400-100-078-6400-Y42Y	1,000.00	1/1/06-12/31/06	1,117.12	1,117.12	-	1,117.12	1,117.12
Drunk Driving Enforcement Fund	6400-100-078-6400-Y42Y	4,000.00	1/1/10-12/31/10	4,000.00	4,000.00	-	4,000.00	4,000.00
				7,373.93	7,373.93	-	7,373.93	7,373.93
<b>Total NJ Division of Motor Vehicles:</b>								
								90.99
NJ Department of Solid Waste Protection:								
Recycling Tonnage	4800-752-042-4900-001-V42Y-6020	7,110.18	1/1/11-12/31/11	2,599.81	2,599.81	-	2,599.81	2,599.81
Recycling Tonnage	4800-752-042-4900-001-V42Y-6020	7,555.70	1/1/12-12/31/12	7,555.70	7,555.70	-	7,555.70	7,555.70
Recycling Tonnage	4800-752-042-4900-001-V42Y-6020	2,376.57	1/1/13-12/31/13	10,135.51	2,376.57	9,123.68	2,376.57	3,400.25
								13,624.05
<b>Total Department of Environmental Solid Waste Protection:</b>								
								13,624.05
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	-	147.80	147.80
Body Armor	1020-718-066-1020-001-YC1S-6120	886.03	1/1/06-12/31/06	686.03	686.03	-	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	-	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	-	693.16	693.16
Body Armor	1020-718-066-1020-001-YC1S-6120	1,619.39	1/1/10-12/31/10	1,619.39	1,619.39	-	1,619.39	1,619.39
Body Armor	1020-718-066-1020-001-YC1S-6120	1,011.24	1/1/11-12/31/11	1,011.24	1,011.24	-	1,011.24	1,011.24
Body Armor	1020-718-066-1020-001-YC1S-6120	1,025.39	1/1/12-12/31/12	1,025.39	1,025.39	-	1,025.39	1,025.39
Body Armor	1020-718-066-1020-001-YC1S-6120	1,299.16	1/1/13-12/31/13	5,909.82	1,299.16	5,628.60	1,299.16	733.17
								1,371.38
								6,842.14
<b>Total NJ Department of Criminal Justice:</b>								
								1,371.38
								6,842.14
<b>TOTAL STATE AID</b>								
				(7,755.92)	530,523.46	12,191.24	1,383.33	514,988.76
								514,988.76

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 2013</u>		<u>Year 2012</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<b><u>Revenue and Other Income Realized</u></b>				
Fund Balance Utilized	47,148.00	0.66%	47,148.00	0.68%
Miscellaneous - From Other Than				
Local Property Tax Levies	370,329.37	5.21%	327,227.72	4.72%
Collection of Delinquent Taxes				
and Tax Title Liens	254,915.73	3.59%	257,705.80	3.72%
Collection of Current				
Tax Levy	6,234,536.17	87.75%	6,103,594.50	88.10%
Other Credits to Income	197,607.70	2.78%	192,739.36	1.11%
	<u>7,104,536.97</u>	<u>100.00%</u>	<u>6,928,415.38</u>	<u>100.00%</u>
<b><u>Expenditures</u></b>				
Budget Expenditures:				
Municipal Purposes	2,572,439.57	37.23%	2,468,150.37	36.66%
Local and Regional School Taxes	3,260,620.00	47.19%	3,157,775.71	46.90%
County Taxes	1,067,716.16	15.45%	1,078,490.23	16.02%
Other Expenditures	8,346.17	0.12%	28,569.31	0.42%
	<u>6,909,121.90</u>	<u>100.00%</u>	<u>6,732,985.62</u>	<u>100.00%</u>
<b>Excess (Deficit) in Revenue</b>	195,415.07		195,429.76	
<b>Expenditures Included Above Which are by</b>				
<b>    Statute Deferred Charges to Budget</b>				
<b>    of Succeeding Year</b>	<u>48,200.00</u>			
<b>Statutory Excess to Fund Balance</b>	243,615.07		195,429.76	
<b>Fund Balance, January 1,</b>	<u>474,267.75</u>		<u>325,985.99</u>	
	717,882.82		521,415.75	
<b>Less:</b>				
<b>Utilized as Anticipated Revenue</b>	<u>47,148.00</u>		<u>47,148.00</u>	
<b>Fund Balance, December 31,</b>	<u>670,734.82</u>		<u>474,267.75</u>	

**COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE**

**WATER UTILITY OPERATING FUND**

	<u>Year 2013</u>		<u>Year 2012</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<b><u>Revenue and Other Income Realized</u></b>				
Fund Balance Utilized	50,707.50	13.63%	54,072.45	13.71%
Collection of Water Rents	286,115.73	76.88%	317,328.56	80.49%
Miscellaneous - From Other Than Water Rents	447.03	0.12%	540.10	0.14%
Other Credits to Income	34,868.15	9.37%	22,325.89	8.16%
<b><u>Total Revenue and Other Income Realized</u></b>	<u>372,138.41</u>	<u>100.00%</u>	<u>394,267.00</u>	<u>100.00%</u>
 <b><u>Expenditures</u></b>				
Budget Expenditures:				
Operating	167,086.93	47.41%	163,250.00	46.54%
Capital Improvements	10,000.00			0.00%
Debt Service	163,922.68	46.51%	126,217.83	35.98%
Deferred Charges and Statutory Expenditures	11,415.81	3.24%	61,004.28	2.35%
Other Expenses		0.00%	312.10	
<b><u>Total Expenditures</u></b>	<u>352,425.42</u>	<u>100.00%</u>	<u>350,784.21</u>	<u>100.00%</u>
<b>Statutory Excess to Fund Balance</b>	19,712.99		43,482.79	
<b>Fund Balance, January 1,</b>	<u>107,496.98</u>		<u>118,086.64</u>	
	127,209.97		161,569.43	
<b>Less:</b>				
<b>Utilized as Anticipated Revenue</b>	<u>50,707.50</u>		<u>54,072.45</u>	
<b>Fund Balance, December 31,</b>	<u>76,502.47</u>		<u>107,496.98</u>	

**COMPARATIVE SCHEDULE OF TAX RATE INFORMATION**

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Tax Rate:			
General	<u>2.712</u>	<u>2.665</u>	<u>2.599</u>
Apportionment of Tax Rate:			
Municipal	.906	.906	.905
County	.447	.449	.437
Local School	.961	.942	.924
Regional High School	.398	.368	.333

**Assessed Valuation**

2013	239,765,385.00		
2012		240,997,309.00	
2011			241,395,907.00

**COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY**

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collections</u>
2013	6,502,437.16	6,234,536.17	95.88%
2012	6,423,417.87	6,103,594.50	95.02%
2011	6,295,002.78	6,013,005.27	95.52%

**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>
2013	231,270.79	114,092.19	345,362.98	5.31%
2012	251,887.56	105,418.07	357,305.63	5.56%
2011	230,854.13	106,713.06	337,567.19	5.36%

**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>
2013	2,371,100.00
2012	2,371,100.00
2011	2,371,100.00

**COMPARISON OF WATER UTILITY LEVIES**

<u>Year</u>	<u>Levy</u>	<u>Collections</u>
2013	339,564.55	286,115.73
2012	307,757.41	317,328.56
2011	295,245.61	293,518.75

