

**BOROUGH OF BOGOTA**  
**BERGEN COUNTY, NEW JERSEY**  
**REPORT OF AUDIT**  
**YEAR ENDED DECEMBER 31, 2013**

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**BOROUGH OF BOGOTA**

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**PART I**

**REPORT ON AUDIT OF FINANCIAL STATEMENTS**

**AND SUPPLEMENTARY SCHEDULES**

**YEAR ENDED DECEMBER 31, 2013**



# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

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## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members  
of the Borough Council  
Borough of Bogota  
Bogota, New Jersey

### *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 Bogota, as of December 31, 2013 and 2012, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the Current Fund for the year ended December 31, 2013, and the related notes to the financial statements.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial accounting and reporting principles and practices that demonstrate compliance with the regulatory basis of accounting and budget laws 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 and presented by the Borough of Bogota on the basis of financial accounting and reporting principles and practices that demonstrate compliance with the regulatory basis of accounting and budget laws 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 the State of New Jersey for municipal government entities.

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 requirement that the Borough of Bogota prepare and present its financial statements on the regulatory basis of accounting as discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph above, 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 Bogota as of December 31, 2013 and 2012, or changes in financial position for the years then ended.

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

In our opinion, the financial statements – regulatory basis referred to above present fairly, in all material respects, the financial position – regulatory basis of the various funds and account group of the Borough of Bogota as of December 31, 2013 and 2012, and the results of operations and changes in fund balance – regulatory basis of such funds for the years then ended and the revenues – regulatory basis and expenditures – regulatory basis of the Current for the year ended December 31, 2013 in accordance with the basis of financial accounting and reporting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

***Other Matters***

***Required Supplementary Information***

The Borough has not presented a management’s discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. A management discussion and analysis is not required by the financial accounting and reporting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey to supplement the regulatory basis financial statements and therefore it has not been presented by management. Our opinion on the financial statements – regulatory basis is not affected by this missing information.

*Other Information*

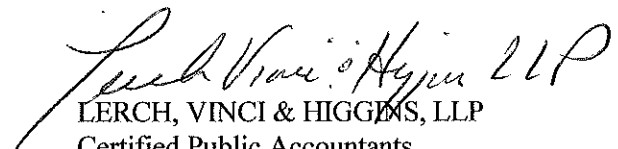
Our audit was conducted for the purpose of forming an opinion on the financial statements of the Borough of Bogota as a whole. The supplementary schedules listed in the table of contents, schedule of expenditures of federal awards, schedule of expenditures of state financial assistance and the letter of comments and recommendations section are presented for purposes of additional analysis and are not a required part of the financial statements of the Borough of Bogota.

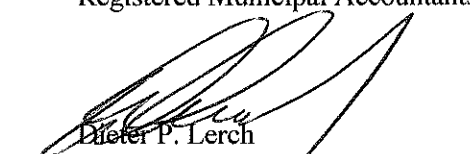
The supplementary schedules listed in the table of contents, schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary schedules listed in the table of contents, schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated, in all material respects, in relation to the financial statements as a whole on the basis of accounting described in Note 1.

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with Government Auditing Standards, we have also issued our report dated March 21, 2014 on our consideration of the Borough of Bogota'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 Bogota's internal control over financial reporting and compliance.

  
LERCH, VINCI & HIGGINS, LLP  
Certified Public Accountants  
Registered Municipal Accountants

  
Dieter P. Lerch  
Registered Municipal Accountant  
RMA Number CR00398

Fair Lawn, New Jersey  
March 21, 2014



**BOROUGH OF BOGOTA**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS - CURRENT FUND**  
**AS OF DECEMBER 31, 2013 AND 2012**

ASSETS	<u>Reference</u>	<u>2013</u>	<u>2012</u>
Cash	A-4	\$ 2,195,928	\$ 1,547,457
Change Funds	A-5	280	280
Grants Receivable	A-7	60,151	67,802
Due from State of New Jersey - Senior Citizen and Veteran's Deductions	A-6	<u>36,740</u>	<u>36,156</u>
		<u>2,293,099</u>	<u>1,651,695</u>
Receivables and Other Assets with Full Reserves			
Delinquent Property Taxes	A-8	18,974	5,356
Tax Title Liens	A-9	28,054	16,837
Property Acquired for Taxes	A-10	136,680	136,680
Prepaid School Taxes	A-16	211,913	
Revenue Accounts Receivable	A-12	48,711	11,325
Interfunds Receivable:			
Due from General Capital Fund	C-4		148,006
Due from Animal Control Trust Fund	B-4	6,695	15,747
Due from Recreation Trust Fund	B-12	10	13
Due from Other Trust Fund	B-7	<u>47,141</u>	<u>90,589</u>
		<u>498,178</u>	<u>424,553</u>
Deferred Charges			
Emergency Authorizations	A-11		276,500
Special Emergency Authorizations	A-21	447,200	612,080
Overexpenditure of Appropriation	A-11	72,299	42,215
Operating Deficit	A-11		268,989
Overexpenditure of Appropriation Reserves	A-11	<u>-</u>	<u>34,105</u>
		<u>519,499</u>	<u>1,233,889</u>
Total Assets		<u>\$ 3,310,776</u>	<u>\$ 3,310,137</u>

The Accompanying Notes are an Integral Part of these Financial Statements

**BOROUGH OF BOGOTA**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS - CURRENT FUND**  
**AS OF DECEMBER 31, 2013 AND 2012**

	<u>Reference</u>	<u>2013</u>	<u>2012</u>
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
<b>Liabilities</b>			
Appropriation Reserves	A-3,A-13	\$ 109,770	\$ 323,483
Encumbrances Payable	A-14	123,680	384,135
Prepaid Taxes	A-17	323,502	59,381
Tax Anticipation Note Payable	A-22	800,000	950,000
Local School Taxes Payable	A-16		418
Due County for Added and Omitted Taxes	A-15	34	741
Fees Payable	A-18	3,773	572
Special Emergency Note Payable	A-23	447,200	868,600
Reserve for Sale of Cell Tower	A-19	339,665	
Miscellaneous Reserves	A-19	184,320	25,717
Tax Overpayments	A-24	2,641	21,878
Unappropriated Grant Reserves	A-20	31,655	21,262
Appropriated Grant Reserves	A-25	68,670	43,206
Interfunds Payable			
Due to General Capital Fund	C-4	<u>87,274</u>	<u>-</u>
		2,522,184	2,699,393
Reserve for Receivables	A	498,178	424,553
Fund Balance	A-1	<u>290,414</u>	<u>186,191</u>
<b>Total Liabilities, Reserves and Fund Balance</b>		<u>\$ 3,310,776</u>	<u>\$ 3,310,137</u>

**BOROUGH OF BOGOTA**  
**COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -**  
**REGULATORY BASIS - CURRENT FUND**  
**FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**

	<u>Reference</u>	<u>2013</u>	<u>2012</u>
<b>REVENUE AND OTHER INCOME REALIZED</b>			
Miscellaneous Revenue Anticipated	A-2	\$ 1,843,171	\$ 1,523,383
Receipts from Delinquent Taxes	A-2	5,356	7,127
Receipts from Current Taxes	A-2	22,689,356	22,119,163
Non-Budget Revenue	A-2	158,383	42,608
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-13	182,510	28,769
Statutory Excess - Animal Control Fund	B-4	3,637	3,037
Cancellation of Accounts Payable	A-26		7,884
Cancellation of Miscellaneous Reserve	A-19		14,128
Cancellation of Appropriated Reserves	A-25	-	26,014
		<u>24,882,413</u>	<u>23,772,113</u>
<b>EXPENDITURES</b>			
Budget and Emergency Appropriations:			
Operations			
Salaries and Wages	A-3	2,991,955	2,886,535
Other Expenses	A-3	3,667,917	4,179,082
Deferred Charges and Statutory			
Expenditures- Municipal	A-3	1,441,524	993,278
Capital Improvements	A-3	60,000	60,000
Municipal Debt Service	A-3	875,652	752,047
Local District School Taxes	A-16	13,897,504	13,806,381
County Taxes Payable	A-15	1,617,128	1,769,793
Due to County for Added and Omitted Taxes	A-15	34	741
Establish Reserve for Prepaid School Taxes	A-16	211,913	
Interfunds Advanced	A	36,088	254,340
Prior Year Senior Citizen/Veteran Disallowed	A-8	4,500	3,705
Refund of Prior Year Revenue	A-4	4,059	31,253
		<u>24,808,274</u>	<u>24,737,155</u>
Excess (Deficiency) in Revenues Over (Under) Expenditures		74,139	(965,042)
Adjustment to Income before Fund Balance:			
Expenditures included above which are by Statute Deferred Charges to Budget of Succeeding Year	A-11,A-21	30,084	718,715
Statutory Excess to Fund Balance		104,223	(246,327)
Deficit in Operations to be Raised in Budget of Succeeding Year	A-11		<u>\$ 246,327</u>
Fund Balance, January 1	A-1	<u>\$ 186,191</u>	<u>\$ 186,191</u>
Fund Balance, December 31	A-1	<u>\$ 290,414</u>	<u>\$ 186,191</u>

The Accompanying Notes are an Integral Part of these Financial Statements

**BOROUGH OF BOGOTA**  
**STATEMENT OF REVENUES - REGULATORY BASIS**  
**CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Reference</u>	<u>Budget</u>	<u>Anticipated</u> Added by N.J.S. <u>40A:4-87</u>	<u>Realized</u>	<u>Excess or</u> <u>(Deficit)</u>
<b>MISCELLANEOUS REVENUES</b>					
Licenses					
Alcoholic Beverages	A-12	\$ 8,500		\$ 9,120	\$ 620
Other	A-12	8,500		4,372	(4,128)
Fees and Permits	A-12	9,500		14,824	5,324
Fines and Costs					
Municipal Court	A-12	200,000		201,085	1,085
Interest and Costs on Taxes	A-12	28,000		32,160	4,160
Interest on Investments and Deposits	A-2	11,000		11,675	675
Fire Fees	A-12	28,000		38,461	10,461
Cable Television Franchise Fees	A-12	91,000		91,663	663
Energy Receipts Tax	A-12	574,686		574,686	
Consolidated Municipal Property Tax Relief Aid	A-12	102,990		102,990	
Uniform Construction Code Fees	A-12	42,000		54,402	12,402
Sale of Cellular Tower	A-12	361,000		361,000	
State and Federal Revenues Offset with Appropriations					
CDBG - Project Success	A-7		\$ 17,000	17,000	
CDBG - Senior Bus Driver	A-7		9,000	9,000	
Uniform Fire Safety Act	A-12	5,000		9,097	4,097
C.C.O. Expenditures	A-12	6,000		6,110	110
Reserve for Recycling	A-19	25,000		25,000	
Swim Club Rent	A-12	7,500		7,500	
Cell Tower Rental Fee	A-12	15,000		6,429	(8,571)
Sewer Charges	A-12	40,000			(40,000)
Outside Police Duty Reimbursement	A-12	30,000		30,000	
Due from Other Trust Fund - Interfund	B-7	90,589		90,589	
Due from General Capital Fund - Interfund	C-4	146,008		146,008	
		<u>1,830,273</u>	<u>26,000</u>	<u>1,843,171</u>	<u>(13,102)</u>
<b>RECEIPTS FROM DELINQUENT TAXES</b>	A-8	<u>-</u>	<u>-</u>	<u>5,356</u>	<u>5,356</u>
<b>AMOUNT TO BE RAISED FOR SUPPORT OF MUNICIPAL BUDGET</b>					
Local Tax for Municipal Purposes	A-2	6,945,913		6,960,063	14,150
Local Tax for Library Purposes	A-2	255,627		255,627	-
		<u>7,201,540</u>	<u>-</u>	<u>7,215,690</u>	<u>14,150</u>
Total General Revenues		<u>\$ 9,031,813</u>	<u>\$ 26,000</u>	9,064,217	<u>\$ 6,404</u>
Non-Budget Revenue				<u>158,383</u>	
				<u>\$ 9,222,600</u>	

The Accompanying Notes are an Integral Part of these Financial Statements

**BOROUGH OF BOGOTA**  
**STATEMENT OF REVENUES - REGULATORY BASIS**  
**CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**  
**(Continued)**

	<u>Reference</u>	
<b>ANALYSIS OF REALIZED REVENUES</b>		
Allocation of Current Tax Collection		
Revenue from Collections	A-8	\$ 22,689,356
Less: Allocated to School and County Taxes	A-15,A-16	<u>15,514,666</u>
Balance for Support of Municipal Budget Appropriations		7,174,690
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	<u>41,000</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 7,215,690</u>
Licenses - Other		
Board of Health	A-12	\$ 1,890
Borough Clerk	A-12	<u>2,482</u>
	A-2	<u>\$ 4,372</u>
Fees and Permits		
Planning/Zoning Boards	A-12	\$ 809
Borough Clerk	A-12	3,755
Board of Health	A-12	4,603
Police Department	A-12	4,742
Tax Collector	A-12	<u>915</u>
	A-2	<u>\$ 14,824</u>
Interest on Investments and Deposits		
Revenue Accounts Receivable	A-12	\$ 8,228
Due from General Capital Fund	C-4	2,522
Due from Recreation Trust Fund	B-12	126
Due from Other Trust Fund	B-7	761
Due from Animal Control Trust Fund	B-4	<u>38</u>
	A-2	<u>\$ 11,675</u>
Miscellaneous Revenue Not Anticipated:		
FEMA Reimbursements		\$ 67,497
Cancellation of Prior Year Stale Dated Checks		24,329
Recreation Reimbursements		15,097
Miscellaneous		14,631
Sale of Municipal Assets		12,791
Police Unclaimed Money		9,770
Maintenance Liens		4,667
Public Assistance Closeout		3,017
Payments in Lieu of Taxes		3,000
Cell Tower		2,185
Administrative Fee - Senior Citizens and Veterans Deductions		<u>1,399</u>
	A-2,A-4	<u>\$ 158,383</u>

The Accompanying Notes are an Integral Part of these Financial Statements

**BOROUGH OF BOGOTA**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Appropriations</u>		<u>Expended</u>		<u>Over Expended</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<b>OPERATIONS - WITHIN "CAPS"</b>					
<b>GENERAL GOVERNMENT</b>					
Administration and Executive					
Salaries and Wages	\$ 197,775	\$ 175,775	\$ 173,833	\$ 1,942	
Other Expenses					
Administrator's Office	51,800	61,800	59,910	1,890	
Codification of Ordinances	3,000				
Financial Administration					
Salaries and Wages	85,000	113,000	112,045	955	
Other Expenses	29,000	36,000	34,909	1,091	
Elections	8,000				
Audit Services					
Annual Audit	30,600	83,600	80,824	2,776	
Collection of Taxes					
Salaries and Wages	47,000	49,500	48,547	953	
Other Expenses	22,550	18,050	17,934	116	
Assessment of Taxes					
Salaries and Wages	15,000	15,050	15,023	27	
Other Expenses	3,800	11,000	10,727	273	
Legal Services and Costs					
Settlements	70,000	100,500	94,603	5,897	
Engineering					
Services	4,000	4,000	4,000		
Property	31,500	24,750	24,626	124	
<b>LAND USE ADMINISTRATION</b>					
Municipal Land Use Law (N.J.S.A. 40:55-1):					
Planning Board					
Other Expenses	4,500	4,500	4,270	230	
<b>INSURANCE</b>					
Other Insurance Premiums	350,000	310,000	308,138	1,862	
Group Insurance Plan for Employees	550,700	490,700	489,478	1,222	
Unemployment Trust Fund	20,000	20,000	20,000		
<b>PUBLIC SAFETY FUNCTIONS</b>					
Department of Police					
Salaries and Wages	2,073,410	2,073,410	2,061,130	12,280	
Other Expenses	64,500	79,500	72,119	7,381	
Reserves	750	760	756	4	
Uniforms - Other Expenses	2,000	2,000	1,225	775	
Police Cars	21,575	21,575	21,572	3	
Emergency Management Services					
Other Expenses	5,225	5,225	5,099	126	
First Aid Organization					
Salaries and Wages	200	200	200		
Other Expenses	35,000	35,020	35,011	9	
Other Expenses - Uniforms	14,000	14,000	13,735	265	
Other Expenses - Aid to Volunteers	2,500	2,500	2,500		

**BOROUGH OF BOGOTA**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Appropriations</u>		<u>Expended</u>		<u>Over Expended</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
OPERATIONS - WITHIN "CAPS" (Cont'd)					
PUBLIC SAFETY FUNCTIONS (Cont'd)					
Rescue Squad					
Salaries and Wages	\$ 100	\$ 100		\$ 100	
Other Expenses	6,500	6,500	\$ 6,248	252	
Other Expenses - Uniforms	7,500	7,500	7,465	35	
Other Expenses - Aid to Volunteers	2,500	2,500	2,500		
Other Expenses - Vehicle Repairs	5,000	5,000	4,613	387	
Fire (Volunteer Fire Company)					
Salaries and Wages	500	500	500		
Miscellaneous - Other Expenses	45,000	28,000	27,581	419	
Clothing Allowance - Other Expenses	15,000	15,000	15,000		
Aid to Volunteer Fire Companies	10,000	10,000	10,000		
Vehicle Maintenance	15,000	3,000	2,755	245	
Fire Official					
Salaries and Wages	32,000	32,000	30,360	1,640	
Other Expenses	5,000	5,000	4,710	290	
Municipal Prosecutor					
Salaries and Wages	7,000	7,500	7,409	91	
PUBLIC WORKS FUNCTIONS					
Road Repairs and Maintenance					
Salaries and Wages	312,000	384,000	384,000		
Other Expenses	65,000	23,000	22,845	155	
Vehicle Maintenance					
Other Expenses	23,000	23,000	22,492	508	
Snow Removal					
Other Expenses	15,000	10,000	4,177	5,823	
Shade Tree Commission					
Other Expenses	25,000	15,000	15,000		
Garbage and Trash Removal					
Solid Waste Disposal Fees	277,500	274,500	273,936	564	
Contractual	285,000	245,370	260,774		\$ 15,404
Public Buildings and Grounds					
Other Expenses	65,000	86,000	84,909	1,091	
HEALTH AND HUMAN SERVICES FUNCTIONS					
Board of Health					
Salaries and Wages	5,000	1,500	1,445	55	
Other Expenses	40,000	36,400	36,351	49	
Animal Control Services					
Other Expenses	12,500	12,500	12,500		

