

BOROUGH OF BOGOTA

**Financial Statements with
Supplementary Information
December 31, 2014**

(With Independent Auditor's Reports Thereon)

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BOROUGH OF BOGOTA

Table of Contents

Part I

<u>Exhibit</u>		<u>Page</u>
	Independent Auditor's Report	1-4
	<u>FINANCIAL STATEMENTS</u>	
	<u>Current Fund</u>	
A	Comparative Balance Sheet - Statutory Basis	5-6
A-1	Comparative Statement of Operations and Changes in Fund Balance - Regulatory Basis	7
A-2	Statement of Revenues - Regulatory Basis	8-9
A-3	Statement of Expenditures - Regulatory Basis	10-19
	<u>Trust Funds</u>	
B	Comparative Balance Sheet - Regulatory Basis	20-21
	<u>General Capital Fund</u>	
C	Comparative Balance Sheet - Regulatory Basis	22
C-1	Statement of Fund Balance - Regulatory Basis	23
	<u>General Fixed Assets Account Group</u>	
D	Comparative Statement of General Fixed Assets - Regulatory Basis	24
	Notes to Financial Statements	25-45
	Supplementary Data	46-50

BOROUGH OF BOGOTA

Table of Contents (continued)

Part I, (Continued)

<u>Exhibit</u>		<u>Page</u>
	<u>Current Fund</u>	
A-4	Schedule of Cash - Treasurer	51
A-5	Schedule of Change Funds	52
A-6	Schedule of Due from State of New Jersey- Senior Citizens' and Veterans' Deductions	53
A-7	Schedule of Taxes Receivable and Analysis of Property Tax Levy	54
A-8	Schedule of Property Acquired for Taxes	55
A-9	Schedule of Tax Title Liens	55
A-10	Schedule of Accounts Receivable	56
A-11	Schedule of Local School District Prepaid Taxes	57
A-12	Schedule of Interfunds Due from/(to) Other Funds	58
A-13	Schedule of Deferred Charges N.J.S.A. 40A:4-53, Special Emergency Authorization	59
A-14	Schedule of Appropriation Reserves	60
A-15	Schedule of Reserve for Encumbrances	63
A-16	Schedule of Prepaid Taxes	64
A-17	Schedule of Tax Overpayments	64
A-18	Schedule of Amount Due to State of New Jersey	65
A-19	Schedule of Special Emergency Notes	66
A-20	Schedule of Tax Anticipation Notes Payable	67
A-21	Schedule of School Taxes Payable	68
A-22	Schedule of County Taxes Payable	68
A-23	Schedule of State and Federal Grants Receivable	69
A-24	Schedule of Appropriated Reserves for State and Federal Grants	70
A-25	Schedule of Unappropriated Reserves for State and Federal Grants	71
A-26	Schedule of Deferred Charges	72
A-27	Schedule of Miscellaneous Reserves	73

BOROUGH OF BOGOTA

Table of Contents (continued)

Part I, (Continued)

<u>Exhibit</u>		<u>Page</u>
	<u>Trust Funds</u>	
B-1	Schedule of Cash - Trust Funds	74
B-2	Schedule of Reserve for Animal License Trust Fund Expenditures	75
B-3	Schedule of Due to State of New Jersey- Animal License Trust Fund	76
B-4	Schedule of Interfund- Current Fund	77
B-5	Schedule of Reserve for Unemployment Expenditures- Other Trust Fund	78
B-6	Schedule of Payroll Deduction Payable- Other Trust Fund	79
B-7	Schedule of Due to State of New Jersey- Unemployment Compensation Other Trust Fund	80
B-8	Schedule of Miscellaneous Reserves- Other Trust Fund	81
B-9	Schedule of Reserve for Terminal Pay- Other Trust Fund	82
B-10	Schedule of Reserve for Recreation Trust Fund	83
B-11	Schedule of Reserve for Library Trust Fund	84
	<u>General Capital Fund</u>	
C-2	Schedule of General Capital Cash - Treasurer	85
C-3	Analysis of General Capital Cash	86
C-4	Schedule of Interfunds- General Capital Fund	87
C-5	Schedule of Grants Receivable - General Capital Fund	88
C-6	Schedule of Deferred Charges to Future Taxation - Funded	89
C-7	Schedule of Deferred Charges to Future Taxation - Unfunded	90
C-8	Schedule of Deferred Charges- General Capital Fund	91
C-9	Schedule of General Serial Bonds	92
C-10	Schedule of Capital Leases Payable	93
C-11	Schedule of Bond Anticipation Notes	94
C-12	Schedule of Improvement Authorizations	95
C-13	Schedule of Capital Improvement Fund	96
C-14	Schedule of Reserve for Payment of Debt	97
C-15	Schedule of Reserve for Grants/ Contributions Receivable	97
C-16	Schedule of Bonds and Notes Authorized but not Issues	98

BOROUGH OF BOGOTA

Table of Contents (continued)

<u>Exhibit</u>	<u>Page</u>
<u>Part II</u>	
Independent Auditor's 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	99-100
Schedule of Findings and Questioned Costs	101
Schedule of Findings and Responses	108-114
General Comments	115-117
Comments	118-119
Recommendations	120-121
Status of Prior Year Audit Findings/Recommendation	122
Acknowledgment	122

BOROUGH OF BOGOTA

PART I

REPORT ON EXAMINATION OF FINANCIAL STATEMENTS

AND SUPPLEMENTARY DATA

YEAR ENDED DECEMBER 31, 2014

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and
Members of the Borough Council
Borough of Bogota
County of Bergen, 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 in the County of Bergen, as of December 31, 2014 and 2013, the related statement of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents. The financial statements for the year ended December 31, 2013 were audited by other auditors whose report dated March 21, 2014 expressed an adverse opinion on the U.S. Generally Accepted Accounting Principles because of the significance of the requirement that the Borough of Bogota prepare and present its financial statements on the regulatory basis of accounting.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.



The Honorable Mayor and
Members of the Borough Council
Page 2.

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 opinion

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the Borough of Bogota as of December 31, 2014 and 2013, or changes in financial position for the years then ended.

Basis for Qualified Opinion on Regulatory Basis Accounting Principles

The Borough records of fixed assets have not been updated for additions and deletions for several years as required by N.J.A.C. 5:30-5.6 and we were unable to satisfy ourselves as to the correct carrying value of the general fixed assets by other auditing procedures.



The Honorable Mayor and
Members of the Borough Council
Page 3.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of the matter described in the “*Basis for Qualified Opinion on Regulatory Basis Accounting Principles*” paragraph, the financial statements referred to above, present fairly, in all material respects, the regulatory basis balance sheets and account group as of December 31, 2014 and 2013, the regulatory basis statements of operations for the years then ended and the regulatory basis statements of revenues and expenditures for the year ended December 31, 2014 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Other Matters

Other Information

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

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

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

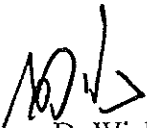
Other Reporting Required by Government Auditing Standards

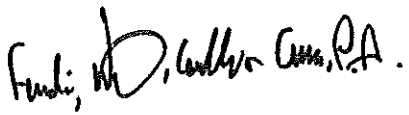
In accordance with *Government Auditing Standards*, we have also issued our report dated August 12, 2015 on our consideration of the Borough of Bogota’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial



The Honorable Mayor and
Members of the Borough Council
Page 4.

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.


Steven D. Wielkocz, C.P.A.
Registered Municipal Accountant
No. CROO413


FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants
Pompton Lakes, New Jersey

August 12, 2015

BOROUGH OF BOGOTA, N.J.

Comparative Balance Sheet-Regulatory Basis

Current Fund

December 31, 2014 and 2013

<u>Assets</u>	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
Current Fund:			
Cash	A-4	\$ 1,259,766	2,195,928
Change Fund	A-5	280	280
Due from State of New Jersey- Senior Citizen and Veteran's Deductions	A-6		36,740
Grants Receivable	A-23		60,151
		<u>1,260,046</u>	<u>2,293,099</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-7	27,531	18,974
Property Acquired for Taxes			
Assessed Valuations	A-8	136,680	136,680
Tax Title Liens	A-9	9,619	28,054
Revenue Accounts Receivable	A-10	48,711	48,711
Prepaid School Taxes	A-11		211,913
Interfunds Receivable:			
Due from Animal Control Trust Fund	A-12	7,027	6,695
Due from Recreation Trust Fund	A-12	33,715	10
Due from Other Trust Fund	A-12	71,036	47,141
		<u>334,319</u>	<u>498,178</u>
Deferred Charges:			
Special Emergency - N.J.S.A. 40-A:4-55	A-13	317,800	447,200
Overexpenditure of Budget Appropriations	A-26		72,299
		<u>317,800</u>	<u>519,499</u>
		<u>1,912,165</u>	<u>3,310,776</u>

BOROUGH OF BOGOTA, N.J.