**COMPARATIVE SCHEDULE OF FUND BALANCES**

	<u>Year</u>	<u>Balance Dec. 31,</u>	<u>Utilized in Budget of Succeeding Year</u>
Current Fund:	2013	670,734.82	60,267.89
	2012	474,267.75	47,148.00
	2011	325,985.99	47,148.00
	2010	296,097.15	66,148.00
	2009	232,861.94	66,148.00
Water Utility Operating Fund:	2013	76,502.47	49,374.99
	2012	107,496.98	50,707.50
	2011	118,086.64	54,072.45
	2010	136,592.64	18,506.00
	2009	152,558.04	45,287.34

## Borough of Ogdensburg, N.J.

## Schedule of Cash - Treasurer

## Current Fund

## Year Ended December 31, 2013

	<u>Ref.</u>	<u>Current Fund</u>
Balance - December 31, 2012	A	<u>1,476,023.03</u>
Increased by Receipts:		
Miscellaneous Revenue Not Anticipated	A-2	9,628.99
Taxes Receivable	A-6	6,409,301.94
Tax Title Liens Receivable	A-7	14,439.41
Revenue Accounts Receivable	A-9	356,801.19
Due To State - Senior Citizen and Veteran Deductions	A-10	24,659.59
Interfunds	A-11	12,191.24
Various Cash Liabilities and Reserves	A-14	221,089.40
Prepaid Taxes	A-16	35,812.69
		<u>7,083,924.45</u>
		<u>8,559,947.48</u>
Decreased by Disbursements:		
Refund of Prior Year Taxes	A-1	4,210.38
Current Year Budget Appropriations	A-3	2,318,940.44
Interfunds	A-11	73,334.48
Appropriation Reserves	A-13	68,679.81
Various Cash Liabilities and Reserves	A-14	207,223.48
Encumbrances Payable	A-15	67,960.22
County Taxes Payable	A-17	1,067,857.28
Local School District Taxes Payable	A-18	2,305,895.00
Regional High School Taxes Payable	A-19	954,724.34
		<u>7,068,825.43</u>
Balance - December 31, 2013	A	<u><u>1,495,142.76</u></u>

**Borough of Ogdensburg, N.J.**  
**Schedule of Cash - Change Fund**  
**Current Fund**  
**Year Ended December 31, 2013**

	<u>Ref.</u>	
Balance - December 31, 2012	A	<u>125.00</u>
Balance - December 31, 2013	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, 2013

Year	Balance, Dec. 31, 2012	Levy	Added Taxes	Collected		Senior Citizen and Veteran Deductions	Transferred to Tax Title Liens	Cancelled	Balance, Dec. 31, 2013
				2012	2013				
2012	251,887.56		3,150.22		247,908.51	(7,432.19)			14,561.46
	251,887.56		3,150.22		247,908.51	(7,432.19)			14,561.46
2013	251,887.56	6,502,437.16	3,150.22	38,392.74	6,161,393.43	34,750.00	22,270.95	43,785.09	201,844.95
	A	6,502,437.16	3,150.22	38,392.74	6,409,301.94	27,317.81	22,270.95	43,785.09	216,406.41
				A-2;A-16	A-2;A-4	A-2;A-10	A-7		A
Analysis of Tax Levy									
Tax yield:									
General Purpose Tax									
							6,502,437.16		
Tax Levy:									
County Tax									
				A-17		1,062,829.99			
Added County Taxes									
				A-17		4,886.17			
Local District School Tax									
				A-18			1,067,716.16		
Regional High School Tax									
				A-19			2,305,895.00		
				A-2			954,725.00		
							4,328,336.16		
Local Tax for Municipal Purposes									
				A-2		2,173,120.13			
Additional Taxes									
						980.87			
							2,174,101.00		
							6,502,437.16		

**Borough of Ogdensburg, N.J.**  
**Schedule of Tax Title Liens Receivable**

**Current Fund**

**Year Ended December 31, 2013**

Balance - December 31, 2012	<u>Ref.</u> A		105,418.07
Increased by:			
Transferred from 2013 Taxes			
Receivable	A-6	22,270.95	
6% Penalty Added		<u>842.58</u>	
			<u>23,113.53</u>
			128,531.60
Decreased by:			
Cash Receipts	A-4		<u>14,439.41</u>
Balance - December 31, 2013	A		<u><u>114,092.19</u></u>

A-8

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

**Current Fund**

**Year Ended December 31, 2013**

Balance - December 31, 2012	<u>Ref.</u> A	<u><u>2,371,100.00</u></u>
Balance - December 31, 2013	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, 2013**

	<u>Ref.</u>	<u>Accrued</u>	<u>Collected</u>
Clerk:			
Licenses:			
Alcoholic Beverages	A-2	1,200.00	1,200.00
Other	A-2	490.00	490.00
Miscellaneous Revenue not Anticipated	A-2	8.10	8.10
Municipal Court :			
Fines and Costs	A-2	47,116.78	47,116.78
Tax Collector:			
Interest and Costs on Taxes	A-2	52,073.29	52,073.29
Interest on Investments and Deposits	A-2	2,548.93	2,548.93
Board of Health / Registrar of Vital Statistics			
Miscellaneous Revenue not Anticipated	A-2	1,789.00	1,789.00
Planning/Zoning			
Miscellaneous Revenue not Anticipated	A-2	560.00	560.00
Police Department:			
Miscellaneous Revenue not Anticipated	A-2	751.35	751.35
Energy Receipts Tax	A-2	145,020.54	145,020.54
Reserve Garden State Trust	A-2	7,111.00	7,111.00
Consolidated Municipal Property Tax			
Relief Aid	A-2	45,257.00	45,257.00
Uniform Fire Safety Act	A-2	2,813.20	2,813.20
Reserve for Debt Service - General Capital	A-2	41,250.00	41,250.00
Cable TV Franchise Fee	A-2	8,812.00	8,812.00
		<u>356,801.19</u>	<u>356,801.19</u>
			A-4

**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, 2013**

	<u>Ref.</u>	
Balance - December 31, 2012	A	8,981.28
Increased by:		
State Share of Senior Citizens and Veteran Deductions Received in Cash	A-4	<u>24,659.59</u>
		33,640.87
Decreased by:		
Senior Citizens' and Veterans' Deductions Per Tax Billing		34,750.00
Senior Citizens' and Veterans' Deductions Per Tax Collector		<u>1,000.00</u>
		35,750.00
Less: Senior Citizens Deductions Disallowed By the Tax Collector		1,000.00
Deductions Disallowed - Prior Year		<u>7,432.19</u>
	A-6	<u>27,317.81</u>
Balance - December 31, 2013	A	<u><u>6,323.06</u></u>

**Borough of Ogdensburg, N.J.**  
**Schedule of Interfunds Receivables/(Payables)**

**Current Fund**

**Year Ended December 31, 2013**

<u>Fund</u>	<u>Ref.</u>	<u>Due From/(To) Balance Dec. 31, 2012</u>	<u>Increased</u>	<u>Decreased</u>	<u>Due From/(To) Balance Dec. 31, 2013</u>
Federal and State Grants	A	(579,601.32)	74,929.25	14,322.57	(518,994.64)
Other Trust	A	<u>2,752.46</u>	<u>77,681.71</u>	<u>14,322.57</u>	<u>2,752.46</u>
		<u>(579,601.32)</u>			<u>(516,242.18)</u>
<u>Analysis</u>					
Due To Current Fund		<u>(579,601.32)</u>			<u>(516,242.18)</u>
Appropriated Grants Cancelled	A-1		1,594.77		
Animal Control Trust Fund	A-1			1,383.33	
Grants Receivable Cancelled	A-1			748.00	
Appropriations Payable	A-3		2,752.46		
Received	A-4			12,191.24	
Disbursed	A-4		73,334.48		
			<u>77,681.71</u>	<u>14,322.57</u>	

Borough of Ogdensburg, N.J.