**BOROUGH OF BOGOTA**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Appropriations</u>		<u>Expended</u>		<u>Cancelled</u>	<u>Over Expended</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>		
OPERATIONS - WITHIN "CAPS" (Cont'd)						
PARK AND RECREATION FUNCTIONS						
Recreation Commission RS 40:12-1						
Salaries and Wages	\$ 32,350	\$ 39,850	\$ 39,206	\$ 644		
Senior Citizens Committee						
Salaries and Wages		2,100	1,484	616		
Other Expenses	2,000	2,000	1,942	58		
OTHER COMMON OPERATING FUNCTIONS						
Celebration of Public Events						
Other Expenses	14,000	14,000	14,000			
Public Defender						
Salaries and Wages	2,870	3,070	2,975	95		
Ambulance Squad O.S.H.A. (P.L. 1983, C. 516)						
Other Expenses	3,000	3,000	2,914	86		
Rescue Squad O.S.H.A. (P.L. 1983, C. 516)						
Other Expenses	3,000	3,000	1,120	1,880		
Board of Health						
Hepatitis B Program	2,000	2,000	786	1,214		
UNIFORM CONSTRUCTION CODE - APPROPRIATIONS OFFSET BY DEDICATED REVENUES (N.J.A.C. 5:23-4.17)						
CODE ENFORCEMENT AND ADMINISTRATION						
Construction Code Officials						
Salaries and Wages	63,000	66,600	66,475	125		
Other Expenses	3,000	3,000	2,948	52		
UNCLASSIFIED						
Electricity and Gas	110,000	151,000	165,680			\$ 14,680
Street Lighting	100,000	75,000	73,470	1,530		
Telephone/Communications	43,000	45,200	45,143	57		
Fire Hydrant Service	72,800	72,800	72,800			
Gasoline	102,000	102,000	98,931	3,069		
Water	6,000	6,000	6,000	-	-	-
<b>Total Operations Within "CAPS"</b>	<b>5,578,505</b>	<b>5,576,905</b>	<b>5,545,658</b>	<b>61,331</b>	<b>-</b>	<b>30,084</b>
Detail						
Salaries and Wages	2,873,205	2,964,155	2,944,632	19,523	-	-
Other Expenses	2,705,300	2,612,750	2,601,026	41,808	-	30,084



**BOROUGH OF BOGOTA**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Appropriations</u>		<u>Expended</u>		<u>Cancelled</u>	<u>Over Expended</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>		
<b>DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"</b>						
Deferred Charges:						
Overexpenditure of Appropriation	\$ 34,105	\$ 34,105	\$ 34,105			
Operating Deficit	276,873	276,873	268,989		\$ 7,884	
Statutory Expenditures:						
Public Employees Retirement System	126,565	126,565	126,562	\$ 3		
Police & Fireman's Retirement System of NJ	429,485	429,485	429,485			
Social Security System (O.A.S.I.)	150,000	141,000	140,816	184	-	-
<b>Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"</b>	<b>1,017,028</b>	<b>1,008,028</b>	<b>999,957</b>	<b>187</b>	<b>7,884</b>	<b>-</b>
<b>Total General Appropriations for Municipal Purposes Within "CAPS"</b>	<b>6,595,533</b>	<b>6,584,933</b>	<b>6,545,615</b>	<b>61,518</b>	<b>7,884</b>	<b>\$ 30,084</b>
<b>OPERATIONS - EXCLUDED FROM "CAPS"</b>						
Bergen County Utilities Authority						
Service Charges - Contractual	472,450	472,450	472,450			
Debt Service Charges	216,206	216,206	216,206			
Maintenance of Free Public Library						
Other Expenses	191,720	191,720	184,387	7,333		
Municipal Services	63,907	63,907	31,562	32,345		
911 Telecommunication System						
Other Expenses	6,000	6,000	2,026	3,974	-	-
<b>Total Other Operations - Excluded from "CAPS"</b>	<b>950,283</b>	<b>950,283</b>	<b>906,631</b>	<b>43,652</b>	<b>-</b>	<b>-</b>
<b>INTERLOCAL MUNICIPAL SERVICE AGREEMENTS</b>						
Municipal Court - Borough of Little Ferry						
Salaries and Wages	18,000	18,800	18,507	293		
Other Expenses	48,000	57,800	57,545	255	-	-
<b>Total Interlocal Municipal Service Agreements</b>	<b>66,000</b>	<b>76,600</b>	<b>76,052</b>	<b>548</b>	<b>-</b>	<b>-</b>
<b>PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES (N.J.S. 40A:4-45.3(h))</b>						
CDBG Bus Program-Bus Driver-Salaries & Wages		9,000	9,000			
CDBG Project Success (2012)		8,500	8,234	266		
CDBG Project Success	-	8,500	4,714	3,786	-	-
<b>Total Public and Private Programs Offset by Revenues (N.J.S. 40A:4-45.3(h))</b>	<b>-</b>	<b>26,000</b>	<b>21,948</b>	<b>4,052</b>	<b>-</b>	<b>-</b>
<b>Total Operations - Excluded from "CAPS"</b>	<b>1,016,283</b>	<b>1,052,883</b>	<b>1,004,631</b>	<b>48,252</b>	<b>-</b>	<b>-</b>
<b>Detail</b>						
Salaries and Wages	18,000	27,800	27,507	293	-	-
Other Expenses	998,283	1,025,083	977,124	47,959	-	-

The Accompanying Notes are an Integral Part of these Financial Statements

**BOROUGH OF BOGOTA  
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Appropriations</u>		<u>Expended</u>			<u>Over Expended</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>	
<b>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</b>						
Capital Improvement Fund	\$ 60,000	\$ 60,000	\$ 60,000	-	-	-
Total Capital Improvements-Excluded from "CAPS"	<u>60,000</u>	<u>60,000</u>	<u>60,000</u>	-	-	-
<b>MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"</b>						
Payment of Bond Principal	615,000	615,000	615,000			
Interest on Bonds	177,295	177,295	177,291		\$ 4	
Payment on Emergency Note	902	902	576		326	
Special Emergency Note - Interest	2,932	2,932	2,063		869	
Tax Anticipation Note - Interest	6,505	6,505	5,739		766	
BCIA Pension Refunding						
Principal	68,000	68,000	68,000			
Interest	6,983	6,983	6,983	-	-	-
Total Municipal Debt Service - Excluded from "CAPS"	<u>877,617</u>	<u>877,617</u>	<u>875,652</u>	-	1,965	-
<b>DEFERRED CHARGES - EXCLUDED FROM "CAPS"</b>						
Emergency Authorizations	276,500	276,500	276,500			
Special Emergency Authorizations (NJS 40A:4-55)	164,880	164,880	164,880	-	-	-
Total Deferred Charges Excluded from CAPS	<u>441,380</u>	<u>441,380</u>	<u>441,380</u>	-	-	-
Total General Appropriations to Municipal Purposes Excluded from "CAPS"	<u>2,395,280</u>	<u>2,431,880</u>	<u>2,381,663</u>	\$ 48,252	1,965	-
Subtotal General Appropriations	8,990,813	9,016,813	8,927,278	109,770	9,849	\$ 30,084
Reserve for Uncollected Taxes	41,000	41,000	41,000	-	-	-
Total General Appropriations	<u>\$ 9,031,813</u>	<u>\$ 9,057,813</u>	<u>\$ 8,968,278</u>	<u>\$ 109,770</u>	<u>\$ 9,849</u>	<u>\$ 30,084</u>
<u>Reference</u>	A-2	A-3	A-1	A,A-1		A,A-11

**BOROUGH OF BOGOTA**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Reference</u>	<u>Appropriations Budget After Modification</u>	<u>Expended Paid or Charged</u>
Budget as Adopted	A-2	\$ 9,031,813	
Added by N.J.S. 40A:4-87	A-2	<u>26,000</u>	
	A-2	<u>\$ 9,057,813</u>	
Cash Disbursed	A-4		\$ 8,057,124
Encumbrances Payable	A-14		123,680
Deferred Charges	A-11		579,594
Deferred Charge - Special Emergency Appropriations	A-21		164,880
Due to General Capital Fund	C-4		2,000
Reserve for Uncollected Taxes	A-2		<u>41,000</u>
			<u>\$ 8,968,278</u>

The Accompanying Notes are an Integral Part of these Financial Statements

**BOROUGH OF BOGOTA  
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS - TRUST FUNDS  
AS OF DECEMBER 31, 2013 AND 2012**

	<u>Reference</u>	<u>2013</u>	<u>2012</u>
<b>ASSETS</b>			
<b>ANIMAL CONTROL TRUST FUND</b>			
Cash	B-2	\$ 11,124	\$ 19,941
Due from Other Trust Fund	B-3	<u>26</u>	<u>26</u>
		<u>11,150</u>	<u>19,967</u>
<b>OTHER TRUST FUND</b>			
Cash	B-2	<u>692,711</u>	<u>401,402</u>
		<u>692,711</u>	<u>401,402</u>
<b>RECREATION TRUST FUND</b>			
Cash	B-2	<u>31,114</u>	<u>29,201</u>
		<u>31,114</u>	<u>29,201</u>
<b>LIBRARY TRUST FUND</b>			
Cash	B-2	<u>28,612</u>	<u>23,107</u>
		<u>28,612</u>	<u>23,107</u>
<b>Total Assets</b>		<u>\$ 763,587</u>	<u>\$ 473,677</u>

The Accompanying Notes are an Integral Part of these Financial Statements

**BOROUGH OF BOGOTA  
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS - TRUST FUNDS  
AS OF DECEMBER 31, 2013 AND 2012**

	<u>Reference</u>	<u>2013</u>	<u>2012</u>
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
<b>ANIMAL CONTROL FUND</b>			
Due to Current Fund	B-4	\$ 6,695	\$ 15,747
Due to State of New Jersey	B-5	224	181
Reserve for Animal Control Trust Expenditures	B-6	<u>4,231</u>	<u>4,039</u>
		<u>11,150</u>	<u>19,967</u>
<b>OTHER TRUST FUND</b>			
Due to Animal Control Trust Fund	B-3	26	26
Reserve for Unemployment Compensation	B-8	14,363	6,734
Payroll Deductions Payable	B-9	96,339	49,236
Due to State of New Jersey - Unemployment Compensation	B-10	680	5,809
Due to Current Fund	B-7	47,141	90,589
Miscellaneous Reserves	B-11	531,918	246,764
Reserve for Terminal Pay	B-15	<u>2,244</u>	<u>2,244</u>
		<u>692,711</u>	<u>401,402</u>
<b>RECREATION TRUST FUND</b>			
Due to Current Fund	B-12	10	13
Reserve for Recreation Expenditures	B-13	<u>31,104</u>	<u>29,188</u>
		<u>31,114</u>	<u>29,201</u>
<b>LIBRARY TRUST FUND</b>			
Reserve for Library Expenditures	B-14	<u>28,612</u>	<u>23,107</u>
		<u>28,612</u>	<u>23,107</u>
<b>Total Liabilities, Reserves and Fund Balance</b>		<u>\$ 763,587</u>	<u>\$ 473,677</u>

The Accompanying Notes are an Integral Part of these Financial Statements

**BOROUGH OF BOGOTA**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**  
**GENERAL CAPITAL FUND**  
**AS OF DECEMBER 31, 2013 AND 2012**

	<u>Reference</u>	<u>2013</u>	<u>2012</u>
<b>ASSETS</b>			
Cash	C-2,C-3	\$ 305,124	\$ 1,298,407
Due from Current Fund	C-4	87,274	
Deferred Charges to Future Taxation			
Funded	C-6	6,028,000	6,711,000
Unfunded	C-7	630,505	666,008
Deferred Charges - Overexpenditure of Ordinances	C-5	37,098	
Grants Receivable	C-8	<u>473,549</u>	<u>656,870</u>
 Total Assets		 <u>\$ 7,561,550</u>	 <u>\$ 9,332,285</u>
 <b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
Improvement Authorizations			
Funded	C-9	\$ 441,530	\$ 1,218,886
Unfunded	C-9	36,067	580,302
Encumbrances Payable	C-10		163,160
Capital Improvement Fund	C-11	62,005	2,005
Serial Bonds Payable	C-12	5,612,000	6,227,000
Capital Leases Payable	C-13	416,000	484,000
Bond Anticipation Notes Payable	C-14	575,000	
Due to Current Fund	C-4		148,006
Reserve for Grants Receivable	C-8	280,089	461,676
Reserve for Payment of Debt	C-15	106,477	14,890
Fund Balance	C-1	<u>32,382</u>	<u>32,360</u>
 Total Liabilities, Reserves and Fund Balance		 <u>\$ 7,561,550</u>	 <u>\$ 9,332,285</u>

There were \$55,505 and \$666,008 in Bonds and Notes Authorized But Not Issued at December 31, 2013 and 2012, respectively. (Exhibit C-16)

The Accompanying Notes are an Integral Part of these Financial Statements

**BOROUGH OF BOGOTA**  
**COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCE - REGULATORY BASIS**  
**GENERAL CAPITAL FUND**  
**FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**

	<u>Reference</u>	<u>2013</u>	<u>2012</u>
Balance, January 1	C	\$ 32,360	\$ 1,356
Increased by:			
Improvement Authorizations Cancelled	C-9	22	
Premium on Issuance of Serial Bonds	C-1	<u>-</u>	<u>31,004</u>
Balance, December 31	C	<u>\$ 32,382</u>	<u>\$ 32,360</u>

The Accompanying Notes are an Integral Part of these Financial Statements

**BOROUGH OF BOGOTA  
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS  
PUBLIC ASSISTANCE FUND  
AS OF DECEMBER 31, 2013 AND 2012**

	<u>Reference</u>	<u>2013</u>	<u>2012</u>
<b>ASSETS</b>			
Cash	D-1	\$ -	\$ 3,017
Total Assets		<u>\$ -</u>	<u>\$ 3,017</u>
<b>LIABILITIES AND RESERVES</b>			
Reserve for Expenditures	D-2	\$ -	\$ 3,017
Total Liabilities, Reserves and Fund Balance		<u>\$ -</u>	<u>\$ 3,017</u>

The Accompanying Notes are an Integral Part of these Financial Statements



**BOROUGH OF BOGOTA**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**  
**GENERAL FIXED ASSETS ACCOUNT GROUP**  
**AS OF DECEMBER 31, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
<b>ASSETS</b>		
Land	\$ 6,801,300	\$ 6,801,300
Buildings	3,191,567	3,191,567
Vehicles, Machinery & Equipment	<u>6,499,902</u>	<u>5,914,372</u>
 Total Assets	 <u>\$ 16,492,769</u>	 <u>\$ 15,907,239</u>
 <b>FUND BALANCE</b>		
Investment in General Fixed Assets	 <u>\$ 16,492,769</u>	 <u>\$ 15,907,239</u>

The Accompanying Notes are an Integral Part of these Financial Statements

**NOTES TO FINANCIAL STATEMENTS**

**BOROUGH OF BOGOTA  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The Borough of Bogota (the "Borough") was incorporated in 1894 and operates under an elected 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, and general administrative services.

GASB requires the financial reporting entity to include both the primary government and component units. Component units are legally separate organizations for which the Borough is financially accountable. The Borough is financially accountable for an organization if the Borough appoints a voting majority of the organization's governing board and (1) the Borough is able to significantly influence the programs or services performed or provided by the organization; or (2) the Borough is legally entitled to or can otherwise access the organization's resources; the Borough is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Borough is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the Borough in that the Borough approves the budget, the issuance of debt or the levying of taxes. The Borough is not includable in any other reporting entity as a component unit.

The financial statements contained herein include only those boards, bodies, officers or commissions as required by NJS 40A:5-5. Accordingly, the financial statements of the Borough do not include the volunteer fire department or volunteer ambulance squad, which are considered component units under GAAP. Complete financial statements of the above component units can be obtained by contacting the Treasurer of the respective entity.

**B. Description of Regulatory Basis of Accounting**

The financial statements of the Borough of Bogota have been prepared on a basis of accounting in conformity with accounting principles and practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") which is a regulatory basis of accounting other than accounting principles generally accepted in the United States of America (GAAP). 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 separate funds, which differ from the fund structure required by GAAP.

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB has adopted accounting statements to be used by governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America. (GAAP). 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.

**BOROUGH OF BOGOTA  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Basis of Presentation Financial Statements**

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. The Borough also uses an account group, which is designed to provide accountability for certain assets that are not recorded in those Funds.

The Borough has the following funds and account group:

Current Fund – This fund is used to account for the revenues and expenditures for governmental operations of a general nature and the assets and liabilities related to such activities, including Federal and State grants not accounted for in another fund.

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 individuals, private organizations, or other governments are recorded in the Trust Funds.

Animal Control Fund - This fund is used to account for fees collected from dog and cat licenses and expenditures which are regulated by NJS 4:19-15.11.

Other Trust Fund - This fund is established to account for the assets and resources, which are held by the Borough as a trustee or agent for individuals, private organizations, other governments and/or other funds. These funds include dedicated fees/proceeds collected, developer deposits, payroll related deposits and funds deposited with the Borough as collateral.

Recreation Trust Fund - This fund is used to account for the receipts and disbursements relating to recreation activities of the Borough

Library Trust Fund – This fund is used to account for the receipts and disbursements relating to the municipal library.

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

Public Assistance Fund - This fund is used to account for the receipt and disbursement of funds that provide assistance to certain residents of the Borough pursuant to Title 44 of New Jersey Statutes.

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

**Comparative Data** - Comparative data for the prior year has been presented in the accompanying financial statements 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.

**BOROUGH OF BOGOTA  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Basis of Presentation Financial Statements (Continued)**

**Financial Statements – Regulatory Basis**

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

**D. Measurement Focus and Basis of Accounting**

The accounting and financial reporting treatment is determined by the accounting principles and practices prescribed by the Division in accordance with the regulatory basis of accounting. Measurement focus indicates the type of revenues being measured. The basis of accounting indicates the timing of transaction, or costs for recognition in the financial statements.

The Borough of Bogota follows a modified accrual basis of accounting. 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 or permitted for municipalities by the Division (“regulatory basis of accounting”) differ in certain respects from accounting principles generally accepted in the United States of America (GAAP) applicable to local government units. The more significant differences are as follows:

**Cash and Investments** - Cash includes amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the government. Investments are reported at cost and are limited by N.J.S.A. 40A:5-15.1 et seq. GAAP requires that all investments be reported at fair value.

**Property Tax Revenues/Receivables** - 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. A penalty of up to 6% of the delinquency may be imposed on a taxpayer with a delinquency in excess of \$10,000 who fails to pay that delinquency prior to the end of the fiscal year in which the charges become delinquent. 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 standard tax sale. The Borough may institute annual in rem tax foreclosure proceedings to enforce the tax collection or acquisition of title to the property. 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 tax receivable and tax title liens that are uncollectible. GAAP requires property tax revenues to be recognized in the accounting period when they become susceptible to accrual (i.e., when they are both levied and available), reduced by an allowance for doubtful accounts.

**BOROUGH OF BOGOTA  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Measurement Focus and Basis of Accounting (Continued)**

**Miscellaneous Revenues/Receivables** - 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 (i.e., when they are both measurable and available).

**Grant and Similar Award Revenues/Receivables** - 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 as soon as all eligibility requirements imposed by the grantor or provider have been met.

**Property Acquired for Taxes** - Property acquired for taxes is recorded in the Current Fund at the assessed valuation when such property was acquired, and is fully reserved. GAAP requires such property to be recorded as a capital asset in the government-wide financial statements at fair 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 for interfunds and, therefore, does not recognize income in the year liquidated.

**Prepaid Items** - Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. Prepaid items in the current fund, except for prepaid debt service, are offset by a reserve, created by a charge to operations. GAAP does not require the establishment of a reserve for prepaid items.

**Deferred Charges** - Certain expenditures, operating deficits and other items are required to be deferred to budgets of succeeding years. GAAP requires expenditures, operating deficits and certain other items generally to be recognized when incurred, if measurable.

**Appropriation Reserves** - Appropriation reserves are recorded as liabilities and 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.