Comparative Balance Sheet-Regulatory Basis

Current Fund

December 31, 2014 and 2013

	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Current Fund:			
Appropriation Reserves	A-3, A-14	\$ 227,503	109,770
Encumbrances Payable	A-15	42,624	123,680
Prepaid Taxes	A-16	58,039	323,502
Tax Overpayments	A-17		2,641
Fees Payable	A-18	9,076	3,773
Special Emergency Note Payable	A-19	317,800	447,200
Tax Anticipation Note Payable	A-20		800,000
Due County for Added and Omitted Taxes	A-22		34
Appropriated Grant Reserves	A-24	29,286	68,670
Unappropriated Grant Reserves	A-25	25,518	31,655
Miscellaneous Reserves	A-27		523,985
Interfunds Payable:			
Due to General Capital Fund	A-12		87,274
		<u>709,846</u>	<u>2,522,184</u>
Reserve for Receivables and Other Assets	A	334,319	498,178
Fund Balance	A-1	<u>868,000</u>	<u>290,414</u>
		<u>\$ 1,912,165</u>	<u>3,310,776</u>

See accompanying notes to financial statements.

BOROUGH OF BOGOTA, N.J.

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

Current Fund

Years Ended December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Revenue and Other Income Realized:		
Fund Balance Utilized	\$ 158,304	
Miscellaneous Revenue Anticipated	2,225,058	1,843,171
Receipts from Delinquent Taxes	34,192	5,356
Receipts from Current Taxes	23,345,097	22,689,356
Non-Budget Revenues	349,653	158,383
Other Credits to Income:		
Grants Canceled	71,860	
Unexpended Balance of Appropriation Reserves	109,770	182,510
Statutory Excess - Animal Control Fund	331	3,637
Tax Overpayments Cancelled	2,641	
Miscellaneous Reserves Cancelled	26,424	
Prior Year Void Checks	47,296	
	<u>26,370,626</u>	<u>24,882,413</u>
Total revenue		
Expenditures:		
Budget and Emergency Appropriations:		
Operations:		
Salaries and Wages	2,902,800	2,991,955
Other Expenses	4,252,800	3,667,917
Capital Improvements	50,000	60,000
Municipal Debt Service	1,000,842	875,652
Deferred Charges and Statutory Expenditures	1,175,187	1,441,524
School Taxes Payable	14,487,107	13,897,504
County Taxes Including Added Taxes	1,644,425	1,617,128
Due to County for Added and Omitted Taxes		34
Establish Reserve for Prepaid School Taxes		211,913
Intefunds Advanced	15,458	36,088
Prior Year Senior Citizen Disallowed	2,226	4,500
Senior Citizens Cancelled	36,740	
Grants Cancelled	67,151	
Refunds		<u>4,059</u>
	<u>25,634,736</u>	<u>24,808,274</u>
Total expenditures		
Excess in Revenue	735,890	74,139
Adjustments to income before fund balance- expenditures which are by statute deferred charges to budget of succeeding year Special Emergency Authorization		<u>30,084</u>
Statutory excess to fund balance	735,890	104,223
Fund Balance - January 1,	290,414	186,191
Decreased by Utilization as Anticipated Revenue	<u>158,304</u>	
Fund Balance - December 31,	<u>\$ 868,000</u>	<u>\$ 290,414</u>

See accompanying notes to financial statements.

BOROUGH OF BOGOTA, N.J.

Statement of Revenues-Regulatory Basis

Current Fund

Year Ended December 31, 2014

	Budget	Realized	Excess (deficit)
Surplus Anticipated	\$ 158,304	158,304	
Miscellaneous Revenues:			
Licenses:			
Alcoholic beverages	8,500	12,448	3,948
Other	4,000	8,856	4,856
Fees and permits	14,000	81,684	67,684
Fines and Costs - Municipal Court	200,000	202,448	2,448
Interest and Costs on Taxes	28,000	35,025	7,025
Interest on Investments and Deposits	11,000	9,612	(1,388)
Energy Receipts Tax	578,317	578,317	
Consolidated Municipal Property Tax Relief	99,359	99,359	
Uniform Construction Code Fees	50,000	110,888	60,888
Sale of Cellular Tower	339,665	339,665	
State and Federal Revenues Offset with Appropriations			
FD CDBG-Senior Bus Driver	17,000	17,000	
FD CDBG-Project Success	9,000	9,000	
NJ Recycling Tonnage Grant	3,281	3,281	
NJ Alcohol Education and Rehabilitation Program	5,526	5,526	
NJ Body Armor Fund	6,179	6,179	
NJ State Forestry Services	3,000	3,000	
NJ Click it or Ticket	4,000	4,000	
Uniform Fire Safety Local	5,000	8,882	3,882
Uniform Fire Safety Act	28,000	19,794	(8,206)
Cable T.V. Franchise Fee	91,000	93,647	2,647
Swim Club Rent	7,500	8,400	900
Outside Police Duty Reimbursement	30,000	11,900	(18,100)
Due from Other Trust Fund-Interfund	47,141		(47,141)
Due from Recreation Trust Fund	10		(10)
Due from Animal Control Trust Fund	6,695		(6,695)
Capital Surplus	186,338	186,338	
Reserve for Insurance Proceeds	157,896	157,896	
Pre-paid School Tax	211,913	211,913	
Total Miscellaneous Revenues	<u>2,152,320</u>	<u>2,225,058</u>	<u>72,738</u>
Receipts from Delinquent Taxes		<u>34,192</u>	<u>34,192</u>
Amount to be Raised by Taxes for Support of Municipal Budget			
Local Tax for Municipal Purposes	6,982,098	7,124,658	142,560
Local Tax for Library Purposes	<u>238,907</u>	<u>238,907</u>	
	<u>7,221,005</u>	<u>7,363,565</u>	<u>142,560</u>
Budget total	\$ <u>9,531,629</u>	<u>9,781,119</u>	<u>249,490</u>
Non -Budget revenue		<u>349,653</u>	
		<u>\$ 10,130,772</u>	

BOROUGH OF BOGOTA, N.J.

Statement of Revenues-Regulatory Basis

Current Fund

Year Ended December 31, 2014

Analysis of Realized Revenue

Allocation of Current Tax Collections; Revenue from Collections	\$ 23,345,097
Allocated to School, County and Local Taxes	<u>16,131,532</u>
Balance for Support of Municipal Budget Appropriations	7,213,565
Add: Appropriation - Reserve for Uncollected Taxes	<u>150,000</u>
Amount for Support of Municipal Budget Appropriations	<u>\$ 7,363,565</u>
Receipts from:	
Delinquent Tax Collections	9,234
Tax Title Liens	<u>24,958</u>
	<u>\$ 34,192</u>

Analysis of Non-Budget Revenues

CCO	\$ 864
Close Escrow Trust Accounts	17,335
Close Unemployment Trust Account	14,362
Fee Reversals	1,817
Insurance Reimbursements	4,905
Miscellaneous	159,888
NJ Administration Fees	1,280
NJ Inspection Fees	2,969
Old Reserve for Debt Service	106,477
Payroll Returns	22,267
Recycling Proceeds	6,373
Sewer Charges	<u>11,116</u>
	<u>\$ 349,653</u>

See accompanying notes to financial statements.