Schedule of Deferred Charges - Special Emergency

Current Fund

Year Ended December 31, 2013

<u>Purpose</u>	<u>Date</u>	<u>Authorized Amount</u>	<u>1/5 of Amount Authorized</u>	<u>Balance, Dec. 31, 2012</u>	<u>Authorized in 2013</u>	<u>Reduced in 2013</u>	<u>Balance, Dec. 31, 2013</u>
Revaluation	04/14/08	75,700.00	15,140.00	15,140.00		15,140.00	
Codification of Ordinance	11/09/09	10,260.00	2,052.00	4,104.00		2,052.00	2,052.00
Revaluation	09/09/13	48,200.00	9,640.00		48,200.00		48,200.00
				<u>19,244.00</u>	<u>48,200.00</u>	<u>17,192.00</u>	<u>50,252.00</u>
				A	A-3	A-3	A

**Borough of Ogdensburg, N.J.**  
**Schedule of Appropriation Reserves**  
**Current Fund**  
**Year Ended December 31, 2013**

	Balance, Dec. 31, <u>2012</u>	Balance after <u>Transfers</u>	Total Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Operations - within "CAPS"				
Mayor and Council				
Other Expenses	257.98	507.98	482.20	25.78
Clerk				
Salaries and Wages	610.23	610.23	610.23	
Other Expenses	4,376.65	4,376.65	51.00	4,325.65
Financial Administration				
Salaries and Wages	141.96	141.96	141.96	
Other Expenses	1,683.31	1,683.31	485.49	1,197.82
Computer Services	213.32	213.32		213.32
Assessment of Taxes				
Salaries and Wages	213.38	213.38	213.38	
Miscellaneous Other Expenses	59.39	59.39	11.70	47.69
Collection of Taxes				
Salaries and Wages	52.73	52.73	52.73	
Other Expenses	196.87	196.87		196.87
Legal Services and Costs				
Other Expenses	11,519.35	11,269.35	897.00	10,372.35
Municipal Court				
Salaries and Wages (Sgt. At Arms)	1,018.43	1,018.43	1,018.43	
Other Expenses	2,391.62	2,391.62	398.00	1,993.62
Public Defender:				
Other Expenses	1.00	1.00		1.00
Engineering Services and Costs				
Other Expenses	4,935.50	4,935.50	60.50	4,875.00
Public Buildings and Grounds				
Other Expenses	4,088.32	4,088.32		4,088.32
Municipal Land Use Law :				
Planning Board				
Salaries and Wages	830.94	830.94	177.79	653.15
Other Expenses	5,405.06	5,405.06	242.91	5,162.15
Public Safety:				
Fire				
Other Expenses	6,250.22	6,250.22	3,739.32	2,510.90

**Borough of Ogdensburg, N.J.**  
**Schedule of Appropriation Reserves**  
**Current Fund**  
**Year Ended December 31, 2013**

	Balance, Dec. 31, <u>2012</u>	Balance after <u>Transfers</u>	Total Paid or <u>Charged</u>	Balance <u>Lapsed</u>
<b>Insurance:</b>				
General Liability	199.23	199.23		199.23
Health Benefit Waiver	8.21	8.21		8.21
Surety Bonds	41.00	41.00		41.00
Employee Group Health	5,169.11	5,169.11	386.60	4,782.51
<b>Police</b>				
Salaries and Wages	54,457.58	54,457.58	24,834.91	29,622.67
Other Expenses	5,776.31	5,776.31	2,643.62	3,132.69
First Aid Organization	4,000.00	4,000.00	4,000.00	
<b>Fire Official</b>				
Salaries and Wages	516.65	516.65	135.43	381.22
Other Expenses	205.80	205.80		205.80
<b>Emergency Management Services</b>				
Other Expenses	200.00	200.00		200.00
<b>Streets and Roads:</b>				
Road Repairs and Maintenance				
Salaries and Wages	24,176.28	24,176.28	4,283.74	19,892.54
Other Expenses	35,131.46	35,131.46	680.21	34,451.25
Snow Removal				
Salaries and Wages	6,267.39	6,267.39	4,052.47	2,214.92
Other Expenses	18,449.67	18,449.67	11,018.47	7,431.20
Garbage and Trash Removal				
Other Expenses - Contractual	1,665.24	1,665.24	1,250.00	415.24
Recycling				
Salaries and Wages	1.00	1.00		1.00
Other Expenses	10,250.00	10,250.00		10,250.00
<b>Health and Welfare:</b>				
Board of Health				
Salaries and Wages	388.80	388.80	388.80	
Other Expenses	508.85	508.85	14.40	494.45
<b>Recreation and Education:</b>				
Parks and Playgrounds				
Other Expenses	6,873.26	6,873.26	583.80	6,289.46
<b>Historical Committee</b>				
Other Expenses	254.00	254.00		254.00

**Borough of Ogdensburg, N.J.**  
**Schedule of Appropriation Reserves**  
**Current Fund**  
**Year Ended December 31, 2013**

	Balance, Dec. 31, <u>2012</u>	Balance after <u>Transfers</u>	Total Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Utility Expenses:				
Electricity	7,368.27	7,368.27	1,155.50	6,212.77
Telephone	201.92	201.92		201.92
Natural Gas	3,466.04	3,466.04	1,220.30	2,245.74
Fuel Oil	1,218.56	1,218.56		1,218.56
Gasoline/Diesel Fuel	8,814.43	8,814.43		8,814.43
Construction Code Official				
Salaries and Wages	627.01	627.01	270.86	356.15
Deferred Charges and Statutory Expenditures within "CAPS"				
Contribution to:				
Social Security System (O.A.S.I.)	7,966.37	7,966.37	3,178.06	4,788.31
Unemployment Compensation Ins.	1.00	1.00		1.00
Defined Contribution Retirement Program	1.00	1.00		1.00
Operations - Excluded from "CAPS"				
Interlocal Municipal Service Agreements				
Uniform Construction Code "Contractual"	3,355.00	3,355.00		3,355.00
Matching Funds for Grants	100.00	100.00		100.00
Total General Appropriation Reserves	<u>251,905.70</u>	<u>251,905.70</u>	<u>68,679.81</u>	<u>183,225.89</u>
	A		A-4	A-1