**Expenditures** - 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 cancelled 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 unmatured interest on general long-term debt, as well as expenditures related to compensated absences and claims and judgements, which are recognized when due.

**BOROUGH OF BOGOTA  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Measurement Focus and Basis of Accounting (Continued)**

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

**Compensated Absences** - Expenditures relating to obligations for unused vested accumulated vacation and sick leave are not recorded until paid; however, municipalities may establish and budget reserve funds subject to NJSA 40A:4-39 for the future payment of compensated absences. 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 are recorded as a long-term obligation in the government-wide financial statements.

**Tax Appeals and Other Contingent Losses** - Losses arising from tax appeals and other contingent losses are recognized at the time a decision is rendered by an administrative or judicial body; however, municipalities may establish reserves transferred from tax collections or by budget appropriation for future payments of tax appeal losses. GAAP requires such amounts to be recorded when it is probable that a loss has been incurred and the amount of such loss can be reasonably estimated.

**Operating Deficits** – Deficits resulting from expenditures and other debits which exceed cash revenues, other realized revenues and credits to income in such fiscal year are recorded as deferred charges on the balance sheet of the respective operating fund at year end and are required to be funded in the succeeding year’s budget. GAAP does not permit the deferral of operating deficits at year end.

**General Fixed Assets** - In accordance with NJAC 5:30-5.6, Accounting for Governmental Fixed Assets, the Borough of Bogota has developed a fixed assets accounting and reporting system. Fixed assets are defined by the Borough as assets with an initial, individual cost of \$2,000 and an estimated useful life in excess of two years.

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 and sidewalks are not capitalized.

Fixed Assets purchased after July 1, 2000 are stated as cost. Donated fixed assets are recorded at estimated fair market value at the date of donation.

Fixed Assets purchased prior to July 1, 2000 are stated as follows:

Land and Buildings	Assessed Value
Machinery and Equipment	Replacement Cost

No depreciation has been provided for in the financial statements.

Expenditures for construction in progress are recorded in the General Capital Fund until such time as the construction is completed and put into operation for general fixed assets.

GAAP requires that capital assets be recorded in proprietary-type funds as well as the government-wide financial statement at historical or estimated historical cost if actual historical cost is not available. In addition, GAAP requires depreciation on capital assets to be recorded in proprietary-type funds as well as in the government-wide financial statements.

**BOROUGH OF BOGOTA  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Measurement Focus and Basis of Accounting (Continued)**

**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 accrued revenues and expenditures during the reporting period. Accordingly, actual results could differ from those estimates.

**Reclassifications** - Certain reclassifications have been made to the December 31, 2012 balances to conform to the December 31, 2013 presentation.

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

- A. 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. Budget amounts presented in the accompanying financial statements represent amounts adopted by the Borough and approved by the State Division of Local Government Services as per N.J.S.A. 40A:4 et seq.

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

General Capital Fund  
Trust Funds  
Public Assistance Fund

The governing body is required to introduce and approve the annual budget no later than February 10, of the fiscal year. The budget is required to be adopted no 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. The governing body of the municipality may authorize emergency appropriations and the inclusion of certain special items of revenue to the budget after its adoption and determination of the tax rate. 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 and 2012 the Borough Council increased the original budget by \$26,000 and \$705,513. The increases were funded by additional aid allotted to the Borough and emergency resolutions for police and public works salaries and wages and reassessment of real property. In addition, the governing body approved several budget transfers during 2013 and 2012.



**BOROUGH OF BOGOTA  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012**

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

**B. Excess Expenditures Over Appropriations**

The following is a summary of expenditures in excess of available appropriations. The overexpended appropriations resulted in unfavorable variances.

	<u>Modified Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
<b><u>2013</u></b>			
Current Fund			
Current Appropriations			
Garbage and Trash Removal			
Contractual	\$ 245,370	\$ 260,774	\$ 15,404
Utilities			
Electricity and Gas	151,000	165,680	14,680
<b><u>2012</u></b>			
Current Fund			
Current Appropriations			
Administrative & Executive			
Salaries and Wages	\$ 168,700	\$ 181,792	\$ 13,092
Other Expenses	40,285	41,421	1,136
Department of Police			
Other Expenses	45,006	52,933	7,927
First Aid Organization			
Other Expenses	21,230	21,694	464
Other Expenses-Uniforms	14,000	17,560	3,560
Other Expenses-Aid to Volunteers	2,500	3,296	796
Municipal Prosecutor			
Salaries and Wages	7,135	7,435	300
Public Buildings and Grounds			
Other Expenses	73,500	74,450	950
Recreation Commission			
Salaries and Wages	32,350	46,340	13,990

**BOROUGH OF BOGOTA  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012**

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

**B. Excess Expenditures Over Appropriations (Continued)**

<u>2012 (Continued)</u>	<u>Modified Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
Current Fund (Continued)			
2011 Appropriation Reserves			
Mayor and Council			
Salaries and Wages	\$ (52)		\$ 52
Financial Administration			
Other Expenses	(286)		286
Municipal Court			
Other Expenses	2,011	\$ 2,671	660
Utilities			
Street Lighting	72	18,238	18,166
Telephone	27	1,458	1,431
Heating Oil	8	1,201	1,193
Fire Hydrant Service	4,784	17,097	12,313
Water	266	270	4

In accordance with the regulatory basis of accounting, the above variances or overexpenditures were recorded as deferred charges on the balance sheet of the respective fund at year end and are required to be funded in the succeeding year's budget. GAAP does not permit the deferral of overexpenditures at year end.

**NOTE 3 DEPOSITS AND INVESTMENTS**

The Borough considers petty cash, change funds, cash in banks, certificates of deposit and deposits with the New Jersey Cash Management Fund as cash and cash equivalents.

**A. Deposits**

The Borough's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC), Securities Investor Protection Corporation (SIPC) or New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The Borough is required to deposit their funds in a depository which is protecting such funds pursuant to GUDPA. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to pledge collateral equal to at least 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of the lesser of 75% of its capital funds or \$200 million for all deposits not covered by the FDIC.

**BOROUGH OF BOGOTA  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2013 AND 2012**

**NOTE 3 DEPOSITS AND INVESTMENTS (Continued)**

**A. Deposits (Continued)**

Bank balances for interest bearing accounts are insured up to \$250,000 in the aggregate by the FDIC for each bank. Under the Dodd-Frank Wall Street Reform and Consumer Protection Act, temporary unlimited deposit insurance coverage was provided for non-interest bearing accounts, from December 31, 2010 through December 31, 2012. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At December 31, 2013 and 2012, the book value of the Borough's deposits were \$3,264,893 and \$3,322,812 and bank and brokerage firm balances of the Borough's deposits amounted to \$3,547,437 and \$3,793,980, respectively. The Borough's deposits which are displayed on the various fund balance sheets as "cash" are categorized as:

<u>Depository Account</u>	<u>Bank Balance</u>	
	<u>2013</u>	<u>2012</u>
Insured	\$ 3,547,437	\$ 3,793,980

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 does not have a formal policy for custodial credit risk. As of December 31, 2013 and 2012, the Borough's bank balances were not exposed to custodial credit risk.

**Investments**

The Borough is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 40A:5-15.1. Investments include bonds or other obligations of the United States or obligations guaranteed by the United States of America, Government Money Market Mutual Funds, bonds or other obligations of the Borough or bonds or other obligations of the school districts which are a part of the Borough or school districts located within the Borough, Local Government investment pools, and agreements for the repurchase of fully collateralized securities, if transacted in accordance with NJSA 40A:5-15.1 (8a-8e).

As of December 31, 2013 and 2012 the Borough had no outstanding investments.

Interest earned in the General Capital Fund, Recreation Trust Fund, Animal Control Fund and certain Other Trust Funds are assigned to the Current Fund in accordance with the regulatory basis of accounting.

**NOTE 4 TAXES RECEIVABLE**

Receivables at December 31, 2013 and 2012 consisted of the following:

	<u>2013</u>	<u>2012</u>
<u>Current</u>		
Property Taxes	\$ 18,974	\$ 5,356
Tax Title Liens	28,054	16,837
	<u>\$ 47,028</u>	<u>\$ 22,193</u>

**BOROUGH OF BOGOTA  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012**

**NOTE 4 TAXES RECEIVABLE (Continued)**

In 2013 and 2012, the Borough collected \$5,356 and \$7,127 from delinquent taxes, which represented 24% and 100% of the prior year delinquent taxes receivable balance.

**NOTE 5 DUE TO/FROM OTHER FUNDS**

As of December 31, interfund receivables and payables that resulted from various interfund transactions were as follows:

	<u>2013</u>		<u>2012</u>	
	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
Current Fund	\$ 53,846	\$ 87,274	\$ 254,355	
Trust Fund:				
Animal Control	26	6,695	26	\$ 15,747
Other Trust		47,167		90,615
Recreation		10		13
General Capital Fund	<u>87,274</u>	<u>-</u>	<u>-</u>	<u>148,006</u>
 Total	 <u>\$ 141,146</u>	 <u>\$ 141,146</u>	 <u>\$ 254,381</u>	 <u>\$ 254,381</u>

The above balances are the result of expenditures being paid by one fund on behalf of another and/or receipts received by one fund on behalf of another.

The Borough expects all interfund balances to be liquidated within one year.

**BOROUGH OF BOGOTA  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012**

**NOTE 6 DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS**

Under the regulatory basis of accounting certain expenditures are required to be deferred to budgets of succeeding years. At December 31, the following deferred charges are reported on the balance sheets of the following funds:

	<u>Balance December 31,</u>	<u>Subsequent Year Budget Appropriation</u>	<u>Balance</u>
<b><u>2013</u></b>			
Current Fund			
Special Emergency Authorizations (40A:4-55)	\$ 447,200	\$ 129,400	\$ 317,800
Overexpenditure of Appropriations	72,299	72,299	
General Capital Fund			
Overexpenditure of Ordinances	<u>37,098</u>	<u>37,098</u>	<u>-</u>
	<u>\$ 556,597</u>	<u>\$ 238,797</u>	<u>\$ 317,800</u>
<b><u>2012</u></b>			
Current Fund			
Special Emergency Authorizations (40A:4-55)	\$ 612,080	\$ 164,880	\$ 447,200
Overexpenditure of Appropriations	42,215		42,215
Overexpenditure of Appropriation Reserves	34,105	34,105	
Emergency Authorizations	276,500	276,500	
Operating Deficit	<u>268,989</u>	<u>268,989</u>	<u>-</u>
	<u>\$ 1,233,889</u>	<u>\$ 744,474</u>	<u>\$ 489,415</u>

**BOROUGH OF BOGOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2013 AND 2012**

**NOTE 7 FUND BALANCES APPROPRIATED**

Under the regulatory basis of accounting, fund balance in the Current Fund is comprised of cash surplus (fund balance) and non-cash surplus (fund balance). All or part of cash surplus as of December 31 may be anticipated in the subsequent year's budget. The non-cash surplus portion of fund balance may be utilized in the subsequent year's budget with the prior written consent of the Director of the Division of Local Government Services if certain guidelines are met as to its availability. Fund balance at December 31, which was appropriated and included as anticipated revenue in its budget for the succeeding year is as follows:

	Fund Balance December 31, <u>2013</u>	Utilized in Subsequent <u>Year's Budget</u>	Fund Balance December 31, <u>2012</u>	Utilized in Subsequent <u>Year's Budget</u>
Current Fund				
Cash Surplus	\$ 121,224	(A)	\$ 186,191	-
Non-Cash Surplus	<u>169,190</u>	<u>-</u>	<u>186,191</u>	<u>-</u>
	<u>\$ 290,414</u>	<u>\$ -</u>	<u>\$ 186,191</u>	<u>\$ -</u>

(A) The 2014 municipal budget has not been introduced as of the date of audit.

**BOROUGH OF BOGOTA  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012**

**NOTE 8 FIXED ASSETS**

**A. General Fixed Assets**

The following is a summary of changes in the general fixed assets account group for the years ended December 31, 2013 and 2012.

	Balance December 31, <u>2012</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2013</u>
<u>2013</u>				
Land	\$ 6,801,300			\$ 6,801,300
Buildings and Building Improvements	3,191,567			3,191,567
Machinery and Equipment	<u>5,914,372</u>	<u>\$ 585,530</u>	<u>-</u>	<u>6,499,902</u>
	<u>\$ 15,907,239</u>	<u>\$ 585,530</u>	<u>\$ -</u>	<u>\$ 16,492,769</u>
	Balance December 31, <u>2011</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2012</u>
<u>2012</u>				
Land	\$ 6,801,300			\$ 6,801,300
Buildings and Building Improvements	3,191,567			3,191,567
Machinery and Equipment	<u>5,228,412</u>	<u>\$ 685,960</u>	<u>-</u>	<u>5,914,372</u>
	<u>\$ 15,221,279</u>	<u>\$ 685,960</u>	<u>\$ -</u>	<u>\$ 15,907,239</u>

**NOTE 9 MUNICIPAL DEBT**

The Local Bond Law governs the issuance of bonds and notes used to finance capital expenditures. General obligation bonds have been issued for the general capital fund projects. 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 four months or retired by the issuance of bonds.

**BOROUGH OF BOGOTA  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012**

**NOTE 9 MUNICIPAL DEBT (Continued)**

The Borough's debt is summarized as follows:

	<u>2013</u>	<u>2012</u>
Issued		
General		
Bonds, Notes and Capital Leases	\$ 6,603,000	\$ 6,711,000
Less Funds Temporarily Held to Pay Bonds and Notes	<u>106,477</u>	<u>14,890</u>
Net Debt Issued	6,496,523	6,696,110
Authorized But Not Issued		
General		
Bonds and Notes	<u>55,505</u>	<u>666,008</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 6,552,028</u>	<u>\$ 7,362,118</u>

**Statutory Net Debt**

The statement of debt condition that follows is extracted from the Borough's Annual Debt Statement and indicates a statutory net debt of .78% and .91% at December 31, 2013 and 2012, respectively.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2013</u>			
General Debt	\$ 6,658,505	\$ 681,477	\$ 5,977,028
School Debt	<u>5,180,000</u>	<u>5,180,000</u>	<u>-</u>
Total	<u>\$ 11,838,505</u>	<u>\$ 5,861,477</u>	<u>\$ 5,977,028</u>
<u>2012</u>			
General Debt	\$ 7,377,008	\$ 14,890	\$ 7,362,118
School Debt	<u>5,690,000</u>	<u>5,690,000</u>	<u>-</u>
Total	<u>\$ 13,067,008</u>	<u>\$ 5,704,890</u>	<u>\$ 7,362,118</u>



**BOROUGH OF BOGOTA  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012**

**NOTE 9 MUNICIPAL DEBT (Continued)**

**Statutory Borrowing Power**

The Borough's remaining borrowing power under N.J.S. 40A:2-6, as amended, at December 31, was as follows:

	<u>2013</u>	<u>2012</u>
3-1/2% of Equalized Valuation Basis (Municipal) Net Debt	\$ 26,673,709 <u>5,977,028</u>	\$ 28,217,546 <u>7,362,118</u>
Remaining Borrowing Power	<u>\$ 20,696,681</u>	<u>\$ 20,855,428</u>

**A. Long-Term Debt**

The Borough's long-term debt consisted of the following at December 31:

**General Obligation Bonds**

The Borough levies ad valorem taxes to pay debt service on general obligation bonds. General obligation bonds outstanding at December 31 are as follows:

	<u>2013</u>	<u>2012</u>
\$1,840,000, 2004 Bonds, due in annual installments of \$195,000 to \$205,000 through March 15, 2017, interest at 3.00% to 4.00%	\$ 795,000	\$ 985,000
\$2,677,000, 2007 Bonds, due in annual installments of \$275,000 to \$522,000 through July 1, 2018, interest at 4.125% to 4.25%	1,682,000	1,947,000
\$3,295,000, 2012 Bonds, due in annual installments of \$165,000 to \$320,000 through December 1, 2025, interest at .70% to 3.00%	<u>3,135,000</u>	<u>3,295,000</u>
	<u>\$ 5,612,000</u>	<u>\$ 6,227,000</u>

**BOROUGH OF BOGOTA  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012**

**NOTE 9 MUNICIPAL DEBT (Continued)**

**A. Long-Term Debt (Continued)**

**General Obligation Bonds (Continued)**

The Borough's principal and interest for long-term debt issued and outstanding as of December 31, 2013 is as follows:

Calendar Year	General Bonds		Total
	Principal	Interest	
2014	\$ 635,000	\$ 159,705	\$ 794,705
2015	655,000	141,161	796,161
2016	675,000	120,535	795,535
2017	695,000	97,566	792,566
2018	712,000	77,185	789,185
2019-2023	1,600,000	192,000	1,792,000
2024-2025	640,000	27,200	667,200
Total	<u>\$ 5,612,000</u>	<u>\$ 815,352</u>	<u>\$ 6,427,352</u>

**Changes in Long-Term Municipal Debt**

The Borough's long-term capital debt activity for the years ended December 31, 2013 and 2012 were as follows:

	Balance, December 31, <u>2012</u>	Additions	Reductions	Balance, December 31, <u>2013</u>	Due Within <u>One Year</u>
<u>2013</u>					
General Capital Fund					
Bonds Payable	\$ 6,227,000	\$ -	\$ 615,000	\$ 5,612,000	\$ 635,000
General Capital Fund Long-Term Liabilities	<u>\$ 6,227,000</u>	<u>\$ -</u>	<u>\$ 615,000</u>	<u>\$ 5,612,000</u>	<u>\$ 635,000</u>
	Balance, December 31, <u>2011</u>	Additions	Reductions	Balance, December 31, <u>2012</u>	Due Within <u>One Year</u>
<u>2012</u>					
General Capital Fund					
Bonds Payable	\$ 3,377,000	\$ 3,295,000	\$ 445,000	\$ 6,227,000	\$ 615,000
General Capital Fund Long-Term Liabilities	<u>\$ 3,377,000</u>	<u>\$ 3,295,000</u>	<u>\$ 445,000</u>	<u>\$ 6,227,000</u>	<u>\$ 615,000</u>

**BOROUGH OF BOGOTA  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012**

**NOTE 9 MUNICIPAL DEBT (Continued)**

**B. Short-Term Debt**

The Borough's short-term capital debt activity for the years 2013 and 2012 was as follows:

**Bond Anticipation Notes**

<u>Purpose</u>	<u>Rate (%)</u>	<u>Maturity Date</u>	<u>Balance,</u>		<u>Balance,</u>	
			<u>December 31, 2012</u>	<u>Renewed/ Issued</u>	<u>Retired/ Redeemed</u>	<u>December 31, 2013</u>
<b><u>2013</u></b>						
<b><u>General Capital Fund</u></b>						
Refunding of Tax Appeals	1.05%	5/16/2014	-	\$ 575,000	-	\$ 575,000
Total Bond Anticipation Notes Payable			\$ -	\$ 575,000	\$ -	\$ 575,000

<u>Purpose</u>			<u>Balance,</u>		<u>Balance,</u>	
			<u>December 31, 2011</u>	<u>Renewed/ Issued</u>	<u>Retired/ Redeemed</u>	<u>December 31, 2012</u>
<b><u>2012</u></b>						
<b><u>General Capital Fund</u></b>						
Various Capital Improvements	1.00%	6/15/2012	\$ 570,985		\$ 570,985	
Various Capital Improvements	0.74%	12/14/2012		\$ 292,842	292,842	
Various Capital Improvements & Acq. of New Communication & Signal Equip	1.00%	6/15/2012	205,500		205,500	
Various Capital Improvements & Acq. of New Communication & Signal Equip	0.74%	12/14/2012		83,442	83,442	
Stormwater Sewer Improvements	1.00%	6/15/2012	16,625		16,625	
Stormwater Sewer Improvements	0.74%	12/14/2012		16,051	16,051	
Various Public Improvements	1.00%	6/15/2012	28,500		28,500	
Various Public Improvements	0.74%	12/14/2012		27,373	27,373	
Municipal Complex Roof Repairs	1.00%	6/15/2012	19,000		19,000	
Municipal Complex Roof Repairs	0.74%	12/14/2012		18,000	18,000	
Stormwater Inlet Improvements	1.00%	6/15/2012	500,000		500,000	
Stormwater Inlet Improvements	0.74%	12/14/2012		500,000	500,000	
Various Public Improvements & Acq.	1.00%	6/15/2012	1,056,300		1,056,300	
Various Public Improvements & Acq.	0.74%	12/14/2012		1,291,678	1,291,678	
Resurfacing of Various Roads	1.00%	6/15/2012	142,800		142,800	
Resurfacing of Various Roads	0.74%	12/14/2012	-	70,614	70,614	-
Total Bond Anticipation Notes Payable			\$ 2,539,710	\$ 2,300,000	\$ 4,839,710	\$ -

**BOROUGH OF BOGOTA  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012**

**NOTE 9 MUNICIPAL DEBT (Continued)**

**B. Short-Term Debt (Continued)**

The purpose of these short-time borrowings was to provide resources for capital construction, acquisitions or improvement projects and other purposes permitted by State Local Bond Law NJSA 40A:2 et. seq. The amounts issued for governmental activities are accounted for in the General Capital Fund.