BOROUGH OF BOGOTA, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2014

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Operations - within "CAPS":					
General Government:					
Administration:					
Salaries and Wages	\$ 110,000	110,000	110,000		
Other Expenses	55,000	55,000	53,055	1,945	
Mayor and Council					
Salaries and Wages	8,500	8,500	8,500		
Other Expenses	3,500	3,500	2,829	671	
Municipal Clerk					
Salaries and Wages	85,000	85,000	85,000		
Salaries and Wages-Overtime	5,000	5,000	5,000		
Other Expenses	8,000	8,000	716	7,284	
Other Expenses-Codification of Ordinances	3,000	3,000		3,000	
Financial Administration:					
Salaries and Wages	52,000	52,000	52,000		
Other Expenses	25,000	25,000	25,000		
Audit Services:					
Other Expenses	30,000	30,000	30,000		
Computerized Data Processing:					
Other Expenses					
Revenue Administration (Tax Administration):					
Salaries and Wages	45,000	45,000	45,000		
Other Expenses	20,000	20,000	19,416	584	
Assessment of Taxes:					
Salaries and Wages	15,000	15,000	15,000		
Other Expenses	5,000	5,000	2,956	2,044	
Legal Services and Costs:					
Other Expenses	100,000	100,000	100,000		
Other Expenses-297 Palisades Litigation	125,000	125,000	105,508	21,492	
Other Expenses-Other Litigation	50,000	50,000	50,000		

BOROUGH OF BOGOTA, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2014

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Engineering Services and Costs:					
Other Expenses	15,000	15,000	11,500	3,500	
Municipal Land Use Law (N.J.S.A. 40:55D-1 et seq.)					
Planning Board:					
Other Expenses	4,500	4,500	1,830	2,670	
Code Enforcement & Administration					
Property Maintenance:					
Salaries and Wages	20,000	20,000	20,000		
Insurance					
Liability Insurance	333,000	333,000	333,000		
Employee Group Insurance	550,000	550,000	550,000		
Group Insurance-Dental	60,000	60,000	60,000		
Group Insurance-Life	7,500	7,500	7,500		
Unemployment	25,000	25,000	2,369	22,631	
Public Safety:					
Police Department:					
Salaries and Wages	1,600,000	1,600,000	1,597,940	2,060	
Salaries and Wages-Overtime	100,000	100,000	100,000		
Salaries and Wages-Accumulated Absences	10,000	10,000	10,000		
Other Expenses	60,000	60,000	20,856	39,144	
Other Expenses-Vehicle Repairs	20,000	20,000		20,000	
Other Expenses-Reserves	1,000	1,000		1,000	
Other Expenses-Uniforms	2,000	2,000		2,000	
Other Expenses-Police Cars	25,000	25,000		25,000	
Police Clerical:					
Salaries and Wages	36,500	36,500	36,500		
Crossing Guards:					
Salaries and Wages	50,000	50,000	50,000		
Police Dispatch/911:					
Salaries and Wages	15,000	15,000	15,000		
Salaries and Wages-Overtime	15,000	15,000	15,000		

BOROUGH OF BOGOTA, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2014

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Emergency Management					
Other Expenses	7,500	7,500	7,500		
Aid to Volunteer Fire Companies:					
Salaries and Wages	500	500	500		
Other Expenses	45,000	45,000	45,000		
Other Expenses-Clothing Allowance	15,000	15,000	15,000		
Other Expenses-Vehicle Repairs & Maintenance	15,000	15,000	15,000		
Other Expenses-Contribution	10,000	10,000	10,000		
Rescue Squad:					
Salaries and Wages	100	100		100	
Other Expenses	6,500	6,500	6,500		
Other Expenses-Clothing Allowance	7,500	7,500	7,500		
Other Expenses-Vehicle Repairs & Maintenance	5,000	5,000	5,000		
Other Expenses-Contribution	2,500	2,500	2,500		
Other Expenses-O.S.H.A.	3,000	3,000	3,000		
First Aid Organization					
Salaries and Wages	200	200		200	
Other Expenses	25,000	25,000	25,000		
Other Expenses-Clothing Allowance	14,000	14,000	14,000		
Other Expenses-Vehicle Repairs & Maintenance	10,000	10,000	10,000		
Other Expenses-Contribution	2,500	2,500	2,500		
Other Expenses-O.S.H.A.	3,000	3,000	3,000		
Uniform Fire Safety					
Salaries and Wages	35,000	35,000	31,921	3,079	
Other Expenses	5,000	5,000	5,000		
Municipal Prosecutor's Office:					
Salaries and Wages	7,000	7,000	7,000		

BOROUGH OF BOGOTA, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2014

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Public Works Function:					
Streets and Roads:					
Streets and Road Maintenance:					
Salaries and Wages	360,000	360,000	358,674	1,326	
Salaries and Wages-Overtime	35,000	35,000	30,132	4,868	
Other Expenses	65,000	65,000	65,000		
Snow Removal					
Other Expenses	75,000	75,000	75,000		
Shade Tree					
Other Expenses	25,000	25,000	25,000		
Solid Waste Collection:					
Other Expenses	205,000	205,000	205,000		
Public Building and Grounds:					
Other Expenses	60,000	60,000	60,000		
Vehicle Maintenance:					
Other Expenses	25,000	25,000	25,000		
Health and Welfare:					
Board of Health:					
Salaries and Wages	5,000	5,000	5,000		
Other Expenses	40,000	40,000	40,000		
Other Expenses-Hepatitis B Program	2,000	2,000	2,000		
Animal Control Services					
Other Expenses-Contract	12,500	12,500	12,500		
Recreational Services and Programs:					
Recreation Commission:					
Salaries and Wages	40,000	40,000	38,859	1,141	
Other Expenses	2,500	2,500	2,500		
Senior Citizens Committee:					
Salaries and Wages	10,000	10,000	9,637	363	
Other Expenses	2,000	2,000	2,000		

BOROUGH OF BOGOTA, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2014

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Other Common Operating Functions:					
Celebration of Public Events:					
Other Expenses	11,500	11,500	11,500		
Public Defender:					
Salaries and Wages	5,000	5,000	5,000		
Uniform Construction Code:					
Code Enforcement and Administration:					
Salaries and Wages	60,000	60,000	60,000		
Other Expenses	5,000	5,000	1,084	3,916	
Utility Expenses and Bulk Purchases					
Electricity	175,000	175,000	175,000		
Street Lighting	80,000	80,000	80,000		
Telephone	50,000	50,000	50,000		
Water	6,000	6,000	6,000		
Fire Hydrant Service	75,000	75,000	75,000		
Gasoline	125,000	125,000	125,000		
Solid Waste Disposal Costs					
Dump Fees	275,000	275,000	273,069	1,931	
Total Operations within "CAPS"	5,745,300	5,745,300	5,573,351	171,949	
B. Contingent					
Total Operations Including Contingent-within "CAPS"	5,745,300	5,745,300	5,573,351	171,949	
Detail:					
Salaries & Wages	2,724,800	2,724,800	2,711,663	13,137	
Other Expenses (Including Contingent)	3,020,500	3,020,500	2,861,688	158,812	
Total:	5,745,300	5,745,300	5,573,351	171,949	

BOROUGH OF BOGOTA, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2014

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
(E) Deferred Charges and Statutory Expenditures- Municipal within "CAPS":					
Deferred Charges:					
Over Expenditure of Appropriation	72,299	72,299	72,299		
Prior Years Bills:					
South Bergen JIF	86,005	86,005	86,005		
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System	109,010	109,010	109,010		
Social Security System (O.A.S.I.)	150,000	150,000	144,961	5,039	
Police and Fireman's Retirement System of NJ	405,037	405,037	405,037		
	<u>822,351</u>	<u>822,351</u>	<u>817,312</u>	<u>5,039</u>	
Total Deferred Charged and Statutory Expenditures-Municipal within "CAPS"					
	<u>6,567,651</u>	<u>6,567,651</u>	<u>6,390,663</u>	<u>176,988</u>	
Total General Appropriations for Municipal Purposes within "CAPS"					

BOROUGH OF BOGOTA, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2014

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Other Appropriations - Excluded from "CAPS":					
Sewer Processing and Disposal [N.J.S.A. 40A:4-45.3(f)]:					
Other Expenses	669,907	669,907	669,907		
Maintenance of Free Public Library:					
Other Expenses	238,907	238,907	238,907		
Police Dispatch/911:					
Salaries and Wages	160,000	160,000	160,000		
Other Expenses	2,500	2,500	2,500		
LOSAP Contribution:					
Other Expenses	50,000	50,000		50,000	
Total Other Appropriations - Excluded from "CAPS"	1,121,314	1,121,314	1,071,314	50,000	
Interlocal Municipal Service Agreements-Excluded from "CAPS":					
Municipal Court-Borough of Little Ferry:					
Salaries and Wages	18,000	18,000	17,485	515	
Other Expenses	48,000	48,000	48,000		
Total Interlocal Municipal Service Agreements	66,000	66,000	65,485	515	
Additional Appropriations Offset by Revenues [N.J.S. 40A:4-4.3h]- Excluded from "CAPS":					
Appropriation "CAP" Waiver-2014					
Litigation Legal Fees and Costs:					
297 Palisade	25,000	25,000	25,000		
Tasca (Deductible)	75,000	75,000	75,000		
Trotta (Deductible)	75,000	75,000	75,000		
Total Additional Appropriations Offset by Revenues	175,000	175,000	175,000		