## Borough of Ogdensburg, N.J.

## Schedule of Various Cash Liabilities and Reserves

## Current Fund

Year Ended December 31, 2013

<u>Liabilities and Reserves</u>	<u>Balance Dec. 31, 2012</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2013</u>
<u>Liabilities:</u>				
Due State of NJ Marriage License Fees		200.00	150.00	50.00
Tax Overpayments	30,781.24	18,799.71	40,875.09	8,705.86
<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		153,889.69	140,498.39	13,391.30
Codification of Ordinances	3,500.00		3,300.00	200.00
Sale of Municipal Assets	800.00			800.00
Revaluation/Reassessment		48,200.00	45,000.00	3,200.00
Garden State Trust	7,111.00		7,111.00	
	<u>74,092.30</u>	<u>221,089.40</u>	<u>236,934.48</u>	<u>58,247.22</u>
	A			A
	<u>Ref.</u>			
Cash Received	A-4	221,089.40		
Cash Disbursed	A-4		207,223.48	
Realized as Anticipated Revenue	A-9		7,111.00	
Encumbrances Payable	A-15		22,600.00	
		<u>221,089.40</u>	<u>236,934.48</u>	

**Borough of Ogdensburg, N.J.**  
**Schedule of Encumbrances Payable**

**Current Fund**

**Year Ended December 31, 2013**

	<u>Ref.</u>		
Balance - December 31, 2012	A		68,009.82
Increased by:			
Various Reserves	A-14	22,600.00	
Budget Appropriations	A-3	48,177.58	
			70,777.58
			138,787.40
Decreased by:			
Cancelled to Surplus	A-1	49.60	
Disbursements	A-4	67,960.22	
			68,009.82
Balance - December 31, 2013	A		70,777.58

**Schedule of Prepaid Taxes**

**Current Fund**

**Year Ended December 31, 2013**

	<u>Ref.</u>		
Balance - December 31, 2012	A		38,392.74
Increased by:			
Receipts - Prepaid 2014 Taxes	A-4	35,812.69	
			74,205.43
Decreased by:			
Applied to 2013 Taxes	A-6		38,392.74
Balance - December 31, 2013	A		35,812.69

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

**Current Fund**

**Year Ended December 31, 2013**

	<u>Ref.</u>		
Balance - December 31, 2012	A		141.12
Increased by:			
Levy	A-6	1,062,829.99	
Added and Omitted Taxes	A-6	<u>4,886.17</u>	
	A-1		<u>1,067,716.16</u>
			<u><u>1,067,857.28</u></u>
Decreased by:			
Payments	A-4		<u><u>1,067,857.28</u></u>

**Schedule of Local School District Taxes Payable**

**Current Fund**

**Year Ended December 31, 2013**

	<u>Ref.</u>		
Increased by:			
Levy- 2013	A-1:A-6		<u><u>2,305,895.00</u></u>
Decreased by:			
Payments	A-4		<u><u>2,305,895.00</u></u>

**Borough of Ogdensburg, N.J.**  
**Schedule of Regional High School Taxes Payable**  
**Current Fund**  
**Year Ended December 31, 2013**

	<u>Ref.</u>	
Increased by:		
Levy- 2013	A-1;A-6	954,725.00
Decreased by:		
Payments	A-4	<u>954,724.34</u>
Balance - December 31, 2013	A	<u><u>0.66</u></u>

**Borough of Ogdensburg, N.J.**  
**Schedule of Interfunds Receivable (Payable)**  
**Federal and State Grant Fund**  
**Year Ended December 31, 2013**

<u>Fund</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance</u> <u>Dec. 31, 2013</u>
Current Fund	A	<u>579,601.32</u>	<u>14,322.57</u>	<u>74,929.25</u>	<u>518,994.64</u>
Encumbrances Payable	A-21			72,277.48	
Grants Receivable	A-22		3,110.28		
Grants Receivable Cancelled	A-22		1,383.33		
Appropriated Grants	A-23			1,057.00	
Appropriated Grants Cancelled	A-23			1,594.77	
Appropriated Grants - Matching Share	A-23		748.00		
Unappropriated Grants	A-24		9,080.96		
			<u>14,322.57</u>	<u>74,929.25</u>	

**Schedule of Encumbrances Payable**  
**Federal and State Grant Fund**  
**Year Ended December 31, 2013**

	<u>Ref.</u>	
Balance - December 31, 2012	A	56,833.78
Increased by:		
Appropriated Reserve for Grants	A-23	<u>25,631.18</u>
		82,464.96
Decreased by:		
Interfund - Current Fund	A-20	<u>72,277.48</u>
Balance - December 31, 2013	A	<u>10,187.48</u>

**Borough of Ogdensburg, N.J.**

**Schedule of Grants Receivable**

**Federal and State Grant Fund**

**Year Ended December 31, 2013**

<u>Grant</u>	<u>Balance</u>	<u>Budget</u>	<u>Cash</u>	<u>Transfer from</u>	<u>Canceled</u>	<u>Balance</u>
	<u>Dec. 31, 2012</u>	<u>Revenue</u>	<u>Received</u>	<u>Unappropriated Reserves</u>		<u>Dec. 31, 2013</u>
Municipal Alliance on Alcohol and Drug Abuse	2,755.92	2,993.00	3,110.28		1,383.33	1,255.31
Body Armor Fund		1,025.39		1,025.39		
Municipal Court Alcohol Education and Rehab. Fund		593.59		593.59		
Clean Communities		4,468.95		4,468.95		
Recycling Tonnage Grant		7,555.70		7,555.70		
Highlands Assessment Grant	5,000.00					5,000.00
	<u>7,755.92</u>	<u>16,636.63</u>	<u>3,110.28</u>	<u>13,643.63</u>	<u>1,383.33</u>	<u>6,255.31</u>
	A	A-2	A-20	A-24	A-20	A

Borough of Ogdensburg, N.J.

Schedule of Appropriated Reserves

Federal and State Grant Fund

Year Ended December 31, 2013

Grant	Balance	Transfer	Expended	Cancelled	Balance
	Dec. 31, 2012	From 2013 Budget			Dec. 31, 2013
Municipal Court Alcohol Education and Rehab. Fund	1,388.63	593.59			1,982.22
Drunk Driving Enforcement Fund	7,375.93				7,375.93
Recycling Tonnage Grant	2,599.81	7,555.70	9,123.68		1,031.83
Council on Affordable Housing	4,130.00				4,130.00
Highlands Assessment Grant	5,000.00				5,000.00
Municipal Alliance					
State Share	7,828.39	2,993.00	2,789.44	1,383.33	6,648.62
Local Share		748.00	382.85	211.44	153.71
Clean Communities	21,839.10	4,468.95	2,297.86		24,010.19
Body Armor Fund	4,875.43	1,025.39	5,628.60		272.22
Hepatitis B Fund	595.00				595.00
State of N.J. Sewer System Grant	458,435.04		6,215.75		452,219.29
Stormwater Management	2,812.50		250.00		2,562.50
	<u>516,879.83</u>	<u>17,384.63</u>	<u>26,688.18</u>	<u>1,594.77</u>	<u>505,981.51</u>
	A				A

Ref.