State law requires that notes are to be issued for a period not exceeding one year and may be renewed from time to time for additional periods, none of which shall exceed one year. All bond anticipation notes, including renewals, shall mature and be paid not later than the first day of the fifth month following the close of the tenth fiscal year following the date of the original notes. In addition any note renewed beyond the third anniversary date of the original note, requires one legally payable installment to be paid. The Local Finance Board has required the refunding of tax appeal note to be paid over five annual installments.

In addition to the debt shown in the above schedule, municipalities may issue debt to finance emergency or special emergency appropriations or to meet cash flow needs (Tax Anticipation Notes) to temporarily finance operating expenditures. This debt which is not included in the Borough's statutory debt limit calculation is reported in the Current Fund for the years 2013 and 2012 as follows:

**Emergency Notes**

Any local unit may borrow money and issue its negotiable notes to meet an emergency appropriation. All emergency notes, and any renewals thereof, shall mature not later than the last day of the fiscal year following the fiscal year in which the notes were issued and the emergency appropriation authorized.

**2013**

<u>Purpose</u>	<u>Rate (%)</u>	<u>Maturity Date</u>	<u>Balance, December 31, 2012</u>	<u>Renewed/ Issued</u>	<u>Retired/ Redeemed</u>	<u>Balance, December 31, 2013</u>
2012 Budget Appropriations - Police Dept & Legal Department	0.85%	5/17/2013	\$ 260,000	\$ -	\$ 260,000	\$ -
Total Emergency Notes			<u>\$ 260,000</u>	<u>\$ -</u>	<u>\$ 260,000</u>	<u>\$ -</u>

**2012**

			<u>Balance, December 31, 2011</u>	<u>Renewed/ Issued</u>	<u>Retired/ Redeemed</u>	<u>Balance, December 31, 2012</u>
2012 Budget Appropriations - Police Dept & Legal Department	0.85%	5/17/2013	\$ -	\$ 260,000	\$ -	\$ 260,000
Total Emergency Notes			<u>\$ -</u>	<u>\$ 260,000</u>	<u>\$ -</u>	<u>\$ 260,000</u>

**BOROUGH OF BOGOTA  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012**

**NOTE 9 MUNICIPAL DEBT (Continued)**

**B. Short-Term Debt (Continued)**

**Special Emergency Notes**

Following the adoption of an ordinance or resolution for special emergency appropriations, the Borough may borrow money and issue special emergency notes which may be renewed from time to time, but at least 1/5 of all such notes and the renewal thereof, shall mature and be paid in each year so that all notes have been paid by the end of the fifth year following the date of the special emergency resolution.

**2013**

<u>Purpose</u>	<u>Rate (%)</u>	<u>Maturity Date</u>	<u>Balance, December 31, 2012</u>	<u>Renewed/ Issued</u>	<u>Retired/ Redeemed</u>	<u>Balance, December 31, 2013</u>
Terminal Pay & Revaluation of Real Property	0.74%	6/14/2013	\$ 208,600		\$ 208,600	
Terminal Pay & Revaluation of Real Property	1.05%	5/16/2014		\$ 127,200		\$ 127,200
Reassessment of Real Property & Hurricane Sandy	1.00%	5/16/2014		320,000		320,000
Reassessment of Real Property & Hurricane Sandy	0.85%	5/17/2013	<u>400,000</u>	<u>-</u>	<u>400,000</u>	<u>-</u>
Total Special Emergency Notes			<u>\$ 608,600</u>	<u>\$ 447,200</u>	<u>\$ 608,600</u>	<u>\$ 447,200</u>

**2012**

			<u>Balance, December 31, 2011</u>	<u>Renewed/ Issued</u>	<u>Retired/ Redeemed</u>	<u>Balance, December 31, 2012</u>
Terminal Pay & Revaluation of Real Property	0.74%	6/14/2013	\$ 180,000	\$ 208,600	\$ 180,000	\$ 208,600
Reassessment of Real Property & Hurricane Sandy	0.85%	5/17/2013	<u>-</u>	<u>400,000</u>	<u>-</u>	<u>400,000</u>
Total Special Emergency Notes			<u>\$ 180,000</u>	<u>\$ 608,600</u>	<u>\$ 180,000</u>	<u>\$ 608,600</u>

**BOROUGH OF BOGOTA  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012**

**NOTE 9 MUNICIPAL DEBT (Continued)**

**Tax Anticipation Notes**

In any fiscal year in anticipation of the collection of taxes for such year, whether levied or to be levied in such year, or in anticipation of other revenues for such year, the Borough may borrow money in the form of tax anticipation notes. The amount of tax anticipation notes of any fiscal year outstanding at any one time shall not exceed an amount certified as the gross borrowing power. Tax anticipation notes may be renewed from time to time, but all such notes and any renewals shall mature within 120 days after the beginning of the succeeding fiscal year.

**2013**

<u>Purpose</u>	<u>Rate (%)</u>	<u>Maturity Date</u>	<u>Balance, December 31, 2012</u>	<u>Renewed/ Issued</u>	<u>Retired/ Redeemed</u>	<u>Balance, December 31, 2013</u>
Anticipated Tax Collections	0.99%	2/24/2014	\$ 950,000	\$ 800,000	\$ 950,000	\$ 800,000
Total Tax Anticipation Notes			\$ 950,000	\$ 800,000	\$ 950,000	\$ 800,000

**2012**

			<u>Balance, December 31, 2011</u>	<u>Renewed/ Issued</u>	<u>Retired/ Redeemed</u>	<u>Balance, December 31, 2012</u>
Anticipated Tax Collections	0.75%	2/15/2013	\$ 950,000	\$ 950,000	\$ 950,000	\$ 950,000
Total Tax Anticipation Notes			\$ 950,000	\$ 950,000	\$ 950,000	\$ 950,000

**NOTE 10 OTHER LONG-TERM LIABILITIES**

**A. Compensated Absences**

Under the existing policies and labor agreements of the Borough, employees are allowed to accumulate (with certain restrictions) unused vacation benefits, personal, sick leave and compensation time in lieu of overtime over the life of their working careers and to redeem such unused leave time in cash (with certain limitations) upon death, retirement or by extended absence immediately preceding retirement.

It is estimated that the current cost of such unpaid compensation and salary related payments would approximate \$496,766 and \$504,966 at December 31, 2013 and 2012, respectively. These amounts which is are considered material to the financial statements, are not reported either as an expenditure or liability.

As of December 31, 2013 and 2012, the Borough has reserved in the Other Trust Fund \$2,244 to fund compensated absences in accordance with NJSA 40A:4-39.

**BOROUGH OF BOGOTA  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012**

**NOTE 10 OTHER LONG-TERM LIABILITIES (Continued)**

**B. Capital Lease Agreement – Early Retirement Incentive Liability**

The Borough has entered into an agreement with the Bergen County Improvement Authority for the financing relating to the Pooled Early Retirement Incentive Liability project. The agreement represents a \$707,000 County Guaranteed Governmental Loan Revenue Bond due in annual installments of \$51,000 to \$95,000 through March, 2018 at variable interest rates. The Borough issued refunding BCIA Loan revenues bonds in the amount of \$427,000 in 2012. The Borough's principal and interest for the outstanding balance as of December 31, 2013 is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 74,000	\$ 5,323	\$ 79,323
2015	77,000	4,771	81,771
2016	83,000	3,935	86,935
2017	88,000	2,702	90,702
2018	94,000	991	94,991
	<u>\$ 416,000</u>	<u>\$ 17,722</u>	<u>\$ 433,722</u>

The Borough's capital lease activity for the years ended December 31, 2013 and 2012 was as follows:

	<u>2013</u>	<u>2012</u>
Balance, January 1	\$ 484,000	\$ 501,000
Additions		427,000
Reductions	<u>68,000</u>	<u>444,000</u>
Balance, December 31	<u>\$ 416,000</u>	<u>\$ 484,000</u>
Due Within One Year	<u>74,000</u>	<u>68,000</u>

**C. Deferred Pension Obligation**

During the year ended December 31, 2009 the Borough elected to contribute 50% of its normal and accrued liability components of the PFRS and PERS obligations and deferred the remaining 50% in accordance with P.L. 2009, c.19. The deferred amount totaled \$171,430 and will be paid back with interest over 15 years beginning in the 2012 year. The Borough is permitted to payoff the deferred PFRS and PERS pension obligations at any time. It is estimated that the total **deferred** liability including accrued interest (at 8.25%) at December 31, 2013 and 2012 is \$172,043 and \$180,481, respectively.

**BOROUGH OF BOGOTA  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012**

**NOTE 10 OTHER LONG-TERM LIABILITIES (Continued)**

**Changes in Other Long-Term Liabilities**

The Borough's other long-term liabilities for the years ended December 31, 2013 and 2012 were as follows:

	Balance, December 31, <u>2012</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2013</u>	Due Within <u>One Year</u>
<u>2013</u>					
Deferred Pension Obligations	\$ 180,481		\$ 8,438	\$ 172,043	\$ 9,414
Capital Leases Payable	<u>484,000</u>	<u>-</u>	<u>68,000</u>	<u>416,000</u>	<u>74,000</u>
Other Long-Term Liabilities	<u>\$ 664,481</u>	<u>\$ -</u>	<u>\$ 76,438</u>	<u>\$ 588,043</u>	<u>\$ 83,414</u>
	Balance, December 31, <u>2011</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2012</u>	Due Within <u>One Year</u>
<u>2012</u>					
Deferred Pension Obligations	\$ 186,752		\$ 6,271	\$ 180,481	\$ 8,438
Capital Leases Payable	<u>501,000</u>	<u>\$ 427,000</u>	<u>444,000</u>	<u>484,000</u>	<u>68,000</u>
Other Long-Term Liabilities	<u>\$ 687,752</u>	<u>\$ 427,000</u>	<u>\$ 450,271</u>	<u>\$ 664,481</u>	<u>\$ 76,438</u>

**NOTE 11 EMPLOYEE RETIREMENT SYSTEMS**

The State of New Jersey sponsors and administers the following contributory defined benefit public employee retirement systems (retirement systems) covering substantially all state and local government employees which includes those Borough employees who are eligible for pension coverage.

**Police and Firemen's Retirement System (PFRS)** – established in July 1944, under the provisions of N.J.S.A. 43:16A to provide coverage to substantially all full time county and municipal police or firemen and State firemen appointed after June 30, 1944. Membership is mandatory for such employees with vesting occurring after 10 years of membership.

**Public Employees' Retirement System (PERS)** – established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage, including post-retirement healthcare for those eligible employees whose local employers elected to do so, to substantially all full-time employees of the State or any county, municipality, school district, or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and, if applicable, 25 years for post-retirement healthcare coverage.



**BOROUGH OF BOGOTA  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012**

**NOTE 11 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**Other Pension Funds**

The state established and administers a Supplemental Annuity Collective Trust Fund (SACT) which is available to active members of the State-administered retirement systems to purchase annuities to supplement the guaranteed benefits provided by their retirement system. The state or local governmental employers do not appropriate funds to SACT.

The cost of living increase for PFRS and PERS are funded directly by each of the respective systems but are currently suspended as a result of reform legislation.

According to state law, all obligations of each retirement system will be assumed by the State of New Jersey should any retirement system be terminated.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of each of the above systems, funds, and trust. The financial reports may be accessed via the New Jersey, Division of Pensions website at [www.state.nj.us/treasury/pension](http://www.state.nj.us/treasury/pension).

**Basis of Accounting**

The financial statements of the retirement systems are prepared on the accrual basis of accounting. Employer contributions are recognized when payable to the retirement systems. Benefits or refunds are recognized when due and payable in accordance with the terms of the retirement systems.

**Significant Legislation**

P.L. 2011, c.78, effective June 28, 2011, made various changes to the manner in which PERS and PFRS operate and to the benefit provisions of those systems.

This new legislation's provisions impacting employee pension and health benefits include:

- New members of PERS hired on or after June 28, 2011 (Tier 5 members), the years of creditable service needed for early retirement benefits increased 25 to 30 years and the early retirement age increased from 55 to 65.
- The eligibility age to qualify for a service retirement in the PERS is increased from age 62 to 65 for Tier 5 members.
- The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members) decreased from 65 percent of final compensation to 60 percent of final compensation after 25 years of service and from 70 percent of final compensation to 65 percent of final compensation after 30 or more years of service.
- It increased the active member contribution rates as follows: PERS active member rates increase from 5.5 percent of annual compensation to 6.5 percent plus an additional 1 percent phased-in over 7 years, PFRS active member rates increase from 8.5 percent to 10 percent. For Fiscal Year 2012, the member contribution rates increase in October 2011. The phase-in of the additional incremental member contributions for PERS members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries was suspended. COLA increases may be reactivated at a future date as permitted by this law.
- It changed the method for amortizing the pension system's unfunded accrued liability from a level percent of pay method to a level dollar of pay method.

**BOROUGH OF BOGOTA  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012**

**NOTE 11 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**Investment Valuation**

Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. The fair value of real estate investments is based on independent appraisals. Investments that do not have an established market are reported at estimated fair values.

The State of New Jersey, Department of the Treasury, Division of Investment, issues publicly available financial reports that include the financial statements of the State of New Jersey Cash Management Fund. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Investment, P.O. Box 290, Trenton, New Jersey 08625-0290, or at [www.state.nj/treasury/doinvest](http://www.state.nj/treasury/doinvest).

**Funded Status and Funding Progress**

As of July 1, 2012, the most recent actuarial valuation date, the aggregate funded ratio for all the State administered retirement systems, including PERS and PFRS, is 64.5 percent with an unfunded actuarial accrued liability of \$47.2 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded systems is 56.7 percent and \$34.4 billion, respectively and the aggregate funded ratio and unfunded accrued liability for local PERS and PFRS is 76.0 percent and \$12.8 billion, respectively.

The funded status and funding progress of the retirement systems is based on actuarial valuations which involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the probability of future events.

Actuarial calculations reflect a long-term perspective and are based on the benefits provided under the terms of the retirement systems in effect at the time of each valuation and also consider the pattern of the sharing of costs between the employer and members at that point in time. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual limitations on the pattern of cost sharing between the employer and members in the future.

**Actuarial Methods and Assumptions**

In the July 1, 2012 actuarial valuations, the date of the most recent actuarial valuations, the projected unit credit was used as actuarial cost method, and the five year average of market value was used as asset valuation method for pension trust funds. The actuarial assumptions included (a) 7.90% for investment rate of return for all the retirement systems except CPFPPF (2.00%) and (b) changes to projected salary increases, which vary by fund.

**BOROUGH OF BOGOTA  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012**

**NOTE 11 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**Employer and Employee Pension Contributions**

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan members and employer contributions may be amended by State of New Jersey legislation, with the amount of contributions by the State of New Jersey contingent upon the annual Appropriations Act. As defined, the various retirement systems require employee contributions based on 6.50% plus an additional 1% phased-in over 7 years beginning in July 2012 for PERS, 10.0% for PFRS and 5.50% for DCRP of employees' annual compensation. The member contribution for PERS was 6.64% in fiscal year 2013.

**Annual Pension Cost (APC)**

Per the requirements of GASB Statement No. 27 for the year ended June 30, 2013 for PFRS and PERS, which are cost sharing multi-employer defined benefit pension plans, annual pension cost equals contributions made. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution.

During the years ended December 31, 2013, 2012 and 2011, the Borough was required to contribute for normal cost pension contributions, accrued liability pension contributions deferred pension obligation contributions and non-contributory life insurance premiums the following amounts which equaled the required contributions for each year:

<u>Year Ended December 31</u>	<u>PFRS</u>	<u>PERS</u>
2013	\$ 429,485	\$ 126,562
2012	422,454	130,118
2011	399,959	117,114

**NOTE 12 RISK MANAGEMENT**

The Borough is exposed to various risks of loss related to general liability, automobile coverage, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; termination of employees and natural disasters. The Borough has obtained commercial insurance coverage to guard against these events to minimize the exposure to the Borough should they occur.

The Borough of Bogota is a member of the South Bergen Municipal Joint Insurance Fund (SBMJIF) and Municipal Excess Liability Joint Insurance Fund (MEL). The joint insurance funds are both an insured and self-administered group of municipalities established for the purpose of insuring against property damage, general liability, motor vehicles and equipment liability and worker's compensation. The Funds are risk-sharing public entity pools. The SBMJIF and MEL coverage amounts are on file with the Borough.

The relationship between the Borough and respective insurance funds is governed by a contract and by-laws that have been adopted by resolution of each unit's governing body. The Borough is contractually obligated to make all annual and supplementary contributions to the insurance funds, to report claims on a timely basis, to cooperate with the management of the funds, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by the funds. Members have a contractual obligation to fund any deficit of the funds attributable to a membership year during which the municipality was a member.

The funds provide its members with risk management services, including the defense of and settlement of claims, and established reasonable and necessary loss reduction and prevention procedures to be followed by the members. Complete financial statements of the funds can be obtained by contacting the respective fund's Treasurer.

**BOROUGH OF BOGOTA  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012**

**NOTE 12 RISK MANAGEMENT (Continued)**

There has been no significant reduction in insurance coverage from the previous year nor have there been any settlements in excess of insurance coverage in any of the prior three years.