BOROUGH OF BOGOTA, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2014

	Budget	Budget after Modification and Transfer	Paid or Charged	Reserved	Unexpended Balance Canceled
Public and Private Programs Offset by Revenues:					
FD CDBG-Senior Bus Driver	17,000	17,000	17,000		
FD CDBG-Project Success	9,000	9,000	9,000		
NJ Clean Communities Program	3,281	3,281	3,281		
NJ Recycling Tonnage Grant	5,526	5,526	5,526		
NJ Alcohol Education and Rehabilitation Program	6,179	6,179	6,179		
NJ Body Armor Fund	3,000	3,000	3,000		
NJ State Forestry Services	4,000	4,000	4,000		
NJ Click it or Ticket					
Total Public and Private Programs Offset by Revenues	47,986	47,986	47,986		
Total Operations-Excluded from "CAPS"	1,410,300	1,410,300	1,359,785	50,515	
Detail:					
Salaries and Wages	178,000	178,000	177,485	515	
Other Expenses	1,232,300	1,232,300	1,182,300	50,000	
Total:	1,410,300	1,410,300	1,359,785	50,515	
Capital Improvements-Excluded from "CAPS" Capital Improvement Fund	50,000	50,000	50,000		
Total Capital Improvements Excluded from "CAPS"	50,000	50,000	50,000		

BOROUGH OF BOGOTA, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2014

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Municipal Debt Service - Excluded from "CAPS"					
Bond-Principal	635,000	635,000	635,000		
Bond-Interest	159,705	159,705	159,705		
BCIA Loan-Principal	74,000	74,000	74,000		
BCIA Loan-Interest	5,323	5,323	5,323		
BAN-Principal	110,000	110,000	110,000		
BAN-Interest	5,635	5,635	5,635		
Special Emergency Note-Interest	4,447	4,447	4,447		
Tax Anticipation Note-Interest	6,732	6,732	6,732		
Total Municipal Debt Service-Excluded from "CAPS"	1,000,842	1,000,842	1,000,842		
Deferred Charges-Municipal- Excluded from "CAPS"					
Emergency Authorization					
Special Emergency Authorizations-					
5 Years (N.J.S.A. 40A:4-55)	129,400	129,400	129,400		
Special Emergency Authorizations-					
3 Years (N.J.S.A. 40A:4-55)					
Overexpenditures (2013 General Capital Fund)	37,098	37,098	37,098		
Deferred Charges to Future Taxation-Unfunded (#924)	2,314	2,314	2,314		
Deferred Charges to Future Taxation-Unfunded (#991/1019)	5,073	5,073	5,073		
Deferred Charges to Future Taxation-Unfunded (#1089/1140)	5	5	5		
Deferred Charges to Future Taxation-Unfunded (#1090)	531	531	531		
Deferred Charges to Future Taxation-Unfunded (#1183)	977	977	977		
Deferred Charges to Future Taxation-Unfunded (#1204)	814	814	814		
Deferred Charges to Future Taxation-Unfunded (#1261)	1,500	1,500	1,500		
Deferred Charges to Future Taxation-Unfunded (#1325/1336)	215	215	215		
Deferred Charges to Future Taxation-Unfunded (#1398)	8,224	8,224	8,224		
Shortfall in Grants Receivable (General Capital Fund)	166,685	166,685	166,685		
Total Deferred Charges-Municipal- Excluded from "CAPS"	352,836	352,836	352,836		

BOROUGH OF BOGOTA, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2014

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	2,813,978	2,813,978	2,763,463	50,515	
Subtotal General Appropriations	9,381,629	9,381,629	9,154,126	227,503	
Reserve for Uncollected Taxes	150,000	150,000	150,000		
Total General Appropriations	<u>\$ 9,531,629</u>	<u>9,531,629</u>	<u>9,304,126</u>	<u>227,503</u>	
			Reserve for Uncollected Taxes \$ 150,000		
			Grants 47,986		
			Special Emergency Authorizations 201,699		
			Encumbrances 42,624		
			Cash 8,861,817		
			<u>\$ 9,304,126</u>		

See accompanying notes to the financial statements.

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BOROUGH OF BOGOTA, N.J.

Comparative Balance Sheet-Regulatory Basis

Trust Funds

December 31, 2014 and 2013

	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
<u>Assets</u>			
Animal Trust Fund:			
Cash	B-1	\$ 14,537	11,124
Interfund - Other Trust Fund	B-1		26
		<u>14,537</u>	<u>11,150</u>
Other Trust Fund			
Cash	B-1	<u>923,597</u>	<u>692,711</u>
Recreation Trust Fund			
Cash	B-1	<u>49,663</u>	<u>31,114</u>
Library Trust Fund			
Cash	B-1	<u>31,684</u>	<u>28,612</u>
		<u>\$ 1,019,481</u>	<u>763,587</u>

BOROUGH OF BOGOTA, N.J.

Comparative Balance Sheet-Regulatory Basis

Trust Funds

December 31, 2014 and 2013

	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
<u>Liabilities, Reserves & Fund Balance</u>			
Animal Trust Fund:			
Reserve for Animal Trust Fund Expenditures	B-2	7,124	4,231
Due to State of New Jersey	B-3	386	224
Interfund - Current Fund	B-4	<u>7,027</u>	<u>6,695</u>
		<u>14,537</u>	<u>11,150</u>
Other Trust Fund:			
Due to Animal Control Trust Fund	B-4		26
Reserve for Unemployment Compensation	B-5		14,363
Payroll Deductions Payable	B-6	62,952	96,339
Due to State of New Jersey - Unemployment Compensation	B-7		680
Interfund - Current Fund	B-4	71,036	47,141
Miscellaneous Reserves	B-8	787,365	531,918
Reserve for Terminal Pay	B-9	<u>2,244</u>	<u>2,244</u>
		<u>923,597</u>	<u>692,711</u>
Recreation Trust Fund			
Interfund - Current Fund	B-4	33,715	10
Reserve for Expenditures	B-10	<u>15,948</u>	<u>31,104</u>
		<u>49,663</u>	<u>31,114</u>
Library Trust Fund			
Reserve for Expenditures	B-11	<u>31,684</u>	<u>28,612</u>
		<u>\$ 1,019,481</u>	<u>763,587</u>

See accompanying notes to financial statements.

BOROUGH OF BOGOTA, N.J.

Comparative Balance Sheet-Regulatory Basis

General Capital Fund

December 31, 2014 and 2013

<u>Assets</u>	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
Cash	C-2,3	\$ 319,308	305,124
Interfund Receivable	C-4		87,274
Grants Receivable	C-5		473,549
Deferred Charges to Future Taxation:			
Funded	C-6	5,319,000	6,028,000
Unfunded	C-7	830,000	630,505
Deferred Charges - Overexpenditure of Ordinances	C-8		37,098
		<u>\$ 6,468,308</u>	<u>7,561,550</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Serial Bonds Payable	C-9	4,977,000	5,612,000
Capital Leases Payable	C-10	342,000	416,000
Bond Anticipation Notes Payable	C-11	830,000	575,000
Improvement Authorizations:			
Funded	C-12	19,567	441,530
Unfunded	C-12	110,536	36,067
Capital Improvement Fund	C-13	92,005	62,005
Reserve for Payment of Debt	C-14	88,960	106,477
Reserve for Grants Receivable	C-15		280,089
Fund Balance	C-1	8,240	32,382
		<u>\$ 6,468,308</u>	<u>7,561,550</u>

There were \$0 and \$55,505 of Bonds and Notes Authorized But Not Issued on December 31, 2014 and December 31, 2013 (Exhibit C-16).

See accompanying notes to the financial statements.

BOROUGH OF BOGOTA, N.J.

Statement of Changes in Fund Balance - Regulatory Basis

General Capital Fund

Year Ended December 31, 2014

Balance - December 31, 2013		\$	32,382
Increased by:			
Improvement Authorizations Cancelled	\$	163,918	
Cancellation of Old Outstanding Checks		<u>28,383</u>	
			<u>192,301</u>
Decreased by:			
Appropriated to Finance Imp. Authorizations		30,000	
Adjustment		105	
2014 Budgeted Revenue		<u>186,338</u>	
			<u>216,443</u>
Balance - December 31, 2014		\$	<u><u>8,240</u></u>

See accompanying notes to the financial statements.

BOROUGH OF BOGOTA, N.J.

Comparative Statement of General Fixed Assets-Regulatory Basis

December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
<u>General Fixed Assets:</u>		
Land	\$ 6,801,300	6,801,300
Buildings	3,191,567	3,191,567
Machinery and Equipment	<u>6,499,902</u>	<u>6,499,902</u>
	<u>\$ 16,492,769</u>	<u>16,492,769</u>
Investment in Fixed Assets	<u>\$ 16,492,769</u>	<u>16,492,769</u>

See accompanying notes to financial statements.

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BOROUGH OF BOGOTA
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

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

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

However, the municipalities in the State of New Jersey do not prepare financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements. The financial statements contained herein include only those boards, bodies, officers or commissions as required by NJS 40A:5-5. Accordingly, the financial statements of the Borough do not include the Public Library, which is considered a component unit under GAAP. Complete financial statements of the above components can be obtained by contacting the Treasurer of the respective entity.