Budget Appropriations	A-3	16,636.63
Interfund - Current Fund	A-20	748.00
Encumbrances Payable	A-21	1,057.00
		<u>25,631.18</u>
		<u>26,688.18</u>
		<u>1,594.77</u>

Borough of Ogdensburg, N.J.

Schedule of Unappropriated Reserves for Grants

Federal and State Grant Fund

Year Ended December 31, 2013

Grant	Balance	Transfer To	Cash	Balance
	Dec. 31, 2012	Appropriated Reserves	Received	Dec. 31, 2013
Clean Communities	4,468.95	4,468.95	5,246.91	5,246.91
Body Armor Fund	1,025.39	1,025.39	1,299.16	1,299.16
Municipal Court Alcohol Education and Rehab. Fund	593.59	593.59	158.32	158.32
Recycling Tonnage Grant	<u>7,555.70</u>	<u>7,555.70</u>	<u>2,376.57</u>	<u>2,376.57</u>
	<u>13,643.63</u>	<u>13,643.63</u>	<u>9,080.96</u>	<u>9,080.96</u>
	A	A-22	A-20	A

## Borough of Ogdensburg, N. J.

## Schedule of Cash

## Trust Funds

Year Ended December 31, 2013

	<u>Ref.</u>	<u>Animal Control Trust Fund</u>	<u>Other Trust Funds</u>
Balance - December 31, 2012	B	<u>7,061.60</u>	<u>519,987.40</u>
Increased by Receipts:			
Dog License Fees - Borough	B-3	2,339.20	
Cat License Fees - Borough	B-3	1,169.00	
Dog Late Fees	B-3	460.00	
Cat Late Fees	B-3	140.00	
Interest Earned	B-3	1.03	
Dog License Fees - State Share	B-5	526.80	
Other Trust Funds	B-6		<u>1,612,609.41</u>
Total Receipts		<u>4,636.03</u>	<u>1,612,609.41</u>
		<u>11,697.63</u>	<u>2,132,596.81</u>
Decreased by Disbursements:			
Reserve for Animal Control Trust			
Fund Expenditures	B-3	4,281.31	
State Share - Dog Licenses	B-5	533.40	
Other Trust Funds	B-6		<u>1,591,036.43</u>
Total Disbursements		<u>4,814.71</u>	<u>1,591,036.43</u>
Balance - December 31, 2013	B	<u><u>6,882.92</u></u>	<u><u>541,560.38</u></u>

**Borough of Ogdensburg, N. J.**  
**Schedule of Cash - Change Fund**  
**Trust Funds**  
**Year Ended December 31, 2013**

	<u>Ref.</u>	
Balance - December 31, 2012	B	<u><u>100.00</u></u>
Balance - December 31, 2013	B	<u><u>100.00</u></u>
<u>Analysis of Balance:</u>		
Dog Collector		<u><u>100.00</u></u>

## Borough of Ogdensburg, N. J.

## Reserve/(Deficit) for Animal Control Trust Fund Expenditures

## Trust Funds

Year Ended December 31, 2013

	<u>Ref.</u>		
Balance - December 31, 2012	B		7,155.00
Increased by:			
Dog License Fees	B-1	2,339.20	
Cat License Fees	B-1	1,169.00	
Dog Late Fees	B-1	460.00	
Cat Late Fees	B-1	140.00	
Interest Earned	B-1	1.03	
		<u>4,109.23</u>	
			<u>11,264.23</u>
Decreased by:			
Reserve for Animal Control Trust Fund Expenditures	B-1		<u>4,281.31</u>
Balance - December 31, 2013	B		<u><u>6,982.92</u></u>

License Fees Collected

<u>Year</u>	
2011	3,787.60
2012	<u>3,584.20</u>
	<u><u>7,371.80</u></u>

**Borough of Ogdensburg, N. J.**

**Schedule of Interfund Receivable (Payable) - Current Fund**

**Trust Fund**

**Year Ended December 31, 2013**

	<u>Increased</u>	Balance <u>Dec. 31, 2013</u>
Other Trust Fund	<u>2,752.46</u>	<u>2,752.46</u>
	B-6	B

**Schedule of Due to State Department of Health**

**Trust Funds**

**Year Ended December 31, 2013**

	<u>Ref.</u>	
Balance - December 31, 2012	B	6.60
Increased by:		
State Fees Collected	B-1	<u>526.80</u>
		<u>533.40</u>
Decreased by:		
Cash Disbursement	B-1	<u>533.40</u>

## Borough of Ogdensburg, N. J.

## Schedule of Other Trust Funds

## Trust Funds

Year Ended December 31, 2013

	Balance <u>Dec. 31, 2012</u>	<u>Increased</u>	<u>Decreased</u>	Balance <u>Dec. 31, 2013</u>
Reserve for:				
Unemployment	40,520.25	1,520.55	219.78	41,821.02
Municipal Alliance	393.00			393.00
Tax Sale Premiums	38,000.00	89,600.00	21,400.00	106,200.00
Municipal Court P.O.A.A. Fees	175.00	2.00		177.00
COAH - RCA - Park Ridge	105,994.08	17.14	106,011.22	
COAH - RCA - Saddle River	99,721.61	8.06	99,729.67	
COAH - RCA - Vernon	151,978.72	225,809.15	65,225.00	312,562.87
Memorial Park	4,331.62	1,439.45		5,771.07
Escrow	11,522.46	3,282.35	10,690.63	4,114.18
Police Outside Services	1,998.26	5,200.41	7,168.32	30.35
Public Defender	2,986.12	1,237.78	300.00	3,923.90
Snow Removal	1,281.94			1,281.94
Accrued Sick and Vacation	32,025.17	5,500.00		37,525.17
100th Year Anniversary	3,769.77	10,010.39		13,780.16
Payroll	25,289.40	1,268,982.13	1,283,044.27	11,227.26
	<u>519,987.40</u>	<u>1,612,609.41</u>	<u>1,593,788.89</u>	<u>538,807.92</u>
	B			B
	<u>Ref.</u>			
Cash Receipts	B-1	1,612,609.41		
Cash Disbursements	B-1		1,591,036.43	
Interfund Current	B-4		2,752.46	
		<u>1,612,609.41</u>	<u>1,593,788.89</u>	

## Borough of Ogdensburg, N. J.

## Schedule of Cash

## General Capital Fund

## Year Ended December 31, 2013

	<u>Ref.</u>		
Balance - December 31, 2012	C;C-3		810,032.98
Increased by Receipts:			
Fund Balance	C-1	2,231.00	
Grants Receivable	C-4	150,000.00	
Budget Appropriation:			
Improvement Costs	C-6	46,786.73	
Capital Improvement Fund	C-7	<u>20,000.00</u>	
	C-3		<u>219,017.73</u>
			1,029,050.71
Decreased by Disbursements:			
Improvement Authorizations	C-8	66,170.64	
Various Reserves	C-9	<u>146,934.13</u>	
	C-3		<u>213,104.77</u>
Balance - December 31, 2013	C;C-3		<u><u>815,945.94</u></u>



**Borough of Ogdensburg, N. J.**  
**Schedule of Grants Receivable**  
**General Capital Fund**  
**Year Ended December 31, 2013**