The Borough has elected to fund its New Jersey Unemployment Compensation Insurance under the “Benefit Reimbursement Method”. Under this plan the Borough is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Borough is billed quarterly for amounts due to the State. The following is a summary of Borough contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the Borough’s unemployment compensation trust fund for the current and previous two years:

<u>Year Ended December 31</u>	<u>Borough Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2013	\$ 20,000	\$ 11,691	\$ 15,043
2012	20,000	16,928	6,734
2011		4,588	3,662

**NOTE 13 CONTINGENT LIABILITIES**

The Borough is a party defendant in some lawsuits, none of a kind unusual for a municipality of its size and scope of operation. In the opinion of the Borough’s Attorney, the potential claims against the Borough not covered by insurance policies would not materially affect the financial condition of the Borough.

**Pending Tax Appeals** - Various tax appeal cases were pending in the New Jersey Tax Court at December 31, 2013 and 2012. Amounts claimed have not yet been determined. The Borough is vigorously defending its assessments in each case. Under the accounting principles prescribed by the Division of Local Government Services, Department of community Affairs, State of New Jersey, the Borough does not recognize a liability, if any, until these cases have been adjudicated. The Borough expects such amounts, if any, could be material. Funding of any ultimate liability would be provided for in succeeding years’ budget or from fund balance.

**Federal and State Awards** - The Borough participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Borough may be required to reimburse the grantor government. As of December 31, 2013 and 2012, significant amounts of grant expenditure have not been audited by the various grantor agencies but the Borough believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the Borough.

**BOROUGH OF BOGOTA  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012**

**NOTE 14 FEDERAL ARBITRAGE REGULATIONS**

The Borough is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At December 31, 2013 and 2012, the Borough has not estimated its arbitrage earnings due to the IRS, if any.

**NOTE 15 HURRICANE SANDY**

On October 29, 2012 Hurricane Sandy, the largest Atlantic hurricane on record made landfall in New Jersey and resulted in severe damage in numerous communities and a federal disaster was declared throughout the State. The Borough has incurred significant costs in the clean up and recovery from this federal disaster. The Federal Emergency Management Agency ("FEMA") provides emergency grant assistance (voluntary nonexchange transaction) to help government's cope with losses. Although the Borough has applied for reimbursement from FEMA, the total amount to be received in conjunction with this event is not considered to be measurable with sufficient reliability and therefore has not been recognized in the financial statements as of December 31, 2013. As of December 31, 2013, the Borough has received \$139,250 in FEMA reimbursements relating to Hurricane Sandy which have been reflected in the financial statements.

**CURRENT FUND**

**BOROUGH OF BOGOTA**  
**STATEMENT OF CURRENT CASH - TREASURER**

Balance, December 31, 2012		\$ 1,547,457
Increased by Receipts:		
Taxes Receivable	\$ 22,564,807	
Revenue Accounts Receivable	1,498,089	
Miscellaneous Revenue Not Anticipated	158,383	
Due from State of New Jersey - Senior Citizens' and Veterans' Deductions	65,440	
Receipts from Other Trust Fund	90,589	
Receipts from General Capital Fund	648,762	
Receipts from Recreation Trust Fund	129	
Receipts from Animal Control Trust Fund	12,727	
Other Trust Fund Receipts Deposited in Current Fund	7,658	
General Capital Receipts Deposited in Current Fund	90,000	
Tax Overpayments	2,641	
Miscellaneous Reserves	523,268	
Special Emergency Note Payable	447,200	
Tax Anticipation Note Payable	800,000	
Fees Payable	3,501	
Grants Receivable	33,651	
Prepaid Taxes	323,502	
Unappropriated Grant Reserves	<u>10,393</u>	
		<u>27,280,740</u>
		28,828,197
Decreased by Disbursements:		
2013 Budget Appropriations	8,057,124	
2012 Appropriation Reserves	156,687	
Encumbrances Payable	342,957	
County Taxes Paid	1,617,869	
Local District School Taxes Paid	14,109,835	
Fees Payable	300	
Special Emergency Note Payable	868,600	
Tax Anticipation Note Payable	950,000	
Tax Overpayments	21,878	
Refund of Prior Year Revenue	4,059	
General Capital Expenditures Paid by Current Fund	2,960	
Payments to General Capital Fund	<u>500,000</u>	
		<u>26,632,269</u>
Balance, December 31, 2013		<u>\$ 2,195,928</u>

**BOROUGH OF BOGOTA  
STATEMENT OF CHANGE FUNDS**

Balance, December 31, 2012	\$ <u>280</u>
Balance, December 31, 2013	\$ <u>280</u>

Analysis of Balance

Borough Clerk	\$ 125
Tax Collector	100
Municipal Court	50
Library	<u>5</u>
	\$ <u>280</u>

**STATEMENT OF DUE FROM STATE OF NEW JERSEY  
SENIOR CITIZENS' AND VETERANS' DEDUCTIONS**

Balance, December 31, 2012		\$ 36,156
Increased by:		
Senior Citizens' and Veterans' Deductions Per Tax Billings	\$ 69,000	
Senior Citizens' and Veterans' Deductions Allowed by Tax Collector	<u>2,000</u>	
		<u>71,000</u>
		107,156
Decreased by:		
Cash Received from State of New Jersey	65,440	
Prior Years Senior Citizens' and Veterans' Deductions Disallowed by State Audit	4,500	
Senior Citizens' and Veterans' Deductions Disallowed by Tax Collector	<u>476</u>	
		<u>70,416</u>
Balance, December 31, 2013		\$ <u>36,740</u>



**BOROUGH OF BOGOTA**  
**STATEMENT OF GRANTS RECEIVABLE**

	Balance, December 31, <u>2012</u>	2013 Revenue <u>Realized</u>	Cash <u>Receipts</u>	Balance, December 31, <u>2013</u>
Municipal Alliance	\$ 2,728			\$ 2,728
CDBG - Project Success	169	\$ 17,000	\$ 15,280	1,889
CDBG Senior Bus Driver	23,818	9,000	7,000	25,818
NJ DCA Housing Inspection	1,685			1,685
Clean Communities	20,392		11,371	9,021
Over the Limit, Under Arrest	10			10
Development Rights Feasibility Grant	<u>19,000</u>	<u>-</u>	<u>-</u>	<u>19,000</u>
	<u>\$ 67,802</u>	<u>\$ 26,000</u>	<u>\$ 33,651</u>	<u>\$ 60,151</u>

**BOROUGH OF BOGOTA  
STATEMENT OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY**

Year	Balance, December 31, 2012	Tax Levy	Added Assessments	Senior Citizens' and Veterans' Deductions Disallowed	Collected In 2012	2013	Senior Citizens' and Veterans' Deductions Allowed	Transferred to Tax Title Liens	Adjusted, Remitted, or Cancelled	Balance, December 31, 2013
2011	\$ 455	-	-	-	\$ -	\$ 455	-	-	-	-
2012	4,901	-	-	-	-	4,901	-	-	-	-
	5,356	-	-	-	-	5,356	-	-	-	-
2013	-	\$ 22,721,008	\$ 471	\$ 476	\$ 59,381	22,559,451	\$ 71,000	\$ 11,217	\$ 1,932	\$ 18,974
	\$ 5,356	\$ 22,721,008	\$ 471	\$ 476	\$ 59,381	22,564,807	\$ 71,000	\$ 11,217	\$ 1,932	\$ 18,974

Analysis of 2013 Property Tax Levy

General Purpose Tax \$ 22,721,008  
 Added Taxes (54:4-63.1 et seq.) 471  
\$ 22,721,479

Tax Levy  
 Local District School Tax (Abstract) \$ 13,897,504  
 County Tax (Abstract) \$ 1,599,333  
 Due County for Added and Omitted Taxes 34  
 County Open Space Tax 17,795  
Total County Taxes 1,617,162

Local Tax for Municipal Purposes 15,514,666  
 Local Tax for Library 6,945,913  
 Additional Taxes Levied 255,627  
5,273

Total Local Tax for Municipal Purposes 7,206,813  
\$ 22,721,479

**BOROUGH OF BOGOTA  
STATEMENT OF TAX TITLE LIENS RECEIVABLE**

Balance, December 31, 2012	\$ 16,837
Increased by:	
Transfers from Taxes Receivable	<u>11,217</u>
Balance, December 31, 2013	<u>\$ 28,054</u>

EXHIBIT A-10

**STATEMENT OF PROPERTY ACQUIRED FOR TAXES (AT ASSESSED VALUATION)**

Balance, December 31, 2012	<u>\$ 136,680</u>
Balance, December 31, 2013	<u>\$ 136,680</u>

EXHIBIT A-11

**STATEMENT OF DEFERRED CHARGES**

	Balance, December 31, <u>2012</u>	Amount Resulting from 2013	Raised in <u>2013 Budget</u>	Balance, December 31, <u>2013</u>
Overexpenditure of Appropriations	\$ 42,215	\$ 30,084		\$ 72,299
Overexpenditure of Appropriation Reserves	34,105		\$ 34,105	
Operating Deficit	268,989		268,989	
Emergency Authorizations	<u>276,500</u>	<u>-</u>	<u>276,500</u>	<u>-</u>
	<u>\$ 621,809</u>	<u>\$ 30,084</u>	<u>\$ 579,594</u>	<u>\$ 72,299</u>

**BOROUGH OF BOGOTA**  
**STATEMENT OF REVENUE ACCOUNTS RECEIVABLE**

	Balance, December 31, <u>2012</u>	Accrued in <u>2013</u>	<u>Collected</u>	Balance, December 31, <u>2013</u>
Licenses				
Alcoholic Beverages		\$ 9,120	\$ 9,120	
Borough Clerk				
Other Licenses		2,482	2,482	
Fees and Permits		3,755	3,755	
Board of Health				
Other Licenses		1,890	1,890	
Fees and Permits		4,603	4,603	
Planning/Zoning Boards				
Fees and Permits		809	809	
Police Department				
Fees and Permits		4,742	4,742	
Tax Collector				
Fees and Permits		915	915	
Construction Code Fees		54,402	54,402	
Municipal Court				
Fines and Costs	\$ 11,325	204,533	201,085	\$ 14,773
Interest and Costs on Taxes		32,160	32,160	
Interest on Investments & Deposits		8,228	8,228	
Fire Fees		38,461	38,461	
Cable Television Franchise Fees		91,663	91,663	
Energy Receipts Tax		574,686	574,686	
Consolidated Municipal Purpose Tax Relief Aid		102,990	102,990	
Sewer Charges		33,938		33,938
Uniform Fire Safety Act		9,097	9,097	
Swim Club Rent		7,500	7,500	
Cell Tower Rental Fee		6,429	6,429	
Sale of Cellular Tower		361,000	361,000	
Outside Police Duty Reimbursement		30,000	30,000	
C.C.O. Expenditures	-	6,110	6,110	-
	<u>\$ 11,325</u>	<u>\$ 1,589,513</u>	<u>\$ 1,552,127</u>	<u>\$ 48,711</u>
			Cash Receipts \$ 1,498,089	
			Due from Other Trust Fund 54,038	
			<u>\$ 1,552,127</u>	

BOROUGH OF BOGOTA  
STATEMENT OF 2012 APPROPRIATION RESERVES

	Balance December 31, 2012	Encumbrances Cancelled	Transfers	Balance After Modification	Paid or Charged	Balance Lapsed
<b>GENERAL GOVERNMENT FUNCTIONS</b>						
Mayor and Council						
Salaries and Wages	\$ 10,580		\$ 200	\$ 10,780	\$ 586	\$ 10,194
Other Expenses	3,099		1,350	4,449	4,449	-
Department of Administration						
Codification of Ordinances	1,913		50	1,963	1,962	1
Financial Administration						
Salaries and Wages	59			59		59
Other Expenses	9,395			9,395	9,277	118
Elections		\$ 6,500		6,500		6,500
Collection of Taxes						
Salaries and Wages	2,053			2,053	1,195	858
Assessment of Taxes						
Salaries and Wages	107			107		107
Other Expenses	383			383		383
Reassessment of Property	34,000			34,000	31,404	2,596
Legal Services and Costs						
Other Expenses	12,849			12,849	11,155	1,694
<b>LAND USE ADMINISTRATION</b>						
Municipal Land Use Law (N.J.S.A. 40:55-1):						
Planning Board						
Salaries and Wages	550			550		550
Other Expenses	1,910			1,910	346	1,564
Property Maintenance	174			174	118	56
<b>INSURANCE</b>						
Other Insurance Premiums	190			190		190
Group Insurance Plan for Employees	1,744			1,744		1,744
<b>PUBLIC SAFETY FUNCTIONS</b>						
Department of Police						
Salaries and Wages	836			836	288	548
Other Expenses	75		10,500	10,575	9,913	662
Vehicle Repairs	2,177			2,177	2,176	1
Emergency Management Services						
Other Expenses			2,650	2,650	2,584	66
First Aid Organization						
Other Expenses			4,650	4,650	2,283	2,367
Other Expenses - Uniforms			3,560	3,560	350	3,210
Other Expenses - Vehicle Repairs	537			537		537
Rescue Squad						
Salaries and Wages	100			100		100
Other Expenses	2,833			2,833	161	2,672
Other Expenses - Uniforms	75			75		75
Other Expenses - Aid to Volunteers	2,500			2,500		2,500
Other Expenses - Vehicle Repairs	639			639	325	314
Fire (Volunteer Fire Company)						
Salaries and Wages	500			500		500
Other Expenses - Misc	10,200			10,200	3,785	6,415
Other Expenses - Clothing Allowances	2,550			2,550	1,305	1,245
Other Expenses - Vehicle Maintenance	437	166		603		603
Fire Official						
Salaries and Wages	470			470		470
Other Expenses	817			817	623	194

**BOROUGH OF BOGOTA**  
**STATEMENT OF 2012 APPROPRIATION RESERVES**

	Balance December 31, <u>2012</u>	Encumbrances <u>Cancelled</u>	<u>Transfers</u>	Balance After <u>Modification</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
<b>PARK AND RECREATION FUNCTIONS</b>						
Senior Citizens Program						
Salaries and Wages	\$ 433			\$ 433		\$ 433
Other Expenses	447			447		447
<b>PUBLIC WORKS FUNCTIONS</b>						
Road Repairs and Maintenance						
Salaries and Wages	310			310		310
Other Expenses	18,995		\$ (1,400)	17,595	\$ 2,458	15,137
Other Expenses -Hurricane Sandy	21,364			21,364	21,364	-
Vehicle Maintenance						
Other Expenses	1,372			1,372	492	880
Snow Removal						
Other Expenses	12,419			12,419	1,742	10,677
Shade Tree Commission						
Other Expenses	10,571			10,571		10,571
Garbage and Trash Removal						
Solid Waste Disposal Fees	7,653			7,653		7,653
Contractual	51,400	\$ 32,128		83,528	19,685	63,843
Public Building & Grounds						
Other Expenses			9,300	9,300	4,992	4,308
<b>HEALTH AND HUMAN SERVICES FUNCTIONS</b>						
Board of Health						
Salaries and Wages	260			260		260
Other Expenses	981			981	579	402
<b>OTHER COMMON OPERATING FUNCTIONS</b>						
Celebration of Public Events						
Other Expenses	885			885		885
Ambulance Squad						
Other Expenses	236			236		236
Rescue Squad						
Other Expenses	3,000		50	3,050	30	3,020
Board of Health						
Hepatitis B	333		125	458	120	338
Municipal Court						
Salaries and Wages	755			755	744	11
Other Expenses	720		50	770	555	215
Public Defender						
Salaries and Wages	2,795		800	3,595	3,510	85
<b>UTILITY EXPENSES AND BULK PURCHASES</b>						
Utilities						
Electricity and Gas	2,435		3,000	5,435	4,141	1,294
Street Lighting	15,864		(11,500)	4,364	4,282	82
Telephone	2		5,500	5,502	5,431	71
Gasoline	16,433		(16,433)	-		-
Fire Hydrant Service		2,384	(1,367)	1,017		1,017
Water	1,916			1,916	743	1,173
<b>UNIFORM CONSTRUCTION CODE - APPROPRIATIONS OFFSET BY DEDICATED REVENUES (N.J.A.C. 5:23-4.17)</b>						
State Uniform Construction						
Construction Code Officials						
Salaries and Wages	147			147		147
Other Expenses	88		300	388	358	30

**BOROUGH OF BOGOTA**  
**STATEMENT OF 2012 APPROPRIATION RESERVES**

	Balance December 31, <u>2012</u>	Encumbrances <u>Cancelled</u>	<u>Transfers</u>	Balance After <u>Modification</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
<b>OPERATIONS - EXCLUDED FROM "CAPS"</b>						
Maintenance of Free Public Library						
Other Expenses	\$ 3,559			\$ 3,559	\$ 823	\$ 2,736
Social Security System (O.A.S.I)	18,541		\$ (11,385)	7,156		7,156
<b>PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES (N.J.S. 40A:4-45.3(h))</b>						
Recycling Tonnage Grant	11,013			11,013	11,013	
Clean Communities Program	9,700			9,700	9,700	
Senior Citizen Bus Driver	4,000			4,000	4,000	
CDBG - Project Success	1,104	-	-	1,104	1,104	-
	<u>\$ 323,483</u>	<u>\$ 41,178</u>	<u>\$ -</u>	<u>\$ 364,661</u>	<u>\$ 182,151</u>	<u>\$ 182,510</u>
					Cash Disbursements \$ 156,687	
					Transfer to Appropriated Grant Reserves 25,464	
					<u>\$ 182,151</u>	

**BOROUGH OF BOGOTA  
STATEMENT OF ENCUMBRANCES PAYABLE**

Balance, December 31, 2012		\$ 384,135
Increased by:		
Charges to 2013 Budget Appropriations		123,680
		507,815
Decreased by:		
Cash Disbursements	\$ 342,957	
Cancelled to Appropriation Reserves	41,178	
		384,135
Balance, December 31, 2013		\$ 123,680

**STATEMENT OF COUNTY TAXES PAYABLE**

Balance, December 31, 2012		\$ 741
Increased by:		
2013 Tax Levy		
County Tax (Abstract)	\$ 1,599,333	
County Open Space Preservation	17,795	
County Tax for Added Taxes (54:4-63.1)	34	
		1,617,162
		1,617,903
Decreased by:		
Cash Disbursements		1,617,869
Balance, December 31, 2013		\$ 34



**BOROUGH OF BOGOTA  
STATEMENT OF LOCAL DISTRICT SCHOOL TAXES**

Balance, December 31, 2012 (Due To)	\$	418
Increased by:		
Levy - Calendar Year 2013		13,897,504
		13,897,922
Decreased by:		
Cash Disbursements		14,109,835
Balance, December 31, 2013 (Prepaid)	\$	211,913

**STATEMENT OF PREPAID TAXES**

Balance, December 31, 2012	\$	59,381
Increased by:		
Collection of 2014 Taxes		323,502
		382,883
Decreased by:		
Applied to 2013 Taxes Receivable		59,381
Balance, December 31, 2013	\$	323,502

**STATEMENT OF FEES PAYABLE**

Balance, December 31, 2012	\$	572
Increased by:		
Cash Receipts		3,501
		4,073
Decreased by:		
Cash Disbursements		300
Balance, December 31, 2013	\$	3,773