BOROUGH OF BOGOTA
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

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

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

The Borough has the following funds and account 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 License Fund – This fund is used to account for fees collected from animal 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 for acquisition or improvement of general capital facilities, other than those acquired in the Current Fund.

BOROUGH OF BOGOTA
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

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

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

Basis of Accounting

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

Property Tax Revenues - Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County, and School purposes. The bills are mailed annually in June for that calendar year's levy. Taxes are payable in four quarterly installments on February 1, May 1, August 1, and November 1. The amounts of the first and second installments are determined as one quarter of the total tax levied against the property for the preceding year. The installment due the third and fourth quarters is determined by taking the current year levy less the amount previously charged for the first and second installments, with the remainder being divided equally. If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of \$1,500. The school levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of June 30, of each fiscal year. County taxes are paid quarterly on February 15, May 15, August 15 and November 15, to the County by the Borough. When unpaid taxes or any municipal lien, or part thereof, on real property, remains in arrears on the 11th day of the 11th month in the calendar year levied when the same became in arrears, the collector in the municipality shall subject to the provisions of the New Jersey Statutes enforce the lien by placing the property on a tax sale. Annual in rem tax foreclosure proceedings are instituted to enforce the tax collection or acquisition of title to the property by the Borough. In accordance with the accounting principles prescribed by the State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the taxes receivable and tax title liens that are uncollectible. GAAP requires property tax revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

BOROUGH OF BOGOTA
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

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

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

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

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 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 Fund

The governing body shall introduce and approve the annual budget not later than February 10, of the fiscal year. The budget shall be adopted not later than March 20, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted.

Emergency appropriations, those made after the adoption of the budget and determination of the tax rate, may be authorized by the governing body of the municipality. During the last two months of the fiscal year, the governing body may, by a 2/3 vote, amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the Governing Body. Expenditures may not legally exceed budgeted appropriations at the line item level.

BOROUGH OF BOGOTA
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

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

During the years ended December 31, 2014 and 2013, the Borough Council approved additional revenues and appropriations of \$-0- and \$26,000, respectfully, in accordance with N.J.S.A. 40A:4-87. In addition, several budget transfers were approved by the governing body in 2014 and 2013.

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

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

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

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

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

BOROUGH OF BOGOTA
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

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

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

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

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

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

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

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 and drainage systems are not capitalized.

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

No depreciation has been provided for in the financial statements.

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

BOROUGH OF BOGOTA
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

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

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

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

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

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

C. Recent Accounting Pronouncements Not Yet Effective

In June 2012, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 68, Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27. This statement, which is effective for fiscal periods beginning after June 15, 2014, will not have any effect on the entity's financial reporting. However, the provisions of this statement will require significant modifications to the disclosure requirements related to the entity's proportionate share of the cost-sharing defined benefit plans reported at the State of New Jersey level.

In January 2013, the Government Accounting Standards Board issued GASB Statement No. 69, Government Combinations and Disposals of Government Operations. This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this Statement, the term "government combinations" includes a variety of transactions referred to as mergers, acquisitions, and transfers of operations. This Statement, which is effective for financial statements beginning after December 15, 2013, will not have any effect on the entity's financial reporting.

BOROUGH OF BOGOTA
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

C. Recent Accounting Pronouncements Not Yet Effective, (continued)

In April of 2013, the Government Accounting Standards Board issued GASB Statement No. 70, Accounting and Financial Reporting for Nonexchange Financial Guarantees. The objective of this Statement is to improve accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees. This Statement is effective for reporting periods beginning after June 15, 2013 and will not have any impact on the entity's financial disclosures.

In November 2013, the Government Accounting Standards Board issued GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68. The provisions of this statement are required to be applied simultaneously with the provisions of Statement 68 which is effective for periods beginning after June 15, 2014. The provisions of this Statement will require significant modifications to the disclosure requirements related to the entity's proportionate share of the cost-sharing defined benefit plans reported at the State of New Jersey Level.

D. Basic Financial Statements

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

NOTE 2. CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Borough's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. As of December 31, 2014 and 2013, \$-0- of the Borough's bank balance of \$3,982,605 and \$3,547,437, respectively, was exposed to custodial credit risk.

BOROUGH OF BOGOTA
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)

NOTE 2. CASH, CASH EQUIVALENTS AND INVESTMENTS, (continued)

Investments

Investment Rate Risk

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

Credit Risk

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

Concentration of Credit Risk

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

NOTE 3. MUNICIPAL DEBT

Long-term debt as of December 31, 2014 consisted of the following:

	<u>Balance</u> <u>Dec. 31, 2013</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending</u> <u>Balance</u>	<u>Amounts Due</u> <u>Within</u> <u>One Year</u>
Bonds Payable:					
General Capital	\$5,612,000	\$	\$635,000	\$4,977,000	\$655,000
Other Liabilities:					
PERS/PFRS Pension Deferral	172,043		9,414	162,629	
Compensated Absences Payable	496,776	15,176	48,706	463,246	
Capital Leases Payable	<u>416,000</u>	<u> </u>	<u>74,000</u>	<u>342,000</u>	<u>77,000</u>
	<u>\$6,696,819</u>	<u>\$15,176</u>	<u>\$767,120</u>	<u>\$5,944,875</u>	<u>\$732,000</u>

BOROUGH OF BOGOTA
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)

NOTE 3. MUNICIPAL DEBT, (continued)

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

The Borough's debt is summarized as follows:

Summary of Municipal Debt (Excluding Current Operating Debt)

	<u>Year 2014</u>	<u>Year 2013</u>	<u>Year 2012</u>
<u>Issued:</u>			
General - Bonds, Notes and Loans	\$6,149,000	\$6,603,000	\$6,711,000
 <u>Authorized But Not Issued</u>			
General - Bonds and Notes	_____	_____55,505	_____666,008
 Total Bonds, Notes and Loans Issued and Authorized But Not Issued	6,149,000	6,658,505	7,377,008
 Less: Deductions	_____553,960	_____106,477	_____14,890
Net Debt	<u>\$5,595,040</u>	<u>\$6,552,028</u>	<u>\$7,362,118</u>

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 0.72% for 2014.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$5,130,000	\$5,130,000	\$ -
General Debt	_____5,807,000	_____553,960	_____5,253,040
	<u>\$10,937,000</u>	<u>\$5,683,960</u>	<u>\$5,253,040</u>

Net debt of \$5,253,040 divided by equalized valuation basis per N.J.S.A. 40A:2-2 as amended of \$728,463,252 equals 0.72%.

BOROUGH OF BOGOTA
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)

NOTE 3. MUNICIPAL DEBT, (continued)

Borrowing Power Available under N.J.S.A. 40A:2-6 as Amended

	<u>2014</u>	<u>2013</u>
3 ½% of Equalized Valuation Basis (Municipal)	\$25,496,214	\$26,673,709
Net Debt	<u>5,253,040</u>	<u>5,977,028</u>
Remaining Borrowing Power	<u>\$20,243,174</u>	<u>\$20,696,681</u>

The Borough's long-term debt consisted of the following at December 31, 2014:

Paid by Current Fund:

	<u>2014</u>	<u>2013</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%	\$600,000	\$795,000
\$2,667,000, 2007 Bonds, due in annual installments of \$275,000 to \$522,000 through July 1, 2018, interest at 4.125% to 4.25%	1,407,000	1,682,000
\$3,265,000, 2012 Bonds, due in annual installments of \$165,000 to \$320,000 through December 1, 2025, interest at .70% to 3.00%	<u>2,970,000</u>	<u>3,135,000</u>
	<u>\$4,977,00</u>	<u>\$5,612,000</u>

Aggregate debt service requirements during the next five years and thereafter are as follows:

Year	<u>General Capital</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	320,000	51,200	371,200
2020-2024	1,600,000	158,400	1,758,400
2025-2029	<u>320,000</u>	<u>9,600</u>	<u>329,600</u>
	<u>\$4,977,000</u>	<u>\$655,647</u>	<u>\$5,632,647</u>

BOROUGH OF BOGOTA
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)

NOTE 3. MUNICIPAL DEBT, (continued)

General capital and assessment serial bonds are direct obligations of the Borough for which its full faith and credit are pledged, and are payable from taxes levied on all taxable property located within the Borough and/or water utilities revenues and special assessments.

At December 31, 2014, the Borough had authorized but not issued debt as follows:

General Capital Fund	<u>\$-0-</u>
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NOTE 4. BOND ANTICIPATION NOTES

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

On December 31, 2014 and 2013, the Borough had \$830,000 and \$575,000, respectfully, in outstanding General Capital bond anticipation notes.