	<u>Ref.</u>	
Balance - December 31, 2012	C	200,000.00
Decreased by:		
Cash Receipts	C-2	<u>150,000.00</u>
Balance - December 31, 2013	C	<u><u>50,000.00</u></u>

**Borough of Ogdensburg, N. J.**

**Schedule of Deferred Charges to Future  
Taxation - Funded**

**General Capital Fund**

**Year Ended December 31, 2013**

	<u>Ref.</u>	
Balance - December 31, 2012	C	305,000.00
Decreased by:		
Funded by Budget Appropriation	C-11	<u>100,000.00</u>
Balance - December 31, 2013	C	<u><u>205,000.00</u></u>



**Borough of Ogdensburg, N. J.**  
**Schedule of Capital Improvement Fund**  
**General Capital Fund**  
**Year Ended December 31, 2013**

	<u>Ref.</u>	
Balance - December 31, 2012	C	154,715.37
Increased by:		
Cash Receipts	C-2	<u>20,000.00</u>
		174,715.37
Decreased by:		
Appropriated to Finance		
Improvement Authorizations	C-8	<u>163,500.00</u>
Balance - December 31, 2013	C	<u><u>11,215.37</u></u>

Borough of Ogdensburg, N. J.

Schedule of Improvement Authorizations

General Capital Fund

Year Ended December 31, 2013

Ord. No./Date	Improvement Description	Ordinance Date	Amount	Balance Dec. 31, 2012		2013 Authorizations	Paid or Charged	Balance Dec. 31, 2013	
				Funded	Unfunded			Funded	Unfunded
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		79,549.49		292.56		79,256.93
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	1,630.16			950.00	680.16	
02-12	Various Public Improvements	10/22/12	785,000.00		727,597.13		83,276.29		644,320.84
04-13	Emergency Repair to Fire Truck Engine	07/08/13	28,000.00			28,000.00	13,306.00	14,694.00	
05-13	Purchase of Generator	07/22/13	15,000.00			15,000.00	12,500.00	2,500.00	
07-13	Various Improvements	10/28/13	35,000.00			35,000.00	11,100.00	23,900.00	
08-13	Streetscape Imp. On Main Street	10/16/13	85,500.00			85,500.00		85,500.00	
				<u>29,965.46</u>	<u>807,146.62</u>	<u>163,500.00</u>	<u>149,739.49</u>	<u>127,294.82</u>	<u>723,577.77</u>
				C	C	C-7		C	C

Ref. Cash Disbursed  
 C-2 Encumbrances Payable  
 C-9

## Borough of Ogdensburg, N. J.

## Schedule of Various Reserves and Payables

## General Capital Fund

Year Ended December 31, 2013

<u>Description</u>	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance</u> <u>Dec. 31, 2013</u>
Encumbrances Payable	49,991.28	83,568.85	105,684.13	27,876.00
Debt Service	41,250.00		41,250.00	
	<u>91,241.28</u>	<u>83,568.85</u>	<u>146,934.13</u>	<u>27,876.00</u>
	C	C-8	C-2	C



Borough of Ogdensburg, N. J.

Schedule of General Serial Bonds Payable

General Capital Fund

Year Ended December 31, 2013

Purpose	Date of Issue	Original Issue	Date	Maturities of Bonds Outstanding, December 31, 2013		Interest Rate	Balance Dec. 31, 2012	Decreased	Balance Dec. 31, 2013
				Date	Amount				
General Improvement Bonds	04/01/08	660,000.00	4/1/2014	100,000.00	4.25%	305,000.00		205,000.00	
			4/1/2015	105,000.00	4.25%		100,000.00		
						<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, 2013**

<u>Ord. No./Date</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2012</u>	<u>Funded by Budget Appropriation</u>	<u>Balance Dec. 31, 2013</u>
<u>General Improvements:</u>				
02-92	Acquisition of Pick-up Truck	14,928.00	5,500.00	9,428.00
02-93	Various Improvements	39.91	39.91	18,050.00
01-97	Various Public Improvements	18,050.00		6,600.00
02-99	Acquisition of Backhoe and Other Equipment and Machinery	6,600.00		41,448.16
01-04	Improvements to Kennedy Avenue	41,448.16		41,246.82
02-08	Improvements to Highland Ave. and High Street	41,246.82	41,246.82	
		<u>122,312.89</u>	<u>46,786.73</u>	<u>75,526.16</u>
		<u>Footnote C</u>	<u>C-6</u>	<u>Footnote C</u>

**Borough of Ogdensburg, N. J.**

**Schedule of Cash**

**Water Utility Fund**

**Year Ended December 31, 2013**

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance - December 31, 2012	D	<u>194,592.34</u>	<u>257,536.30</u>
Increased by Receipts:			
Reserve for Debt Service - Water Capital	D-3	108.24	
Interest on Deposits	D-3	447.03	
Consumer Accounts/Liens Receivable	D-8	284,950.87	
Water Rent Overpayment	D-16	1,056.58	
Capital Improvement Fund	D-20		10,000.00
	D-6	<u>286,562.72</u>	<u>10,000.00</u>
		<u>481,155.06</u>	<u>267,536.30</u>
Decreased by Disbursements:			
Budget Appropriations	D-4	214,952.03	
Appropriation Reserves	D-14	2,010.83	
Encumbrances Payable	D-15	10,171.42	
Accrued Interest	D-17	95,961.56	
Improvement Authorizations	D-18		94,372.56
Capital Reserves	D-19		7,458.24
	D-6	<u>323,095.84</u>	<u>101,830.80</u>
Balance - December 31, 2013	D	<u><u>158,059.22</u></u>	<u><u>165,705.50</u></u>

Borough of Ogdensburg, N. J.

Analysis of Cash

Water Utility Capital Fund

Year Ended December 31, 2013

	Receipts		Disbursements		Balance Dec. 31, 2013
	Balance Dec. 31, 2012	Miscellaneous	Improvement Authorizations	Miscellaneous	
Fund Balance	769.03				769.03
Capital Improvement Fund	71,430.00	10,000.00			81,430.00
Reserve for Capital Outlay	27,448.18				27,448.18
Reserve for Debt Service	108.24			108.24	
Reserve for Encumbrances	7,350.00			7,350.00	
<b>Ord. No.</b>	<b><u>Improvement Authorizations</u></b>				
01-99	Var. Public Improvements		722.41		722.41
10-09	Design and Construction of an Emergency Generator for Well No. 3				10,398.45
01-10	Various Public Improvements and the acquisition of New Additional or Replacement Equipment			146.28	32,772.86
11-11	Replacement of the Pump at Well #3 and the Purchase of Water Meters			60.00	990.00
01-12	Acquisition of New Water Meters and the Undertaking of Various Improvements to the Water System				
		10,000.00	94,166.28		11,380.85
		<u>257,536.30</u>	<u>94,372.56</u>	<u>7,458.24</u>	<u>165,705.50</u>
		D;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, 2013**

	<u>Ref.</u>	
Balance - December 31, 2012	D	<u>25.00</u>
Balance - December 31, 2013	D	<u>25.00</u>