Analysis of Balance

Marriage License Fees	\$	725
DCA Fees		3,048
	\$	3,773

**BOROUGH OF BOGOTA  
STATEMENT OF MISCELLANEOUS RESERVES**

	Balance, December 31, <u>2012</u>	Cash <u>Receipts</u>	Anticipated <u>Revenue</u>	Balance, December 31, <u>2013</u>
Reserve for:				
Sale of Cell Tower		\$ 339,665		\$ 339,665
Insurance Proceeds-DPW Building		157,896		157,896
Recycling	\$ 25,717	25,707	\$ 25,000	26,424
	<u>\$ 25,717</u>	<u>\$ 523,268</u>	<u>\$ 25,000</u>	<u>\$ 523,985</u>

**STATEMENT OF UNAPPROPRIATED GRANT RESERVES**

<u>Grant</u>	Balance, December 31, <u>2012</u>	Cash <u>Receipts</u>	Balance, December 31, <u>2013</u>
CDBG - Project Success	\$ 2,161		\$ 2,161
Alcohol Rehabilitation	4,154	\$ 1,372	5,526
Body Armor	3,852	2,327	6,179
Safety Council	7,814	2,622	10,436
Forestry Services		3,000	3,000
Click It or Ticket		1,072	1,072
Recycling Tonnage Grant	3,281	-	3,281
	<u>\$ 21,262</u>	<u>\$ 10,393</u>	<u>\$ 31,655</u>

**BOROUGH OF BOGOTA  
STATEMENT OF DEFERRED CHARGES  
N.J.S. 40A:4-55.3 SPECIAL EMERGENCY AUTHORIZATIONS**

<u>Date</u> <u>Authorized</u>	<u>Purpose</u>	Net Amount <u>Authorized</u>	1/5 of Net Amount <u>Authorized</u>	Balance, December 31, <u>2012</u>	Raised in <u>2013</u>	Balance, December 31, <u>2013</u>
4/17/2008	Revaluation of Real Property	\$ 160,000	\$ 32,000	\$ 32,000	\$ 32,000	
10/2/2008	Master Plan	17,400	3,480	3,480	3,480	
10/21/2010	Terminal Pay	105,000	21,000	63,000	21,000	\$ 42,000
1/20/2011	Terminal Pay	32,000	6,400	25,600	6,400	19,200
11/10/2011	Terminal Pay	110,000	22,000	88,000	22,000	66,000
10/18/2012	Reassessment of Real Property	70,000	14,000	70,000	14,000	56,000
11/8/2012	Hurricane Sandy	330,000	66,000	330,000	66,000	264,000
				<u>\$ 612,080</u>	<u>\$ 164,880</u>	<u>\$ 447,200</u>

**BOROUGH OF BOGOTA  
STATEMENT OF TAX ANTICIPATION NOTES PAYABLE**

<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance, December 31, 2012</u>	<u>Increased by Notes Issued</u>	<u>Decreased by Note Redemptions</u>	<u>Balance, December 31, 2013</u>
4/24/2013	2/24/2014	0.99%		\$ 800,000		\$ 800,000
2/25/2012	2/15/2013	0.75%	\$ 950,000	-	\$ 950,000	-
			<u>\$ 950,000</u>	<u>\$ 800,000</u>	<u>\$ 950,000</u>	<u>\$ 800,000</u>

**STATEMENT OF SPECIAL EMERGENCY/ EMERGENCY NOTES PAYABLE**

<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance, December 31, 2012</u>	<u>Increased by Notes Issued</u>	<u>Decreased by Note Redemptions</u>	<u>Balance, December 31, 2013</u>
<u>Special Emergency</u>						
6/14/2013	5/16/2014	1.05%		\$ 127,200		\$ 127,200
6/14/2012	6/14/2013	0.74%	\$ 208,600		\$ 208,600	
5/17/2013	5/16/2014	1.00%		320,000		320,000
12/20/2012	5/17/2013	0.85%	400,000		400,000	
<u>Emergency Note</u>						
12/20/2012	5/17/2013	0.85%	260,000	-	260,000	-
			<u>\$ 868,600</u>	<u>\$ 447,200</u>	<u>\$ 868,600</u>	<u>\$ 447,200</u>

**STATEMENT OF TAX OVERPAYMENTS**

Balance, December 31, 2012	\$ 21,878
Increased by:	
Cash Receipts	<u>2,641</u>
	24,519
Decreased by:	
Cash Disbursements	<u>21,878</u>
Balance, December 31, 2013	<u>\$ 2,641</u>

**BOROUGH OF BOGOTA**  
**STATEMENT OF APPROPRIATED GRANT RESERVES**

	Balance, December 31, <u>2012</u>	Transferred from Appropriation <u>Reserves</u>	Balance, December 31, <u>2013</u>
Municipal Alliance Grant	\$ 7,791		\$ 7,791
CDBG - Project Success		\$ 1,048	1,048
CDBG - Senior Bus	12,749	4,000	16,749
DCA Housing	6,603		6,603
Recycling Tonnage	63	11,013	11,076
Development Rights Feasibility Grant	16,000		16,000
Clean Communities Grant	<u>-</u>	<u>9,403</u>	<u>9,403</u>
	<u>\$ 43,206</u>	<u>\$ 25,464</u>	<u>\$ 68,670</u>

**TRUST FUND**

**BOROUGH OF BOGOTA  
STATEMENT OF TRUST CASH - TREASURER**

	<u>Animal Control Fund</u>	<u>Other Trust Fund</u>	<u>Recreation Trust Fund</u>	<u>Library Trust Fund</u>
Balance, December 31, 2012	\$ 19,941	\$ 401,402	\$ 29,201	\$ 23,107
Increased by Receipts:				
Animal Control Licenses	\$ 3,829			
State Fees Collected	970			
Miscellaneous Reserves		\$ 647,418		
Interest on Deposits	38	761	\$ 126	\$ 77
Budget Appropriation - Unemployment		20,000		
Payroll Deposits		4,130,079	227,123	
Recreation Fees		54,038		
Current Fund Receipts				19,474
Library Collections	-	-	-	-
	<u>4,837</u>	<u>4,852,296</u>	<u>227,249</u>	<u>19,551</u>
	24,778	5,253,698	256,450	42,658
Decreased by Disbursements:				
Unemployment Claims		17,500		
Miscellaneous Reserves		369,922		
Library Expenditures				14,046
Payments to Current Fund	12,727		129	
Anticipated Revenue - Current Fund		90,589		
Expenditures Under R.S. 4:19-15.1			225,207	
Recreation Expenditures		4,082,976		
Payroll Deductions Payable	927			
Payments to State of New Jersey		-		
	<u>13,654</u>	<u>4,560,987</u>	<u>225,336</u>	<u>14,046</u>
Balance, December 31, 2013	<u>\$ 11,124</u>	<u>\$ 692,711</u>	<u>\$ 31,114</u>	<u>\$ 28,612</u>

**BOROUGH OF BOGOTA  
STATEMENT OF DUE FROM OTHER TRUST FUND  
ANIMAL CONTROL TRUST FUND**

Balance, December 31, 2012		\$ <u>26</u>
Balance, December 31, 2013		\$ <u><u>26</u></u>

**STATEMENT OF DUE TO CURRENT FUND  
ANIMAL CONTROL TRUST FUND**

Balance, December 31, 2012		\$ 15,747
Increased by:		
Interest Earned	\$ 38	
Statutory Excess	<u>3,637</u>	<u>3,675</u>
		19,422
Decreased by:		
Payments to Current Fund		<u>12,727</u>
Balance, December 31, 2013		\$ <u><u>6,695</u></u>

**STATEMENT OF DUE TO STATE OF NEW JERSEY  
ANIMAL CONTROL TRUST FUND**

Balance, December 31, 2012		\$ 181
Increased by:		
State Fees Collected		<u>970</u>
		1,151
Decreased by:		
Payments to State of New Jersey		<u>927</u>
Balance, December 31, 2013		\$ <u><u>224</u></u>



**BOROUGH OF BOGOTA**  
**STATEMENT OF RESERVE FOR ANIMAL CONTROL EXPENDITURES**  
**ANIMAL CONTROL TRUST FUND**

Balance, December 31, 2012		\$ 4,039
Increased by:		
Dog License Fees Collected	\$ 3,624	
Late Fees	<u>205</u>	
		<u>3,829</u>
		7,868
Decreased by:		
Statutory Excess		<u>3,637</u>
Balance, December 31, 2013		<u>\$ 4,231</u>

**STATEMENT OF DUE TO CURRENT FUND**  
**OTHER TRUST FUND**

Balance, December 31, 2012		\$ 90,589
Increased by:		
Interest Earned	\$ 761	
Current Fund Receipts Deposited in Other Trust Fund	<u>54,038</u>	
		<u>54,799</u>
		145,388
Decreased by:		
Payments to Current Fund	90,589	
Other Trust Fund Receipts Deposited in Current Fund	<u>7,658</u>	
		<u>98,247</u>
Balance, December 31, 2013		<u>\$ 47,141</u>

**BOROUGH OF BOGOTA  
STATEMENT OF RESERVE FOR UNEMPLOYMENT EXPENDITURES  
OTHER TRUST FUND**

Balance, December 31, 2012	\$ 6,734
Increased by:	
Budget Appropriation - Insurance -Unemployment Trust Fund	<u>20,000</u>
	26,734
Decreased by:	
Unemployment Claims	<u>12,371</u>
Balance, December 31, 2013	<u>\$ 14,363</u>

**STATEMENT OF PAYROLL DEDUCTIONS PAYABLE  
OTHER TRUST FUND**

Balance, December 31, 2012	\$ 49,236
Increased by:	
Payroll Deposits	<u>4,130,079</u>
	4,179,315
Decreased by:	
Payroll Disbursements	<u>4,082,976</u>
Balance, December 31, 2013	<u>\$ 96,339</u>

**STATEMENT OF DUE TO STATE OF NEW JERSEY  
UNEMPLOYMENT COMPENSATION  
OTHER TRUST FUND**

Balance, December 31, 2012	\$ 5,809
Increased by:	
Unemployment Claims	<u>12,371</u>
	18,180
Decreased by:	
Payments to State of New Jersey	<u>17,500</u>
Balance, December 31, 2013	<u>\$ 680</u>

**BOROUGH OF BOGOTA**  
**STATEMENT OF MISCELLANEOUS RESERVES**  
**OTHER TRUST FUND**

	Balance, December 31, <u>2012</u>	<u>Increases</u>	Cash <u>Disbursements</u>	Balance, December 31, <u>2013</u>
Reserved for:				
Escrow Deposits	\$ 64,225	\$ 78,252	\$ 46,688	\$ 95,789
Street Opening Deposits	12,675			12,675
Municipal Court - POAA	30,796	756		31,552
Municipal Court - Public Defender	3,625			3,625
Police Vests	(2,223)	1,150		(1,073)
Uniform Fire Safety	11,109	3,264		14,373
D.A.R.E.	1,554			1,554
Tax Title Liens	90,945	454,300	181,073	364,172
Medical Contributions	3,430	69,534	70,813	2,151
Outside Police Duty	30,628	47,820	71,348	7,100
	<u>\$ 246,764</u>	<u>\$ 655,076</u>	<u>\$ 369,922</u>	<u>\$ 531,918</u>
Cash Receipts		\$ 647,418		
Due from Current Fund		<u>7,658</u>		
		<u>\$ 655,076</u>		

**BOROUGH OF BOGOTA  
STATEMENT OF DUE TO CURRENT FUND  
RECREATION TRUST FUND**

Balance, December 31, 2012	\$ 13
Increased by:	
Interest Earned	126
	139
Decreased by:	
Payments to Current Fund	129
Balance, December 31, 2013	\$ 10

**STATEMENT OF RESERVE FOR RECREATION EXPENDITURES  
RECREATION TRUST FUND**

Balance, December 31, 2012	\$ 29,188
Increased by:	
Recreation Fees Collected	227,123
	256,311
Decreased by:	
Cash Disbursements	225,207
Balance, December 31, 2013	\$ 31,104

**BOROUGH OF BOGOTA  
STATEMENT OF RESERVE FOR LIBRARY EXPENDITURES  
LIBRARY TRUST FUND**

Balance, December 31, 2012		\$ 23,107
Increased by:		
Library Collections	\$ 19,474	
Interest Earned	<u>77</u>	
		<u>19,551</u>
		42,658
Decreased by:		
Library Disbursements		<u>14,046</u>
Balance, December 31, 2013		<u>\$ 28,612</u>

EXHIBIT B-15

**STATEMENT OF RESERVE FOR TERMINAL PAY  
OTHER TRUST FUND**

Balance, December 31, 2012		<u>\$ 2,244</u>
Balance, December 31, 2013		<u>\$ 2,244</u>

**GENERAL CAPITAL FUND**

**BOROUGH OF BOGOTA**  
**STATEMENT OF GENERAL CAPITAL CASH - TREASURER**

Balance, December 31, 2012		\$ 1,298,407
Increased by Receipts:		
Bond Anticipation Notes Proceeds	\$ 575,000	
Budget Appropriation - Capital Improvement Fund	60,000	
Grant Proceeds	91,587	
Receipts from Current Fund	500,000	
Interest Earned	<u>2,522</u>	
		<u>1,229,109</u>
		2,527,516
Decreased by Disbursements:		
Improvement Authorizations	1,432,525	
Contracts Payable	139,105	
Current Fund Expenditures Paid by General Capital Fund	2,000	
Payments to Current Fund	<u>648,762</u>	
		<u>2,222,392</u>
Balance, December 31, 2013		<u>\$ 305,124</u>

**BOROUGH OF BOGOTA  
ANALYSIS OF GENERAL CAPITAL CASH**

	Balance, December 31, <u>2013</u>
Reserve for Payment of Debt	\$ 106,477
Deferred Charges-Overexpenditure of Ordinances	(37,098)
Grants Receivable	(193,460)
Due from Current Fund	(87,274)
Capital Improvement Fund	62,005
Fund Balance	32,382

Ord.

<u>No.</u>	<u>Improvement Authorizations</u>	
924	Construction of Recreation Building	(2,314)
991/1019	Oakland Avenue Improvements	(5,073)
1089/1140	Improvement of Palisade Avenue	(5)
1090	Various Improvements	(531)
1183	Various Public Improvements	(977)
1204	Acq. Of New, Additional or Replacement Equipment or Machinery	(814)
1261	Refunding of Pension Liabilities	(1,500)
1273	Various Public Improvements	7,500
1299	Various Public Improvements	9,114
1325/1336	Various Public Improvements	7,226
1337	Various Public Improvements and Acquisition of New Communication and Signal Equipment	4,976
1366	Municipal Complex Roof Repairs	1,776
1369/1390	Various Public Improvements and Acquisitions	47,886
1372	Stormwater Inlet Improvements	73,221
1388	Various Public Improvements and Acquisitions	5,225
1397	Resurfacing of Various Roads	6,779
1398	Various Improvements	(8,224)
1419	Various Public Improvements and Acquisitions	<u>277,827</u>
		<u>\$ 305,124</u>



**BOROUGH OF BOGOTA  
STATEMENT OF DUE FROM (TO) CURRENT FUND**

Balance, December 31, 2012 (Due To)		\$ 148,006
Increased by:		
Cash Receipts	\$ 500,000	
General Capital Expenditures Paid by Current Fund	2,960	
Interest Earned	<u>2,522</u>	
		<u>505,482</u>
		653,488
Decreased by:		
Cash Disbursements	502,754	
Current Fund Expenditures Paid by General Capital Fund	2,000	
Anticipated Revenue - Current Fund Budget	146,008	
Grant Receipts Deposited in Current Fund	<u>90,000</u>	
		<u>740,762</u>
Balance, December 31, 2013 (Due From)		<u>\$ 87,274</u>

EXHIBIT C-5

**STATEMENT OF DEFERRED CHARGES - OVEREXPENDITURE OF ORDINANCES**

Increased by:		
Overexpenditure of Ordinances		<u>\$ 37,098</u>
Balance, December 31, 2013		<u>\$ 37,098</u>

EXHIBIT C-6

**STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED**

Balance, December 31, 2012		\$ 6,711,000
Decreased by:		
Current Fund Budget Appropriations		
Serial Bond Principal	\$ 615,000	
Capital Lease Principal	<u>68,000</u>	
		<u>683,000</u>
Balance, December 31, 2013		<u>\$ 6,028,000</u>

**BOROUGH OF BOGOTA  
STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED**

Ord. No.	Description	Analysis of Balance						Unexpended Improvement Authorizations	
		Balance, December 31, 2012	2013 Authorizations	Authorizations Cancelled	Funded by Grant Proceeds	Balance, December 31, 2013	Bond Anticipation Notes		Expenditures
924	Construction of Recreation Building	\$ 2,314				\$ 2,314		\$ 2,314	
991/1019	Oakland Avenue Improvements	5,073				5,073		5,073	
1089/1140	Improvement of Palisade Avenue	5				5		5	
1090	Various Improvements	531				531		531	
1183	Various Public Improvements	977				977		977	
1204	Acq. Of New, Additional or Replacement Equipment or Machinery	814				814		814	
1261	Refunding of Pension Liabilities	18,000				1,500		1,500	
1325/1336	Various Public Improvements	215		\$ 16,500		215		215	\$
1369/1390	Various Public Improvements and Acquisitions	217				217		217	
1372	Stormwater Inlet Improvements	504,003		504,003					
1388	Various Public Improvements and Acquisitions	15,578				15,578		15,578	
1397	Resurfacing of Various Roads	20,057				20,057		20,057	
1398	Various Improvements	98,224			\$ 90,000	8,224		8,224	
1424	Refunding of Tax Appeals	-	\$ 575,000	-	-	575,000	\$ 575,000	-	-
		\$ 666,008	\$ 575,000	\$ 520,503	\$ 90,000	\$ 630,505	\$ 575,000	\$ 19,438	\$ 36,067

**BOROUGH OF BOGOTA  
STATEMENT OF GRANTS RECEIVABLE**

Balance, December 31, 2012		\$ 656,870
Decreased by:		
Cash Receipts	\$ 91,587	
Due from Current Fund	90,000	
Improvements Authorizations Cancelled	<u>1,734</u>	
		<u>183,321</u>
Balance, December 31, 2013		<u>\$ 473,549</u>

Analysis of Balance

Department of Transportation		
Ord. 1230 - Larch Avenue	\$ 31,086	
Ord. 1259 - Resurface Larch & Elm Ave.	72,282	
Ord. 1311 - Improvements to Queen Anne Road	30,078	
Ord. 1325 - Resurfacing of Palisade Avenue	15,010	
Ord. 1337 - Resurfacing of Palisade Avenue (Reserve)	<u>39,364</u>	
		\$ 187,820
Bergen County Open Space Trust		
Ord. 1252 - Acquisition of Property	25,000	
Ord. 1419 - Improvements to Olsen Park (Reserve)	<u>7,323</u>	
		32,323
Community Development Block Grant		
Prior Year Unallocated	19,903	
Ord. 1369 - Bogert Lane / Olsen Park (Reserve)	165,217	
Ord. 1397 - Resurfacing of Various Streets (Reserve)	20,057	
Ord. 1398 - Resurfacing of Palisade Avenue (Reserve)	7,038	
Ord. 1419 - Improvements to North Ave & Sewer Improvements (Reserve)	<u>41,090</u>	
		253,305
Department of Community Affairs		
Ord. 1285 - Public Library/Municipal Court Improvements		<u>101</u>
		<u>\$ 473,549</u>
	Pledged to Ordinances	\$ 193,460
	Pledged to Reserve	<u>280,089</u>
		<u>\$ 473,549</u>