The following activity related to bond anticipation notes occurred during the periods ended December 31, 2014 and 2013:

	<u>Balance</u> <u>Dec. 31, 2013</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>Dec. 31, 2014</u>
General Capital Notes Payable:				
PNC Bank	\$575,000	\$	\$575,000	\$
PNC Bank		465,000		465,000
PNC Bank	_____	<u>365,000</u>	_____	<u>365,000</u>
	<u>\$575,000</u>	<u>\$830,000</u>	<u>\$575,000</u>	<u>\$830,000</u>
	<u>Balance</u> <u>Dec. 31, 2013</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>Dec. 31, 2014</u>
General Capital Notes Payable:				
PNC Bank	<u>\$</u>	<u>\$575,000</u>	<u>\$</u>	<u>\$575,000</u>

BOROUGH OF BOGOTA
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)

NOTE 5. PENSION PLANS

Description of Systems:

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

Public Employees' Retirement System (PERS)

The Public Employees' Retirement System was established in January, 1955 under the provisions of N.J.S.A. 43:15A to provide coverage including post-retirement health care to certain qualified members. Membership is mandatory for substantially all full time employees of the State or any county, municipality, school district or public agency provided the employee is not required to be a member of another State-administered retirement system. Vesting occurs after 8-10 years of service and 25 years for health care coverage. Members are eligible for retirement at age 60 with an annual benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service. Early retirement is available to those under age 60 with 25 or more years of credited service. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on contributions. In case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

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

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

BOROUGH OF BOGOTA
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)

NOTE 5. PENSION PLANS, (continued)

Description of Systems, (continued)

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

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

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

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

Police and Firemens' Retirement System (PFRS)

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

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

BOROUGH OF BOGOTA
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)

NOTE 5. PENSION PLANS, (continued)

Description of Systems, (continued)

Police and Firemens' Retirement System (PFRS), (continued)

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

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information for PERS and PFRS. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Divisions of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295.

Significant Legislation

On March 17, 2009, the legislative of the State of New Jersey enacted Public Laws 2009, c.19(S-21) the "Pension Deferral Program". This law allows the Division of Pensions and Benefits to provide non-state government pension system employers the option of paying their full amount, or an amount that reflects a 50 percent reduction of the normal and accrued liability component of the Public Employees' Retirement System and/or the Police and Firemen's Retirement System obligation for payment due to the State Fiscal Year ending June 30, 2009. The amount deferred will be repaid starting in April 2012 over a 15-year period at 8¼ percent. The amount will fluctuate based on pension system investment earnings on the deferred amount. The local employer is allowed to payoff the obligation at any time prior to April 2012.

The Borough of Bogota opted for this deferral.

Contribution Requirements

The contribution policy is set by laws of the State of New Jersey and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The pension funds provide for employee contributions based on 5.5% for PERS. This amount will increase to 6.5% plus an additional 1% phased in over 7 years beginning 2012 and 8.5% for PFRS, which increased to 10% in October 2011, of the employee's annual compensation, as

BOROUGH OF BOGOTA
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)

NOTE 5. PENSION PLANS, (continued)

Contribution Requirements, (continued)

defined by law. Employers are required to contribute at an actuarially determined rate in all Funds except the SACT. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PERS and PFRS. In the PERS and PFRS, the employer contribution includes funding for post-retirement medical premiums.

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

<u>Year</u>	<u>PERS</u>	<u>PFRS</u>
December 31, 2014	\$109,010	\$405,037
December 31, 2013	126,562	429,485
December 31, 2012	130,118	422,454

Defined Contribution Retirement Program

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

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

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

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

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

**BOROUGH OF BOGOTA
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)**

NOTE 5. PENSION PLANS, (continued)

Defined Contribution Retirement Program, (continued)

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

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

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

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

NOTE 6. FUND BALANCE APPROPRIATED

The fund balance at December 31, 2014 and 2013 which has been appropriated as revenue in the 2015 and 2014 budgets is as follows:

	<u>2015</u>	<u>2014</u>
Current Fund	\$150,000	\$158,304

NOTE 7. FIXED ASSETS

The following is a summary of General Fixed Assets Account Group as of December 31, 2014:

	<u>Restated Balance Dec. 31, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance Dec. 31, 2014</u>
General Fixed Assets:				
Land	\$6,801,300	\$	\$	\$6,801,300
Buildings and Improvements	3,191,567			3,191,567
Machinery and Equipment	<u>6,499,902</u>			<u>6,499,902</u>
	<u>\$16,492,769</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$16,492,769</u>

BOROUGH OF BOGOTA
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)

NOTE 8. ACCRUED SICK AND VACATION BENEFITS

The Borough has permitted employees to accrue unused vacation and sick pay, which may be taken as time off or paid at a later date at an agreed-upon rate. It is estimated that the current cost of such unpaid compensation would approximate \$463,236 as of December 31, 2014 and \$496,766 at December 31, 2013. The amount is not reported either as an expenditure or liability.

NOTE 9. INTERFUND BALANCES AND ACTIVITY

Balances due to/from other funds at December 31, 2014 consist of the following:

\$71,036	Due to the Current Fund from the Other Trust Fund for deposits in error and interest earned on investments.
7,027	Due to the Current Fund from the Animal License Trust Fund for statutory excess.
<u>33,715</u>	Due to the Current Fund from the Recreation Trust Fund for reimbursement of expenditures paid.
<u>\$111,778</u>	

It is anticipated that all interfunds will be liquidated during the fiscal year.

NOTE 10. CAPITAL LEASE PAYABLE

On May 17, 2012, the Borough entered into a \$707,000 capital lease through the Bergen County Improvement Authority for the retirement of its outstanding unfunded pension liability. Annual debt service requirements for this capital lease are as follows:

General Capital Leases			
Year	Principal	Interest	Total
2015	\$77,000	\$4,771	\$81,771
2016	83,000	3,935	86,935
2017	88,000	2,702	90,702
2018	<u>94,000</u>	<u>991</u>	<u>94,991</u>
	<u>\$342,000</u>	<u>\$12,399</u>	<u>\$354,399</u>

BOROUGH OF BOGOTA
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)

NOTE 11. RISK MANAGEMENT

The Borough is exposed to various risks of loss related to general liability, automobile coverage, damage and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Borough has obtained insurance coverage to guard against these events which will provide minimum exposure to the Borough should they occur. During the 2014 calendar year, the Borough did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

The Borough of Bogota is a member of the South Bergen Municipal Joint Insurance Fund (SBM) 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 SBM 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 insurance funds, to report claims on a timely basis, cooperate with the management of the Fund, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by the insurance funds. Members have a contractual obligation to fund any deficit of the insurance funds attributable to a membership year during which they were 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.

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

NOTE 12. TAXES COLLECTED IN ADVANCE

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

	Balance <u>Dec. 31, 2014</u>	Balance <u>Dec. 31, 2013</u>
Prepaid Taxes	<u>\$58,039</u>	<u>\$323,502</u>
Cash Liability for Taxes Collected in Advance	<u>\$58,039</u>	<u>\$323,502</u>

BOROUGH OF BOGOTA
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)

NOTE 13. CONTINGENT LIABILITIES

The Borough is a defendant in various legal proceedings. These cases, if decided against the Borough, would be raised by future taxation. The Borough's legal counsel estimate such amounts to be immaterial, except for the following:

1. The nature of the litigation: Bogota v. Tasca
 - a. The proceedings. The proceedings are before the New Jersey State Superior Court under Docket No.: BER-L-9178-12, initially filed by the Borough for reimbursement of approximately \$165,000.00 of salary paid to Officer Tasca while she was suspended with pay.
 - b. The claims asserted: Tasca has filed a counterclaim related to her termination based upon her being found unfit for duty and for violating the rules and regulations of the Bogota Police Department. Her counterclaim is based upon the New Jersey Law Against Discrimination, invasion of privacy; intentional infliction of emotional distress; and other claims.
 - c. Amount of monetary or other damages sought: Pursuant to a recent Summary Judgment Motion, Officer Tasca has been ordered reinstated to her position on the Bogota Police Department together with all past due salary and benefits. The Borough has paid Officer Tasca \$300,091.43 in back pay and benefits. The back pay award does not include attorney fees that Officer Tasca's attorneys will likely be seeking from the Borough.
 - d. Potential damages covered by insurance and to what extent. The Borough's exposure is its \$75,000.00 deductible and \$50,000.00 (20% of the next \$250,000.00) for a total exposure of \$125,000.00. In addition, the Borough would be liable for any punitive damages that were awarded. The Borough's insurance carrier has exposure, but they have sought to invoke an exclusion that would limit the carrier's exposure and increase the Borough's.
 - e. Objectives sought by the Plaintiff. Other than monetary or other damages, Plaintiff has already won reinstatement onto the Bogota Police Force. Her placement is pending review by a "Fitness for Duty" evaluation and Firearms Certification, among other requirements.
 - f. Progress of case to date: The Borough's portion of the case concerning a special de novo hearing to terminate Officer Tasca has been completed.