**Borough of Ogdensburg, N. J.**

**Schedule of Consumer Accounts Receivable**

**Water Utility Operating Fund**

**Year Ended December 31, 2013**

	<u>Balance Dec. 31, 2012</u>	<u>Charges</u>	<u>Collections</u>	<u>Balance Dec. 31, 2013</u>
Consumer Accounts Receivable	<u>62,143.70</u> D	<u>339,564.55</u>	<u>286,115.73</u>	<u>115,592.52</u> D
		<u>Ref.</u>		
Rents Received		D-5	284,950.87	
Overpayments Applied		D-16	<u>1,164.86</u>	
		D-3	<u>286,115.73</u>	

**Borough of Ogdensburg, N. J.**

**Schedule of Water Liens**

**Water Utility Operating Fund**

**Year Ended December 31, 2013**

	<u>Ref.</u>	
Balance - December 31, 2012	D	<u>662.92</u>
Decreased by:		
Cancelled		<u>662.92</u>

**Borough of Ogdensburg, N. J.**

**Schedule of Inventory**

**Water Utility Operating Fund**

**Year Ended December 31, 2013**

	<u>Ref.</u>	
Balance - December 31, 2012	D	<u>2,583.00</u>
Balance - December 31, 2013	D	<u>2,583.00</u>

**Borough of Ogdensburg, N. J.**

**Schedule of Deferred Charges**

**Water Utility Operating Fund**

**Year Ended December 31, 2013**

	Balance Dec. 31, 2012	Decreased by: Raised in 2013 Budget
	<u>                    </u>	<u>                    </u>
Operating Deficit	2,029.81	2,029.81
	<u>                    </u>	<u>                    </u>
	D	D-4

## Borough of Ogdensburg, N. J.

## Schedule of Fixed Capital

## Water Utility Capital Fund

Year Ended December 31, 2013

<u>Description</u>	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Balance</u> <u>Dec. 31, 2013</u>
Distribution, Mains and Accessories	3,442,936.01	3,442,936.01
Meters, Water Boxes and Vaults	119,312.57	119,312.57
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 Water Utility Truck and Snow Plow	40,672.07	40,672.07
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>4,479,257.37</u>	<u>4,479,257.37</u>
	D	D

Borough of Ogdensburg, N. J.

Schedule of Fixed Capital Authorized and Uncompleted

Water Utility Capital Fund

Year Ended December 31, 2013

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Ordinance</u>		<u>Balance, Dec. 31, 2012</u>	<u>Balance, Dec. 31, 2013</u>
		<u>Date</u>	<u>Amount</u>		
01-99	Various Public Improvements	11/08/99	600,000.00	600,000.00	600,000.00
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
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
01-12	Acquisition of New Water Meters and the Undertaking of Various Improvements to the Water System	10/22/12	106,000.00	106,000.00	106,000.00
				<u>910,500.00</u>	<u>910,500.00</u>
				D	D

**Borough of Ogdensburg, N. J.**

**Schedule of Appropriation Reserves**

**Water Utility Operating Fund**

**Year Ended December 31, 2013**

	Balance, Dec. 31, <u>2012</u>	Balance after <u>Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
Operating:				
Salaries and Wages	252.57	252.57	252.57	
Other Expenses	<u>36,518.17</u>	<u>36,518.17</u>	<u>1,758.26</u>	<u>34,759.91</u>
	<u>36,770.74</u>	<u>36,770.74</u>	<u>2,010.83</u>	<u>34,759.91</u>
	D		D-5	D-1

**Borough of Ogdensburg, N. J.**  
**Schedule of Encumbrances Payable**  
**Water Utility Operating Fund**  
**Year Ended December 31, 2013**

	<u>Ref.</u>	
Balance - December 31, 2012	D	10,171.42
Increased by:		
Transfer from Budget	D-4	2,429.10
		<u>12,600.52</u>
Decreased by:		
Cash Disbursed	D-5	10,171.42
		<u>10,171.42</u>
Balance - December 31, 2013	D	<u><u>2,429.10</u></u>

**Schedule of Water Rent Overpayments**  
**Water Utility Operating Fund**  
**Year Ended December 31, 2013**

	<u>Ref.</u>	
Balance - December 31, 2012	D	1,164.86
Increased by:		
Cash Receipts	D-5	1,056.58
		<u>1,056.58</u>
		2,221.44
Decreased by:		
Applied	D-8	1,164.86
		<u>1,164.86</u>
Balance - December 31, 2013	D	<u><u>1,056.58</u></u>

Borough of Ogdensburg, N. J.

Schedule of Accrued Interest

Water Utility Operating Fund

Year Ended December 31, 2013

	<u>Ref.</u>	<u>Totals</u>	<u>Loans</u>	<u>Bond Anticipation Notes</u>
Balance - December 31, 2012	D	41,043.15	41,043.15	
Increased by:				
Budget Appropriations	D-4	94,900.00	92,790.00	2,110.00
		<u>135,943.15</u>	<u>133,833.15</u>	<u>2,110.00</u>
Decreased by:				
Disbursements	D-5	95,961.56	93,969.81	1,991.75
Balance - December 31, 2013	D	<u>39,981.59</u>	<u>39,863.34</u>	<u>118.25</u>

Principal Outstanding December 31, 2013	Interest Rate	From	To	Period in Days	Required Amount	Excess/ (Deficit)	Actual Amount
Bond Anticipation Notes							
100,000.00	1.25%	12/6/13	12/31/13	25	85.50	32.75	118.25
<u>U.S.D.A. Rural Development Loan:</u>							
175,369.41	5.875%	7/28/13	12/31/13	156	4,464.61	(26.88)	4,437.74
1,644,930.66	5.000%	7/28/13	12/31/13	156	35,640.16	(214.56)	35,425.60
					<u>40,104.78</u>	<u>(241.44)</u>	<u>39,863.34</u>

**Borough of Ogdensburg, N. J.**  
**Schedule of Improvement Authorizations**  
**Water Utility Capital Fund**  
**Year Ended December 31, 2013**

ORD. No.	Improvement Description	Ordinance Date	Amount	Balance Dec. 31, 2012		Paid or Charged	Balance Dec. 31, 2013	
				Funded	Unfunded		Funded	Unfunded
01-99 10-09	Various Public Improvements Design and Construction of an Emergency Generator for Well No. 3	11/08/99 08/24/09	600,000.00 87,500.00	722.41 10,398.45			722.41 10,398.45	
01-10	Various Public Improvements and the acquisition of New Additional or Replacement Equipment	09/27/10	80,000.00		32,772.86	146.28	32,626.58	
11-11	Replacement of the Pump at Well #3 and the Purchase of Water Meters	11/14/11	37,000.00	990.00		60.00	930.00	
01-12	Acquisition of New Water Meters and the Undertaking of Various Improvements to the Water System	10/22/12	106,000.00					
				5,547.13	100,000.00	94,166.28		11,380.85
				<u>17,657.99</u>	<u>132,772.86</u>	<u>94,372.56</u>	<u>44,677.44</u>	<u>11,380.85</u>
				D	D	D-5	D	D

## Borough of Ogdensburg, N. J.

## Schedule of Reserves

## Water Utility Capital Fund

Year Ended December 31, 2013

<u>Description</u>	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Decreased</u>	<u>Balance</u> <u>Dec. 31, 2013</u>
Reserve for Encumbrances Payable	7,350.00	7,350.00	
Reserve for Capital Outlay	27,448.18		27,448.18
Reserve for Debt Service	108.24	108.24	
	<u>34,906.42</u>	<u>7,458.24</u>	<u>27,448.18</u>
	D	D-5	D