**BOROUGH OF BOGOTA  
STATEMENT OF IMPROVEMENT AUTHORIZATIONS**

Ord. No.	Description	Ordinance Date	Amount	Balance, December 31, 2012		2013		Contracts Cancelled	Expended	Authorizations Cancelled	Balance, December 31, 2013		Over-Expended
				Funded	Unfunded	Authorizations	Funded				Unfunded		
1259	Various Improvements	12/19/2002	\$ 750,000	\$ 925				\$		\$ 925			
1261	Refunding of Pension Liabilities	12/19/2002	725,000		\$ 16,500					16,500			
1273	Various Public Improvements	4/15/2004	1,123,000				\$ 7,500				7,500		
1299	Various Public Improvements	12/29/2005	385,000				9,114				9,114		
1311/1358	Various Public Improvements	8/3/2006/2009	867,500	809						809			
1325/1336	Various Public Improvements	5/15/2008	312,500				7,441				7,226	\$ 215	
1337	Various Public Improvements and Acquisition of New Communication and Signal Equipment	5/15/2008	228,000	8,879				\$ 3,903			4,976		
1359	Stormwater Sewer Improvements	2/19/2009	17,500	22						22			
1366	Municipal Complex Roof Repairs	6/18/2009	20,000	8,491				6,715			1,776		
1369/1390	Various Public Improvements and Acquisitions	7/16/2009	969,000	71,791	217			23,905			47,886	217	
1372	Stormwater Inlet Improvements	9/17/2009	1,100,000	89,706	504,003			16,485		504,003	73,221		
1388	Various Public Improvements and Acquisitions	12/2/2010	274,000	10,537	15,578			5,312			5,225	15,578	
1397	Resurfacing of Various Roads	4/20/2011	150,000	7,147	20,057			368			6,779	20,057	
1398	Roadway/Intersection Improvements	4/20/2011	525,000		23,947			38,692					\$ 14,745
1404	Various Public Improvements and Acquisitions of Equipment	8/18/2011	360,000	57,104				79,457					22,353
1419	Various Public Improvements and Acquisitions	8/16/2012	1,171,900	963,475				685,648			277,827		
1424	Refunding of Tax Appeals	4/18/2013	575,000			\$ 575,000							
			\$ 1,218,886	\$ 580,302	\$ 575,000	\$ 575,000	\$ 24,055	\$ 1,435,485	\$ 522,259	\$ 441,530	\$ 36,067	\$ 37,098	

Deferred Charges Unfunded \$ 575,000

Cash Disbursements Due to Current Fund \$ 1,432,525

\$ 1,435,485

Grants Receivable \$ 1,734  
Fund Balance 22  
Deferred Charges Unfunded 520,503

\$ 522,259

**BOROUGH OF BOGOTA  
STATEMENT OF ENCUMBRANCES PAYABLE**

Balance, December 31, 2012		\$ 163,160
Decreased by:		
Cash Disbursements	\$ 139,105	
Cancelled	<u>24,055</u>	
		<u>163,160</u>
Balance, December 31, 2013		<u>\$ -</u>

**STATEMENT OF CAPITAL IMPROVEMENT FUND**

Balance, December 31, 2012		\$ 2,005
Increased by:		
Cash Receipts - Budget Appropriations		<u>60,000</u>
Balance, December 31, 2013		<u>\$ 62,005</u>

**BOROUGH OF BOGOTA  
STATEMENT OF SERIAL BONDS PAYABLE**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Maturities of Bonds Outstanding December 31, 2013</u>		<u>Interest Rate</u>	<u>Balance, December 31, 2012</u>	<u>Balance, December 31, 2013</u>
			<u>Date</u>	<u>Amount</u>			
2004 General Improvement Bonds	3/15/2004	\$ 1,840,000	3/15/2014	\$ 195,000	3.00%		
			3/15/2015	195,000	3.20%		
			3/15/2016	200,000	4.00%		
			3/15/2017	205,000	4.00%	\$ 985,000	\$ 795,000
2007 General Improvement Bonds	7/1/2007	2,677,000	7/1/2014	275,000	4.125%		
			7/1/2015	285,000	4.125%		
			7/1/2016	295,000	4.125%		
			7/1/2017	305,000	4.125%		
			7/1/2018	522,000	4.25%	1,947,000	1,682,000
2012 General Improvement Bonds	12/1/2012	3,295,000	12/1/2014	165,000	0.70%		
			12/1/2015	175,000	1.00%		
			12/1/2016	180,000	1.50%		
			12/1/2017	185,000	2.00%		
			12/1/2018	190,000	2.00%		
			12/1/2019-2025	320,000	2.00-3.00%	3,295,000	3,135,000
						<u>\$ 6,227,000</u>	<u>\$ 5,612,000</u>
							<u>\$ 615,000</u>
							<u>\$ 615,000</u>

Paid by Budget Appropriation

**BOROUGH OF BOGOTA  
STATEMENT OF CAPITAL LEASES PAYABLE**

<u>Purpose</u>	<u>Issue Date</u>	<u>Original Issue</u>	<u>Maturities Outstanding December 31, 2013</u>	<u>Interest Rate</u>	<u>Balance, December 31, 2012</u>	<u>Decreased</u>	<u>Balance, December 31, 2013</u>
Refund of Unfunded Pension Liabilities	3/31//2003	\$ 707,000		5.25%	\$ 57,000	\$ 57,000	
BCIA Loan Refunding Revenue Bonds	5/17/2012	427,000	\$ 74,000	0.62%			
			77,000	0.84%			
			83,000	1.24%			
			88,000	1.64%			
			94,000	2.11%	427,000	11,000	\$ 416,000
					\$ 484,000	\$ 68,000	\$ 416,000
						\$ 68,000	

Paid by Budget Appropriation

**BOROUGH OF BOGOTA  
STATEMENT OF BOND ANTICIPATION NOTES PAYABLE**

<u>Ord.</u> <u>No.</u>	<u>Improvement Description</u>	<u>Date of</u> <u>Original</u> <u>Issue</u>	<u>Date of</u> <u>Issue</u>	<u>Date of</u> <u>Maturity</u>	<u>Interest</u> <u>Rate</u>	<u>Balance,</u> <u>December 31,</u> <u>2012</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance,</u> <u>December 31,</u> <u>2013</u>
1424	Refunding Tax Appeals	6/14/2013	6/14/2013	5/16/2014	1.05 %	-	\$ 575,000	-	\$ 575,000
						\$ -	\$ 575,000	\$ -	\$ 575,000



**BOROUGH OF BOGOTA  
STATEMENT OF RESERVE FOR PAYMENT OF DEBT**

Balance, December 31, 2012		\$ 14,890
Increased by:		
Grant Receipts - Ord 1419 Olsen Park Safety Equipment	\$ 32,677	
Grant Receipts - Ord 1419 Improvements to North Avenue	<u>58,910</u>	
		<u>91,587</u>
Balance, December 31, 2013		<u>\$ 106,477</u>

**BOROUGH OF BOGOTA  
STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED**

<u>Ord. No.</u>	<u>Description</u>	<u>Balance, December 31, 2012</u>	<u>2013 Authorizations</u>	<u>Authorizations Cancelled</u>	<u>Notes Issued</u>	<u>Grant Receipts</u>	<u>Balance, December 31, 2013</u>
924	Construction of Recreation Building	\$ 2,314					\$ 2,314
991/1019	Oakland Avenue Improvements	5,073					5,073
1089/1140	Improvement of Palisade Avenue	5					5
1090	Various Improvements	531					531
1183	Various Public Improvements	977					977
1204	Acq. Of New, Additional or Replacement Equipment or Machinery	814					814
1261	Refunding of Pension Liabilities	18,000		\$ 16,500			1,500
1325/1336	Various Public Improvements	215					215
1369/1390	Various Public Improvements and Acquisitions	217					217
1372	Stormwater Inlet Improvements	504,003		504,003			
1388	Various Public Improvements and Acquisitions	15,578					15,578
1397	Resurfacing of Various Roads	20,057					20,057
1398	Various Improvements	98,224				\$ 90,000	8,224
1424	Refunding of Tax Appeals	-	\$ 575,000	-	\$ 575,000	-	-
		<u>\$ 666,008</u>	<u>\$ 575,000</u>	<u>\$ 520,503</u>	<u>\$ 575,000</u>	<u>\$ 90,000</u>	<u>\$ 55,505</u>

**PUBLIC ASSISTANCE FUND**

**BOROUGH OF BOGOTA**  
**STATEMENT OF PUBLIC ASSISTANCE CASH - TREASURER**

	<u>Total</u>	Account #1 <u>(75%)</u>	Account #2 <u>(100%)</u>
Balance, December 31, 2012	\$ 3,017	\$ 3,017	
Decreased by:			
Payment to Current Fund	<u>3,017</u>	<u>3,017</u>	<u>\$ -</u>
Balance, December 31, 2013	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**STATEMENT OF RESERVE FOR PUBLIC ASSISTANCE EXPENDITURES**

	<u>Total</u>	Account #1 <u>(75%)</u>	Account #2 <u>(100%)</u>
Balance, December 31, 2012	\$ 3,017	\$ 3,017	
Decreased by:			
Payment to Current Fund	<u>3,017</u>	<u>3,017</u>	<u>\$ -</u>
Balance, December 31, 2013	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**BOROUGH OF BOGOTA**  
**COUNTY OF BERGEN**

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**PART II**

**GOVERNMENT AUDITING STANDARDS**

**YEAR ENDED DECEMBER 31, 2013**



# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

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MARK SACO, CPA

## REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

### INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members  
of the Borough Council  
Borough of Bogota  
Bogota, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements – regulatory basis of the Borough of Bogota, 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 March 21, 2014. Our report on the financial statements – regulatory basis was modified to indicate that the financial statements were not prepared and presented in accordance with accounting principles generally accepted in the United States of America but rather prepared and presented in accordance with the regulatory basis of accounting 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, to meet the requirements of the State of New Jersey for municipal government entities as described in Note 1.

#### **Internal Control over Financial Reporting**

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control that we consider to be material weaknesses or significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Borough's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and responses as items 2013-1, 2013-2 and 2013-3 to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and responses as items 2013-4, 2013-5, 2013-6 and 2013-7 to be significant deficiencies.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Borough of Bogota's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and which are described in the accompanying schedule of findings and responses as items 2013-1, 2013-2, 2013-3, 2013-4, 2013-5, 2013-6 and 2013-7.


We also noted certain matters that we reported to management of the Borough of Bogota in Part III of this report of audit entitled; "Letter of Comments and Recommendations".

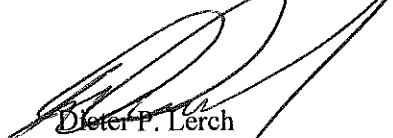
### **Borough of Bogota's Responses to Findings**

The Borough of Bogota's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The Borough of Bogota's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

### **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 Bogota's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Borough of Bogota's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

  
LERCH, VINCI & HIGGINS, LLP  
Certified Public Accountants  
Registered Municipal Accountants

  
Dieter P. Lerch  
Registered Municipal Accountant  
RMA Number CR00398

Fair Lawn, New Jersey  
March 21, 2014





**BOROUGH OF BOGOTA  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED DECEMBER 31, 2013**

State Grant Program	Grant Number	Grant Year	Grant Award	Current Year Receipts	Balance, December 31, 2012	2013 Revenue Realized	Expended	Adjustments (1)	Balance, December 31, 2013	Cumulative Expenditures
Environmental Protection Agency										
Clean Communities	4900-765-042-4900-004	2011	\$ 20,343	\$ 1,671					\$ 20,343	\$ 20,343
Clean Communities	4900-765-042-4900-004	2012	9,700	9,700	9,700		297		9,403	297
Recycling Tonnage	4030-752-050550-50	2009	18,005		63				63	17,942
Recycling Tonnage	4030-752-050550-50	2012	11,013		11,013				11,013	
Recycling Tonnage	4030-752-050550-50	2013	10,702	10,702		10,702				10,702
Highlands Protection Act										
Development Rights Feasibility Study	2078-100-032-2010-2010	2010	38,000		16,000				16,000	22,000
Department of Community Affairs										
Housing Grant	100-022-8020-074-022710	2007	1,000		50				50	950
Housing Grant	100-022-8020-074-022710	2008	1,709		1,709				1,709	
Housing Grant	100-022-8020-074-022710	2009	4,844		4,844				4,844	
Department of Law and Public Safety										
Body Armor Replacement Fund	1020-718-066-1020-001	2011	4,647		2,682		\$ (2,682)			1,965
Municipal Alliance on Alcoholism and Drug Abuse	N/A	2010	10,356		7,791				7,791	2,565
<b>Total State Financial Assistance</b>					\$ 53,852	\$ 10,702	\$ 10,999	\$ (2,682)	\$ 50,873	

Note: This schedule was not subject to Single Audit requirements of NJ OMB 04-04.

(1) - Cancelled in current and/or prior year

**BOROUGH OF BOGOTA  
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED DECEMBER 31, 2013**

**NOTE 1 GENERAL**

The accompanying schedules present the activity of all federal awards and state financial assistance programs of the Borough of Bogota. The Borough is defined in Note 1(A) to the Borough's financial statements. All federal financial assistance received directly from federal agencies, as well as federal financial assistance passed through other government agencies is included on the schedule of expenditures of awards.

**NOTE 2 BASIS OF ACCOUNTING**

The accompanying schedules are prepared and presented using the regulatory basis of accounting as prescribed for municipalities by the Division of Local Government Services, Department of Community Affairs, State of New Jersey which differ in certain respects from accounting principles generally accepted in the United States of America (GAAP) applicable to local government units. This basis of accounting is described in Note 1 to the Borough's financial statements.

**NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS**

Amounts reported in the accompanying schedules agree with amounts reported in the Borough's financial statements. Financial assistance revenues are reported in the Borough's financial statements on a basis of accounting described above as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
Current Fund	\$ 165,250	\$ 10,999	\$ 176,249
General Capital Fund	<u>90,000</u>	<u>-</u>	<u>90,000</u>
Total Financial Awards	<u>\$ 255,250</u>	<u>\$ 10,999</u>	<u>\$ 266,249</u>

**NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

Amounts reported in the accompanying schedules may not necessarily agree with the amounts reported in the related federal and state financial reports due to timing differences between the Borough's fiscal year and grant program year.

**BOROUGH OF BOGOTA  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED DECEMBER 31, 2013**

*Part I – Summary of Auditor's Results*

**Financial Statements**

Type of auditors' report issued on financial statements Unmodified

Internal control over financial reporting:

1) Material weakness(es) identified  X  yes   no

2) Significant deficiency(ies) that are not considered to be material weakness(es)?  X  yes   none

Noncompliance material to the financial statements noted?  X  yes   no

**Federal Awards Section**

NOT APPLICABLE

**State Awards Section**

NOT APPLICABLE

**BOROUGH OF BOGOTA  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED DECEMBER 31, 2013**

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements and abuse related to the financial statements in accordance with Government Auditing Standards.

**Finding 2013-1**

Certain accounts in the general ledgers for the year ended December 31, 2013 were not in agreement with the supporting reconciliations, subsidiary records and/or journals. In addition, beginning balances in the general ledgers did not agree to the December 31, 2012 audited balances.

**Criteria or specific requirement:**

N.J.A.C. 5:30-5.7 General Ledger Accounting Systems.

**Condition:**

- Current Fund monthly bank reconciliation was not reconciled with the monthly cash balance in the general ledger.
- Subsidiary ledgers for budget appropriations and revenues were not reconciled to financial transactions reflected in the general ledger on a monthly basis.

**Context:**

The reconciliation process between the general ledger system, bank accounts and subsidiary ledgers was not performed on a timely basis and account balance differences were not investigated and corrected.

**Effect:**

The general ledgers presented for audit did not contain all the financial transactions of the Borough. The financial statements have been adjusted to reflect the financial activity of the Borough.

**Cause:**

Unknown.

**Recommendation:**

General ledgers be reconciled to the respective subsidiary ledgers including bank reconciliations and other original records of entry on a monthly basis.

**Views of Responsible Officials and Planned Corrective Action Plan:**

The Borough has reviewed this finding and has indicated corrective action will be taken.

**BOROUGH OF BOGOTA  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED DECEMBER 31, 2013**

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements and abuse related to the financial statements in accordance with Government Auditing Standards.

**Finding 2013-2**

Certain receipt transactions were not properly recorded in the revenue subsidiary records and/or journals.

**Criteria or specific requirement:**

N.J.A.C. 5:30-5.7 General Ledger Accounting Systems.

**Condition:**

Receipts are not always being posted to revenue/receipt journals.

**Context:**

Total deposits of \$316,578 in the Current Fund, \$87,892 in the Other Trust Fund, \$280 in the Animal Control Trust Fund, \$28,312 in Recreation Trust Fund and \$580,093 in General Capital Fund were not recorded in the revenue records by the Borough Treasurer.

**Effect:**

The subsidiary ledgers did not contain all the financial transactions of the Borough.

**Cause:**

The reconciliation process between the general ledger system, bank accounts and subsidiary ledgers were not performed on a timely basis and account balance differences were not investigated and corrected.

**Recommendation:**

All receipt transactions be properly recorded by the Treasurer in the revenue/receipt subsidiary ledgers.

**Views of Responsible Officials and Planned Corrective Action Plan:**

The Borough has reviewed this finding and has indicated corrective action will be taken.

**BOROUGH OF BOGOTA  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED DECEMBER 31, 2013**

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements and abuse related to the financial statements in accordance with Government Auditing Standards.

**Finding 2013-3**

Certain disbursement transactions were not properly recorded in the appropriation subsidiary records and/or journals.

**Criteria or specific requirement:**

N.J.A.C. 5:30-5.7 General Ledger Accounting Systems.

**Condition:**

Disbursements are not always being posted to appropriation/expenditure journals.

**Context:**

Total disbursements of \$1,752,669 in the Current Fund, \$78,646 in the Other Trust Fund, \$202 in the Animal Control Trust Fund, \$9,190 in Recreation Trust Fund and \$5,145 in General Capital Fund were not recorded in subsidiary expenditure records by the Borough Treasurer.

**Effect:**

The subsidiary ledgers did not contain all the financial transactions of the Borough.

**Cause:**

The reconciliation process between the general ledger system, bank accounts and subsidiary ledgers were not performed on a timely basis and account balance differences were not investigated and corrected.

**Recommendation:**

All disbursement transactions be properly recorded by the Treasurer in the appropriation/expenditure subsidiary ledgers.

**Views of Responsible Officials and Planned Corrective Action Plan:**

The Borough has reviewed this finding and has indicated corrective action will be taken.

**BOROUGH OF BOGOTA  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED DECEMBER 31, 2013**

*Part 2 – Schedule of Financial Statement Findings*

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with Paragraph 5.18-5.20 of *Government Auditing Standards*.

**Finding 2013-4**

Our audit revealed that certain general capital ordinances were overexpended.

**Criteria or specific requirement:**

N.J.S.A. 40A:4-1 et seq. Local Budget Law.

**Condition:**

General capital ordinances were overexpended by \$37,098.

**Context:**

See Condition.

**Cause:**

Unknown.

**Effect:**

The overexpenditures resulted in deferred charges that are required to be funded by subsequent budget appropriations.