BOROUGH OF BOGOTA
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)

NOTE 13. CONTINGENT LIABILITIES, (continued)

- g. How Management at the Borough of Bogota is responding or attempts to respond to litigation: The Borough has responded vigorously to the litigation and is also complying with the court order to reinstate Officer Tasca.
- h. An Evaluation of the likelihood of unfavorable outcome and an estimate of a range of potential loss: The Borough cannot predict the likelihood of an unfavorable outcome regarding how allegations are being handled by the insurance carrier.

NOTE 14. 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, 2014.

NOTE 15. SUBSEQUENT EVENTS

The Borough has evaluated subsequent events through August 12, 2015, the date which the financial statements were available to be issued and no other items were noted for disclosure.

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SUPPLEMENTARY DATA

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BOROUGH OF BOGOTA

Supplementary data

Comparative Schedule of Tax Rate Information

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Tax rate	<u>3.630</u>	<u>3.531</u>	<u>2.691</u>
Apportionment of tax rate:			
Municipal	1.122	1.119	0.808
County	0.253	0.249	0.212
County Open Space	0.003	0.003	0.003
Local School	<u>2.252</u>	<u>2.160</u>	<u>1.668</u>

Assessed Value

2014	\$ 643,434,700
2013	643,472,300
2012	827,518,037

Comparison of Tax Levies and Collections 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>Currently</u>	
		<u>Collections</u>	<u>Percentage of Collection</u>
2014	\$ 23,376,478	23,345,097	99.87%
2013	22,721,479	22,689,356	99.86%
2012	22,277,780	22,119,163	99.29%

Delinquent Taxes and Tax Title Liens

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

<u>Dec. 31</u>	<u>Amount of delinquent taxes</u>	<u>Tax title liens</u>	<u>Total delinquent</u>	<u>Percentage of tax levy</u>
2014	\$ 27,531	9,619	37,150	0.16%
2013	28,054	18,974	47,028	0.21%
2012	16,837	5,356	22,193	0.10%

BOROUGH OF BOGOTA

Supplementary data

Property Acquired by Tax Title Lien Liquidation

No properties have been acquired in 2014 by foreclosure or deed, as a result of liquidation of tax title liens.

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

<u>Year</u>		<u>Amount</u>
2014	\$	136,680
2013		136,680
2012		136,680

Comparative Schedule of Fund Balance

	<u>Year</u>		<u>Dec. 31</u>	Utilized in budget of succeeding <u>year</u>
Current Fund	2014	\$	868,000	150,000
	2013		290,414	158,304
	2012		186,191	-0-

BOROUGH OF BOGOTA

Supplementary 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>
Tito Jackson	Mayor	
Jorge Nunez	Council President	
Robert Robbins	Councilman	
Evaristo Burdiez, Jr	Councilman	
John G. Mitchell	Councilman	
Wanda Uceta	Councilwoman	
Christopher Kelemen	Councilman	
Lisa Kohles	Councilwoman	
August Griener	Administrator	\$1,000,000 (A)
Frank Berardo	Chief Financial Officer (1/1/14-3/31/14)	1,000,000 (A)
Frank DiMaria	Chief Financial Officer (4/1/14-Present)	1,000,000 (A)
Jeanne M. Cook	Borough Clerk	
Helen Hegel	Treasurer (1/1/14-4/16/14)	1,000,000 (A)
Frank DiMaria	Treasurer (4/17/14-Present)	1,000,000 (A)
Elizabeth Wiemer	Tax Collector	1,000,000 (A)
Daniel Howell	Construction Code Official	
Peter Hammer	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

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BOROUGH OF BOGOTA

Schedule of Expenditure of Federal Awards

Year ended December 31, 2014

Program	CFDA Number	State Pass-through Number	Grant Period	Grant Award	Balance Dec. 31, 2013	Receipts	Expenditures	Adjustment	Deferred Revenue/ (Accounts Receivable) Dec. 31, 2014	MEMO Total Cumulative Expenditures
U.S. Department of Housing and Urban Development (Passed Through County Dept. of Community Development) Community Development Block Grants	14.218									
Senior Bus Program		Not Applicable	2006	14,500 \$	442			(442)		14,058
Senior Bus Program		Not Applicable	2007	14,500	2,307			(2,307)		12,193
Senior Bus Program		Not Applicable	2009	10,000	10,000			(10,000)		6,000
Senior Bus Program		Not Applicable	2012	10,000	4,000			(4,000)		9,000
Senior Bus Program		Not Applicable	2014	9,000		9,000	9,000			
Project Success		Not Applicable	2012	18,000	1,048			(1,048)		12,948
Project Success		Not Applicable	2013	17,000	4,052			(4,052)		17,000
Project Success		Not Applicable	2014	17,000		17,000	17,000			
Various Public Improvements and Acquisitions Ord. 1419		Not Applicable	2012	100,000	41,090		41,090			100,000
				\$	62,939	26,000	67,090	(21,849)		171,199

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

BOROUGH OF BOGOTA

Schedule of Expenditures of State Awards and Other Financial Assistance

Year ended December 31, 2014

State & County Programs	Grant Number	Grant Year	Allocation or Grant Award Amount	Balance Dec. 31, 2013	Cash Received	Expended	Adjustments	Deferred Revenue/ (Accounts Receivable) Dec. 31, 2014	MEMO Total Cumulative Expenditures
State Programs:									
Environmental Protection Agency:									
Clean Communities Program	4900-765-042-4900-004	2011	20,343						20,343
Clean Communities Program	4900-765-042-4900-004	2012	9,700	9,403				9,403	297
Clean Communities Program	4900-765-042-4900-004	2014	10,663		10,663			10,663	
Recycling Tonnage Grant	4030-752-050550-50	2009	18,005	63			3,281	3,344	14,661
Recycling Tonnage Grant	4030-752-050550-50	2012	11,013	11,013				11,013	
Recycling Tonnage Grant	4030-752-050550-50	2014	11,115		11,115			11,115	
Highlands Protection Act									
Development Rights Feasibility Study	2078-100-032-2010-2010	2010	38,000	16,000				16,000	22,000
				36,479	21,778		3,281	61,538	57,301
Department of Community Affairs:									
Housing Grant	100-022-8020-074-022710	2007	1,000	50					950
Housing Grant	100-022-8020-074-022710	2008	1,709	1,709					
Housing Grant	100-022-8020-074-022710	2009	4,844	4,844					
				6,603					950
Department of Law and Public Safety:									
Body Armor Replacement Grant	1020-718-066-1020-001	2013	6,179			6,179			6,179
Body Armor Replacement Grant	1020-718-066-1020-001	2014	1,850		1,850			1,850	
Alcohol Education Rehabilitation Program	9735-760-098-Y900-001-X100-6020	2013	5,526				5,526	5,526	
Alcohol Education Rehabilitation Program	9735-760-098-Y900-001-X100-6020	2014	1,890		1,890			1,890	
				3,740		6,179	11,705	9,266	6,179
				43,082	25,518	6,179	14,986	70,804	64,430
Total State and Other Financial Assistance									

Note: This schedule was not subject to an audit in accordance with NJ OMB Circular 04-04.

BOROUGH OF BOGOTA, N.J.

Schedule of Cash - Collector/Treasurer

Current Fund

Year Ended December 31, 2014

	<u>Current Fund</u>
Balance - December 31, 2013	\$ 2,195,928
Increased by receipts:	
Miscellaneous revenues not anticipated	349,653
Senior citizens and veterans deductions	64,024
Taxes receivable	22,966,805
Revenue accounts receivable	1,467,598
Tax Title Lien Redemptions	24,958
Interfunds	90,541
Special Emergency Note	317,800
Due to State of NJ	6,546
Prepaid Taxes	58,039
Grants Receivable	26,000
Unappropriated grant reserves	25,518
	<u>25,397,482</u>
	<u>27,593,410</u>
Decreased by disbursements:	
Current Year Budget Appropriations	8,861,817
Interfunds	147,872
Due to State of NJ	1,243
Appropriation Reserves	123,680
Special Emergency Note	447,200
Tax Anticipation Note Payable	800,000
School Taxes Payable	14,275,194
County Taxes Payable	1,644,459
Appropriated grant reserves	32,179
	<u>26,333,644</u>
Balance, December 31, 2014	<u><u>1,259,766</u></u>

BOROUGH OF BOGOTA, N.J.