**Borough of Ogdensburg, N. J.**  
**Schedule of Capital Improvement Fund**  
**Water Utility Capital Fund**  
**Year Ended December 31, 2013**

	<u>Ref.</u>	
Balance - December 31, 2012	D	71,430.00
Increased by:		
Budget Appropriation	D-5	<u>10,000.00</u>
Balance - December 31, 2013	D	<u><u>81,430.00</u></u>

**Schedule of Reserve for Amortization**  
**Water Utility Capital Fund**  
**Year Ended December 31, 2013**

	<u>Ref.</u>		
Balance - December 31, 2012	D		3,265,956.25
Increased by:			
USDA Rural Development Loan by Operating Budget	D-23	31,001.05	
Bond Anticipation Notes Paid by Operating Budget	D-24	<u>38,000.00</u>	
			<u>69,001.05</u>
Balance - December 31, 2013	D		<u><u>3,334,957.30</u></u>

**Borough of Ogdensburg, N. J.**  
**Schedule of Deferred Reserve for Amortization**

**Water Utility Capital Fund**

**Year Ended December 31, 2013**

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Ordinance</u>	<u>Balance, Dec. 31, 2012</u>	<u>Paid From Operating Budget - Notes</u>	<u>Balance, Dec. 31, 2013</u>
10-09	Design and Construction of an Emergency Generator for Well No. 3	08/24/09	87,500.00		87,500.00
01-10	Various Public Improvements and the acquisition of New Additional or Replacement Equipment	09/27/10	4,000.00	38,000.00	42,000.00
11-11	Replacement of the Pump at Well #3 and the Purchase of Water Meters	11/14/11	37,000.00		37,000.00
01-12	Acquisition of New Water Meters and the Undertaking of Various Improvements to the Water System	10/22/12	6,000.00		6,000.00
			<u>134,500.00</u>	<u>38,000.00</u>	<u>172,500.00</u>
			D	D-24	D

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

**Water Utility Capital Fund**

**Year Ended December 31, 2013**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Maturities Outstanding December 31, 2013</u>	<u>Interest Rate</u>	<u>Balance</u>	
					<u>Dec. 31, 2012</u>	<u>Dec. 31, 2013</u>
Water Improvements	07/28/00	200,000.00	07/28/13-07/28/40 See Notes	5.875%	177,988.94	175,369.41
Water Improvements	07/28/00	1,924,000.00	07/28/13-07/28/40 See Notes	5.00%	1,673,312.18	1,644,930.66
					<u>28,381.52</u>	<u>1,820,300.07</u>
					<u>31,001.05</u>	<u>1,820,300.07</u>
					D	D-21
						D

Borough of Ogdensburg, N. J.

Schedule of Bond Anticipation Notes Payable

Water Utility Capital Fund

Year Ended December 31, 2013

Ord. No.	Improvement Description	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2012	Increased	Decreased	Balance Dec. 31, 2013
01-10	Various Public Improvements and the Acquisition of New Additional or Replacement Equipment	12/10/10	12/06/12	12/06/13	1.25%	38,000.00		38,000.00	
01-12	Acquisition of New Water Meter and the Undertaking of Various Improvements to the Water System	12/06/12	12/06/12 12/06/13	12/06/13 12/05/14	1.25% 1.25%	100,000.00	100,000.00	100,000.00	100,000.00
						<u>138,000.00</u>	<u>100,000.00</u>	<u>138,000.00</u>	<u>100,000.00</u>
						D			D
						Ref.	100,000.00	100,000.00	
						Renewals		38,000.00	
						Raised in Budget	<u>100,000.00</u>	<u>138,000.00</u>	

**BOROUGH OF OGDENSBURG**

**PART II**

\*\*\*\*\*

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

**COMMENTS AND RECOMMENDATIONS**

**YEAR ENDED DECEMBER 31, 2013**

# Ferraioli, Wielkocz, Cerullo & Cuva, P.A.

Charles J. Ferraioli, Jr., MBA, CPA, RMA  
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## INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

We have audited, 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, the financial statements-regulatory basis of the Borough of Ogdensburg in the County of Sussex as of and for the year ended December 31, 2013 and the related notes to the financial statements, and have issued our report thereon dated April 28, 2014, which was adverse due to being presented in accordance with New Jersey regulatory basis of accounting. The regulatory basis opinion was qualified for the Fixed Asset account group not being audited.

### **Internal Control Over Financial Reporting**

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

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or 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.



Honorable Mayor and  
Members of the Borough Council  
Page 2

**Purpose of this Report**

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



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



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

Newton, New Jersey

April 28, 2014



**BOROUGH OF OGDENSBURG**  
**SUMMARY OF FINDINGS AND RESPONSES**  
**YEAR ENDED DECEMBER 31, 2013**

**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 2013 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 2013-01:

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.

Recommendation

That adequate segregation of duties within the Tax Collector and Water Utility Collector departments be maintained.

Management Response:

The Borough will consider strengthening internal control within reason of costs and benefits derived.

**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, 2013**

Finding 2012-01:

Condition:

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.

Current Status:

Corrective action has not been taken. The Borough was made aware of this lack on internal control and will consider strengthening Internal Control within reason of the costs and benefits derived.

## GENERAL COMMENTS

### Cash Balances

Cash balances in all funds were verified by independent certificates obtained from the depositories as of December 31, 2013, and at April 28, 2014, 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, 2013 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, 2013 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 October 23, 2013 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>
2013	8
2012	9
2011	9

## **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, 2013 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 orders are being placed prior to the preparation of purchase orders.

**Management Response:**

All efforts will be made to encumber funds prior to purchases.

3. In our sample of purchase orders/vouchers, we noted various signatures missing.

**Management Response:**

All efforts will be made to have purchase orders/vouchers signed.

## OTHER COMMENTS (CONTINUED)

### Water Utility Collector Department

1. It was noted that there were various instances of billing adjustments without proper authorization.

Management Response:

Adjustments to billings will be authorized by the Mayor and Council

2. It was noted that Cycle B of the water readings was not performed for the past two years.

Management Response:

All water billing cycles will be performed.

### 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.

Management Response:

The Borough will consider strengthening internal control within reason of costs and benefits derived.

## RECOMMENDATIONS

It is recommended:

1. That ordinances with a cash deficit over 5 years be funded.
2. That all efforts be made to issue a purchase order and encumber funds prior to a purchase.
3. That all officials sign vouchers prior to authorizing payment.
4. That all water billing adjustments, over the threshold, be authorized by the Mayor and Council.
5. That all billing cycles be performed.
6. That adequate segregation of duties within the Tax Collector and Water Utility Collector departments be maintained.

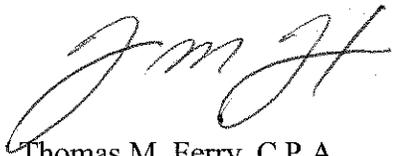
### Status of Prior Year's Audit Findings/Recommendations

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.



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