**Recommendation:**

Internal controls be enhanced to prevent general capital fund ordinance overexpenditures.

**Views of Responsible Officials and Planned Corrective Action Plan:**

Management has reviewed this finding and has indicated corrective action will be taken.

**BOROUGH OF BOGOTA  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED DECEMBER 31, 2013**

***Part 2 – Schedule of Financial Statement Findings***

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with Chapter 5.18 of *Government Auditing Standards*.

**Finding 2013-5**

Our audit revealed numerous instances noted where recurring expenses were not encumbered prior to the goods being provided and/or services were rendered.

**Criteria or specific requirement:**

N.J.A.C. 5:30-5.2 Encumbrance Systems.

**Condition:**

Purchase orders were not always issued for goods and/or services prior to receipt.

**Questioned Costs:**

Unknown.

**Context:**

In the Current Fund, \$74,721 of unrecorded liabilities were recorded by audit adjustment. In addition, recurring expenses were not encumbered throughout the year. This resulted in an overexpenditure of \$30,084 in the Current Fund appropriations.

**Effect:**

Commitments may exist and not be recorded in the financial statements. Audit adjustments have been made to record known encumbrances.

**Cause:**

Unknown.

**Recommendation:**

The controls over purchasing procedures be enhanced to ensure that purchase orders are issued and funds are encumbered when the goods and/or services are received.

**Views of Responsible Officials and Planned Corrective Action Plan:**

The Borough has reviewed this finding and has indicated corrective action will be taken.



**BOROUGH OF BOGOTA  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED DECEMBER 31, 2013**

*Part 2 – Schedule of Financial Statement Findings*

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with Chapter 5.18 of *Government Auditing Standards*.

**Finding 2013-6**

The fixed asset inventory was not updated to reflect current year additions and/or deletions.

**Criteria or specific requirement:**

N.J.A.C. 5:30-5.6 Accounting for Governmental Fixed Assets.

**Condition:**

The fixed asset inventory has not been updated for current year additions and deletions.

**Context:**

The Borough has not updated the financial statements of the general fixed assets account group and has not implemented a system to record fixed assets in accordance with state requirements. Audit procedures revealed unrecorded fixed asset additions totaling \$585,530 for 2013. The financial statements have been adjusted to reflect these amounts.

**Effect:**

Failure to comply with New Jersey Administrative Code.

**Cause:**

Unknown.

**Recommendation:**

The Borough's fixed asset accounting and reporting system be updated to reflect current additions and deletions.

**Views of Responsible Officials and Planned Corrective Action Plan:**

The Borough has reviewed this finding and has indicated corrective action will be taken.

**BOROUGH OF BOGOTA  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED DECEMBER 31, 2013**

*Part 2 – Schedule of Financial Statement Findings*

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with Chapter 5.18 of *Government Auditing Standards*.

**Finding 2013-7**

Purchases relating to cleaning janitorial services, vehicle maintenance, acquisition of police electronic message sign and police lockers fees exceeded the bid threshold in aggregate and were not awarded by public bid in accordance with 40A:11, et. seq., or by State contract. Additionally an emergency contract not procured through public bid was not approved as an emergency by resolution and documentation to support emergency was not provided.

**Criteria or specific requirement:**

NJ Local Public Contracts Law – NJSA 40A:11. The Borough did not designate a Qualified Purchasing Agent, hence the bid threshold was \$17,500.

**Condition:**

The Borough contracted for various goods/services where no evidence of public bidding, state contract or quotes existed.

**Questioned Costs:**

Undeterminable.

**Context:**

The Borough contracted for cleaning janitorial services in the amount of \$18,850, vehicle maintenance and repairs totaling \$18,750, acquisition of police electronic message sign in the amount of \$18,750 and acquisition of police lockers for \$33,425 without public bids and/or state contract. In addition, a vendor was paid \$20,800 for pipe replacement represented on purchase order as an emergency; however emergency was not documented and/or approved by resolution.

**Effect:**

The Borough is not in compliance with NJ Local Public Contracts Law.

**Cause:**

Unknown.

**Recommendation:**

Internal control procedures be reviewed and revised to ensure purchases in excess of the bid threshold are made in accordance with the Local Public Contracts Law.

**Views of Responsible Officials and Planned Corrective Action Plan:**

The Borough has reviewed this finding and has indicated corrective action will be taken.

**BOROUGH OF BOGOTA  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED DECEMBER 31, 2013**

*Part 3 – Schedule of Federal and State Award Findings and Questioned Costs*

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance including questioned costs, related to the audit of major federal and state programs, as required by OMB Circular A-133 and New Jersey OMB's Circular 04-04, as amended.

**CURRENT YEAR FEDERAL AWARDS**

Not Applicable.

**CURRENT YEAR STATE AWARDS**

Not Applicable.

**BOROUGH OF BOGOTA  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2013**

This section identifies the status of prior year findings related to the financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, US OMB Circular A-133 and NJ OMB Circular 04-04.

**STATUS OF PRIOR YEAR FINDINGS**

**Finding 2012-1**

Our audit revealed that certain budgetary line items were overexpended. It was also noted that the Current Fund had an operating deficit at year end.

**Current Status**

Corrective action has been taken, however budgetary line items were overexpended as a result of audit adjustment. See Finding 2013-5.

**BOROUGH OF BOGOTA**

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**PART III**

**SUPPORTING DATA**

**LETTER OF COMMENTS AND RECOMMENDATIONS**

**YEAR ENDED DECEMBER 31, 2013**

**BOROUGH OF BOGOTA  
SUPPORTING DATA**

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

	<u>Year 2013</u>		<u>Year 2012</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
<b>REVENUE AND OTHER INCOME REALIZED</b>				
Miscellaneous - From Other Than Local				
Property Tax Levies	\$ 2,001,554	8.04%	\$ 1,565,991	6.59%
Collection of Delinquent Taxes and Tax Title Liens	5,356	0.02%	7,127	0.03%
Collection of Current Tax Levy	22,689,356	91.19%	22,119,163	93.04%
Other Credits	<u>186,147</u>	<u>0.75%</u>	<u>79,832</u>	<u>0.34%</u>
Total Income	<u>24,882,413</u>	<u>100.00%</u>	<u>23,772,113</u>	<u>100.00%</u>
<b>EXPENDITURES</b>				
Budget Expenditures				
Municipal Purposes	9,037,048	36.43%	8,870,942	35.86%
County Taxes	1,617,162	6.52%	1,770,534	7.16%
Local School Taxes	13,897,504	56.02%	13,806,381	55.81%
Other Expenditures	<u>256,560</u>	<u>1.03%</u>	<u>289,298</u>	<u>1.17%</u>
Total Expenditures	<u>24,808,274</u>	<u>100.00%</u>	<u>24,737,155</u>	<u>100.00%</u>
Less: Expenditures to be Raised by Future Revenue	<u>30,084</u>		<u>718,715</u>	
Total Adjusted Expenditures	<u>24,778,190</u>		<u>24,018,440</u>	
Deficit in Operations			<u>\$ 246,327</u>	
Excess in Revenue	104,223			
Fund Balance, January 1	<u>\$ 186,191</u>		<u>\$ 186,191</u>	
Fund Balance, December 31	<u>\$ 290,414</u>		<u>\$ 186,191</u>	

**BOROUGH OF BOGOTA  
SUPPORTING DATA**

**Comparative Schedule Of Tax Rate Information**

	<u>2013</u>	<u>2012</u>	<u>2011</u>
<u>Tax Rate</u>	<u>\$3.531</u>	<u>\$2.691</u>	<u>\$2.574</u>
<u>Apportionment of Tax Rate</u>			
Municipal	1.119	.808	.759
County	.249	.212	.212
County Open Space	.003	.003	.003
Local School	2.160	1.668	1.600
<u>Assessed Valuation</u>			
2013	<u>\$643,472,300</u>		
2012		<u>\$827,518,037</u>	
2011			<u>\$832,201,254</u>

**Comparison Of Tax Levies And Collection Currently**

A study of this tabulation could indicate a possible trend in future tax levies. A decrease in the percentage of current collection could be an indication of a probable increase in future tax levies.

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collection</u>
2013	\$ 22,721,479	\$ 22,689,356	99.85%
2012	22,277,780	22,119,163	99.28%
2011	21,424,412	21,368,642	99.73%

**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>December 31 Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2013	\$ 28,054	\$ 18,974	\$ 47,028	0.21%
2012	16,837	5,356	22,193	0.10%
2011	5,054	66	5,120	0.02%

**BOROUGH OF BOGOTA  
SUPPORTING DATA**

**Property Acquired By Tax Title Lien Liquidation**

No properties have been acquired in 2013 by foreclosure or deed, as a result of liquidation of tax title liens. The value of property acquired by liquidation of tax title liens at December 31, on the basis of the last assessed valuation of such properties, was as follows:

<u>Year</u>	<u>Amount</u>
2013	\$136,680
2012	136,680
2011	136,680

**Comparative Schedule Of Fund Balances**

	<u>Year</u>	<u>Balance, December 31</u>	<u>Utilized In Budget of Succeeding Year</u>
<u>Current Fund</u>	2013	\$290,414	(A)
	2012	186,191	-0-
	2011	137,268	-0-

(A) – The 2014 budget has not been introduced as of the audit date.



**BOROUGH OF BOGOTA  
SUPPORTING DATA**

**OFFICIALS IN OFFICE AND SURETY BONDS**

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

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>
Patrick McHale	Mayor (1/1/13-11/24/13)	
Tito Jackson	Mayor (11/25/13-12/31/13)	
Tito Jackson	Council President (1/1/13-11/24/13)	
Robert Robbins	Councilman	
Evaristo Burdiez, Jr.	Councilman	
Jorge Nunez	Councilman	
Wanda Uceta	Councilwoman	
Arthur Konigsberg	Councilman	
Lisa Kohles	Councilwoman (12/5/13-12/31/13)	
Leonard Nicolosi	Administrator/Chief Financial Officer (1/1/13-3/21/13)	\$1,000,000 (A)
August Griener	Administrator (3/22/13-12/31/13)	1,000,000 (A)
Frank Berardo	Chief Financial Officer (3/22/13-12/31/13)	1,000,000 (A)
Frances Garlicki	Borough Clerk	
Helen Hegel	Treasurer	1,000,000 (A)
Elizabeth Wiemer	Tax Collector	1,000,000 (A)
Daniel Howell	Construction Code Official	
William Muro	Plumbing Subcode Official	
Giuseppe Randazzo	Municipal Court Judge	50,000(B)
Pat Wilkens	Tax Assessor	
John Burke	Chief of Police	
Harry Tuvel	Borough Engineer	
Joseph Monaghan	Borough Attorney	

(A) Blanket bond for all Municipal employees

(B) Blanket bond for all Court employees

**BOROUGH OF BOGOTA  
SUPPLEMENTARY DATA**

**GENERAL COMMENTS**

**Prior Year Findings Unresolved**

Our audit revealed that certain bank reconciliations were not performed on a timely basis. Additionally, old outstanding checks should be reviewed and cleared of record. It is recommended that bank reconciliations be performed on a timely basis and old outstanding checks be reviewed and cleared of record.

Our audit of the General Capital Fund revealed old outstanding grants receivable exist at December 31, 2013. It is recommended that prior year General Capital Fund grants receivable be reviewed by the Borough Engineer and continued efforts be made to collect amounts due.

Our audit of the Other Trust Fund indicated old escrow deposits exist at December 31, 2013. It is recommended that old escrow deposits be reviewed and cleared of record.

There are certain capital ordinance expenditures that remain unfunded for a period greater than five years. It is recommended that deferred charges in the General Capital Fund that remain unfunded for a period greater than five years be funded.

**Current Year Findings**

Our audit revealed that the net payroll and payroll agency bank accounts were not reconciled for 2013. It is recommended that the net payroll and payroll agency bank accounts be reconciled.

The Borough's third party payroll service provider, Ameripay, failed to remit \$47,630 in payroll taxes to the Internal Revenue Service on the Borough's behalf during 2010. Ameripay has now filed for bankruptcy. As of date of audit, the Borough has received notification that the total amount, including penalties and interest due to the IRS, is \$88,565. There are unidentified funds available in the payroll agency account of \$74,000. It is recommended that action be taken to fund the remaining balance and pay any outstanding amounts due to the IRS in conjunction with the Ameripay unpaid 2009 taxes.

Our audit of related party transactions found that Council member Burdiaz, Jr. did not file a Ethics Financial Disclosure form for 2013. It is recommended that all elected officials file the required Ethics Financial Disclosure forms as required by the New Jersey Division of Local Government Services.

Our audit of payroll noted that a detailed ledger by payroll agency deduction was not maintained. It is recommended that a detailed payroll agency ledger be maintained and reconciled to bank reconciliations and payroll tax remittances on a monthly basis.

Our audit of payroll revealed that the salaries of the municipal prosecutor and judge are not reflected on the Borough's salary ordinance. It is recommended that all positions be properly included in salary ordinance.

Our audit revealed numerous instances where vendor Business Registration forms were not on file in Borough records. It is recommended that Business Registration forms be obtained for all vendors utilized by the Borough.

Our audit revealed a change order in the amount of \$22,194 for the Hook & Ladder Truck contract was not approved in the minutes. It is recommended that all contract change orders be approved by resolution prior to execution/payment.

**BOROUGH OF BOGOTA  
SUPPLEMENTARY DATA**

**GENERAL COMMENTS (Continued)**

**Current Year Findings (Continued)**

Our audit of the Recreation Department revealed the following:

- Registration forms are not maintained in an orderly manner.
- Deposits are not always being made on a timely basis.
- Fees are not approved/ratified by Council resolution.
- Certain fees charged could not be verified to program flyer and/or website.

It is recommended that the internal controls over cash collections and recordkeeping of the Recreation Department be enhanced.

Our audit revealed that the payment of \$19,685 for October 2012 garbage tipping fees was erroneously charged to the 2013 budget appropriation. The amount was reclassified by audit adjustment to the 2012 appropriation reserves. It is recommended that controls be enhanced to ensure payments are charged to the proper budget year.

**Contracts and Agreements Required To Be Advertised For N.J.S. 40A:11-4**

NJS 40A:11-4 states "Every contract or agreement, for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only 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 the Municipality has the responsibility of determining whether the expenditures in any category will exceed \$17,500 within the fiscal year. Where a question arises as to whether any contract agreement might result in violation of the statute, the Borough Counsel's opinion should be sought before a commitment is made.

The minutes indicate that bids were requested by public advertising for the following items:

Acquisition of a Fire Truck	Improvement to North Avenue
Safety Padding Equipment at Olsen Park	

The minutes indicate that resolutions were adopted and advertised authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S. 40A:11-5.

Our examination of expenditures revealed instances where individual payments exceeded of \$17,500 "for the performance of any work, or the furnishing or hiring of any materials or supplies," where bids had not been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of NJS 40A:11-6.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

**BOROUGH OF BOGOTA  
SUPPLEMENTARY DATA**

**GENERAL COMMENTS (Continued)**

**Collection Of Interest On Delinquent Taxes And Assessments**

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

The Governing Body on January 3, 2013 adopted the following resolution authorizing interest to be charged on delinquent taxes:

"BE IT RESOLVED by the Mayor and Council of the Borough of Bogota, New Jersey, County of Bergen, that the rate of interest on all taxes delinquent is set at eight (8) percent for the first (\$1,500) fifteen hundred dollars, and eighteen (18) percent on any amount in excess of (\$1,500) fifteen hundred dollars, and

"BE IT FURTHER RESOLVED, that no interest shall be charged if payment of any installment is made within ten (10) days after the date upon which the same is payable, and

"BE IT RESOLVED, that in any case where the tax is not paid within those extended days the full penalty from this date due attaches."

It appears from our examination of the Collector's record that interest was collected in accordance with the foregoing resolution.

**Delinquent Taxes and Tax Title Liens**

There was a tax sale held on December 30, 2013.

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	1
2012	1
2011	1

**BOROUGH OF BOGOTA  
SUPPLEMENTARY DATA**

**RECOMMENDATIONS**

It is recommended that:

1. General ledgers be reconciled to the respective subsidiary ledgers including bank reconciliations and other original records of entry on a monthly basis.
2. All receipt transactions be properly recorded by the Treasurer in the revenue/receipt subsidiary ledgers.
3. All disbursement transactions be properly recorded by the Treasurer in the appropriation/expenditure subsidiary ledgers.
- \* 4. Internal controls be enhanced to prevent general capital fund ordinance overexpenditures.
5. The controls over purchasing procedures be enhanced to ensure that purchase orders are issued and funds are encumbered when the goods and/or services are received.
6. The Borough's fixed asset accounting and reporting system be updated to reflect current additions and deletions.
- \* 7. With respect to the Borough's bank accounts:
  - a) Bank reconciliations be performed on a timely basis.
  - b) Old outstanding checks be reviewed and cleared of record.
- \* 8. Prior year General Capital Fund grants receivable be reviewed by the Borough Engineer and continued efforts be made to collect amounts due.
- \* 9. Old escrow deposits be reviewed and cleared of record.
- \* 10. The deferred charges in the General Capital Fund that remain unfunded for a period greater than five years be funded.
11. The net payroll and payroll agency bank accounts be reconciled
12. Action be taken to fund the remaining balance and pay any outstanding amounts due to the IRS in conjunction with the Ameripay unpaid 2009 taxes.
13. All elected officials file the required Ethics Financial Disclosure forms as required by the New Jersey Division of Local Government Services.
14. A detailed payroll agency ledger be maintained and reconciled to bank reconciliations and payroll tax remittances on a monthly basis.
15. All positions be properly included in salary ordinance.
16. Business Registration forms be obtained for all vendors utilized by the Borough.
17. All contract change orders be approved by resolution prior to execution/payment.
18. Internal controls over cash collections and recordkeeping of the Recreation Department be enhanced.
19. Controls be enhanced to ensure payments are charged to the proper budget year.

**BOROUGH OF BOGOTA  
SUPPLEMENTARY DATA**

**RECOMMENDATIONS (Continued)**

It is recommended that:

- 20. Internal control procedures be reviewed and revised to ensure purchases in excess of the bid threshold are made in accordance with the Local Public Contracts Law.

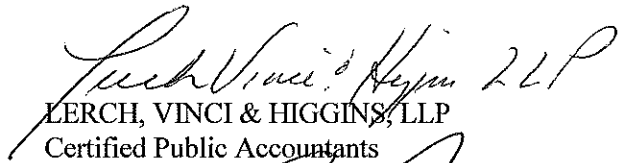
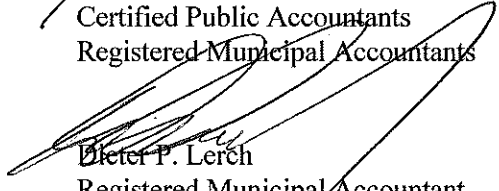
Status of Prior Year's Audit Findings/Recommendations

A review was performed on all prior year's recommendations. Corrective action was taken on all prior year recommendations except those denoted with an asterisk (\*).

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The recommendations noted 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.

  
LERCH, VINCI & HIGGINS, LLP  
Certified Public Accountants  
Registered Municipal Accountants  
  
Dieter P. Lerch  
Registered Municipal Accountant  
RMA Number CR00398