Schedule of Cash - Change Fund

Current Fund

Year Ended December 31, 2014

Balance - December 31, 2013	\$ <u>280</u>
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Balance, December 31, 2014	\$ <u><u>280</u></u>
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Analysis of Balance:

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

	\$ <u><u>280</u></u>
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BOROUGH OF BOGOTA, N.J.

**Schedule of Due from/(to) State of New Jersey
Senior Citizens' and Veterans' Deductions**

Current Fund

Year Ended December 31, 2014

Balance - December 31, 2013		\$	36,740
Increased by:			
Senior citizens' and veterans' deductions per tax billings	\$	64,500	
Senior Citizens' and Veterans' Allowed		<u>1,750</u>	
			<u>66,250</u>
			102,990
Decreased by:			
Deductions Disallowed	\$	2,226	
Cash received		64,024	
Operations		<u>36,740</u>	
			<u>\$ 102,990</u>

BOROUGH OF BOGOTA, N.J.

Schedule of Taxes Receivable and Analysis of Property Tax Levy

Current Fund

Year Ended December 31, 2014

Year	Balance, Dec. 31, 2013	2014 Levy	Added 2014 Levy	Collected 2013	Collected in 2014	Senior & Veteran's Deductions	Transferred to Tax Title Liens	Canceled	Balance, Dec. 31, 2014
2013	\$ 18,974				9,234				9,740
	<u>18,974</u>				<u>9,234</u>				<u>9,740</u>
2014		23,361,644	14,834	323,502	22,957,571	64,024	6,523	7,067	17,791
	<u>\$ 18,974</u>	<u>23,361,644</u>	<u>14,834</u>	<u>323,502</u>	<u>22,957,571</u>	<u>64,024</u>	<u>6,523</u>	<u>7,067</u>	<u>17,791</u>
					<u>22,966,805</u>				<u>27,531</u>

Analysis of 2014 Tax Levy

Tax yield:	
General property tax	\$ 23,361,644
Added tax (R.S.54:4-63.1 et seq.)	<u>14,834</u>
	\$ <u>23,376,478</u>

Tax Levy:	
Local District School Tax	\$ 14,487,107
County Tax	1,626,297
Local Open Space Taxes	<u>18,128</u>
	<u>16,131,532</u>

Local Tax for Municipal Purposes	\$ 6,982,098
Local Tax for Library	238,907
Add: Additional Taxes Levied	<u>23,941</u>
	<u>7,244,946</u>

Local Tax for Municipal Purposes	\$ <u>23,376,478</u>
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Exhibit A-8

BOROUGH OF BOGOTA, N.J.
Schedule of Property Aquired for Taxes
Current Fund
Year Ended December 31, 2014

Balance - December 31, 2013	\$ <u>136,680</u>
Balance - December 31, 2014	\$ <u><u>136,680</u></u>

Exhibit A-9

Schedule of Tax Title Liens
Current Fund
Year Ended December 31, 2014

Balance - December 31, 2013	\$ 28,054
Increased by:	
Transferred from taxes receivable	<u>6,523</u>
	34,577
Decreased by:	
Cash received	<u>24,958</u>
Balance - December 31, 2014	\$ <u><u>9,619</u></u>

BOROUGH OF BOGOTA, N.J.

Schedule of Revenue Accounts Receivable

Current Fund

Year Ended December 31, 2014

	Balance, Dec. 31, <u>2013</u>	Accrued in <u>2014</u>	<u>Collected</u>	Balance, Dec. 31, <u>2014</u>
Licenses				
Alcoholic beverages	\$	12,448	12,448	
Other		8,856	8,856	
Fees and permits		81,684	81,684	
Construction Code Fees		110,888	110,888	
Municipal Court - Fines and Costs	14,773	202,448	202,448	14,773
Interest and Cost on Taxes		35,025	35,025	
Interest on Investments and Deposits		9,612	9,612	
Cable T.V. Franchise Fee		93,647	93,647	
Consolidated Municipal Purpose Tax Relief Aid		99,359	99,359	
Energy Receipts Tax		578,317	578,317	
Sewer Charges	33,938			33,938
Uniform Fire Safety Act - Local		8,882	8,882	
Uniform Fire Safety Act - State		19,794	19,794	
Swim Club Rent		8,400	8,400	
Sale of Cellular Tower		339,665	339,665	
Outside Police Employment - Administrative Fee		11,900	11,900	
Capital Surplus		186,338	186,338	
Reserve for Insurance Proceeds		157,896	157,896	
Prepaid School Tax		211,913	211,913	
	<u>\$ 48,711</u>	<u>2,177,072</u>	<u>2,177,072</u>	<u>48,711</u>
		Cash \$	1,467,598	
		Miscellaneous Reserves	497,561	
		Prepaid School Taxes	<u>211,913</u>	
		\$	<u>2,177,072</u>	

BOROUGH OF BOGOTA, N.J.

Schedule of Local School District Prepaid Taxes

Current Fund

Year Ended December 31, 2014

Balance - December 31, 2013	\$ <u>211,913</u>
Decreased by:	
Realized as Revenue	\$ <u><u>211,913</u></u>

BOROUGH OF BOGOTA, N.J.

Schedule of Interfunds Due from/(to) Other Funds

Current Fund

Year Ended December 31, 2014

	Balance Dec. 31, <u>2013</u>	<u>Increased</u>	<u>Decreased</u>	Balance Dec. 31, <u>2014</u>
Trust Funds:				
Animal Control Trust Fund	\$ 6,695	373	41	7,027
Recreation Trust Fund	10	124,205	90,500	33,715
Other Trust Fund	47,141	23,895		71,036
General Capital Fund	<u>(87,274)</u>	<u>87,274</u>		
	<u>\$ (33,428)</u>	<u>235,747</u>	<u>90,541</u>	<u>111,778</u>
			Cash Receipts \$ 90,541	
		Cash Disbursement 147,872		
		Statutory Excess 331		
		Reimbursement for expenditures paid <u>87,544</u>		
		<u>\$ 235,747</u>	<u>90,541</u>	

BOROUGH OF BOGOTA, N.J.

Schedule of Deferred Charges N.J.S.A. 40A:4-53, Special Emergency Authorizations

Current Fund

Year Ended December 31, 2014

<u>Purpose</u>	<u>Date</u>	<u>Amount Authorized</u>	<u>Not Less Than 1/5 of Amount Authorized</u>	<u>Balance, Dec. 31, 2013</u>	<u>Decreased</u>	<u>Balance, Dec. 31, 2014</u>
Terminal Pay	October 21, 2010	105,000	21,000	42,000	21,000	21,000
Terminal Pay	January 20, 2011	32,000	6,400	19,200	6,400	12,800
Terminal Pay	November 10, 2011	110,000	22,000	66,000	22,000	44,000
Reassessment of Real Property	October 18, 2012	70,000	14,000	56,000	14,000	42,000
Hurricane Sandy	November 8, 2012	330,000	66,000	264,000	66,000	198,000
				\$ 447,200	129,400	317,800

BOROUGH OF BOGOTA, N.J.

Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2014

	Balance, Dec. 31, <u>2013</u>	Balance after <u>Transfers</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Salaries and Wages Within "CAPS":				
General Administration	\$ 1,942	1,942	1,195	747
Financial Administration	955	955		955
Tax Collector	953	953	175	778
Assessment of Taxes	27	27		27
Municipal Court	293	293	145	148
Police	12,280	12,280	11,143	1,137
Rescue Squad	100	100		100
Fire Official	1,640	1,640		1,640
Municipal Prosecutor	91	91		91
Board of Health	55	55		55
Recreation Commission RS 40:12-1	644	644		644
Senior Citizens Committee	616	616		616
Public Defender	95	95		95
Uniform Construction Code Enforcement Functions	125	125	125	
Total Salaries and Wages Within "CAPS"	19,816	19,816	12,783	7,033
Other Expenses Within "CAPS":				
Administration	1,890	3,928	3,718	210
Financial Administration	1,091	1,091		1,091
Audit Services	2,776	42,276	37,128	5,148
Tax Collector	116	116		116
Assessment of Taxes	273	273		273
Legal Services	5,897	5,897	5,897	
Engineering Services and Costs	124	124	124	
Planning Board	230	230	230	
Other Insurance Premiums	1,862	81,590	20,579	61,011
Group Insurance Plan for Employees	1,222	1,222		1,222

BOROUGH OF BOGOTA, N.J.

Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2014

	Balance, Dec. 31, <u>2013</u>	Balance after <u>Transfers</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Police	7,381	7,381	6,331	1,050
Reserves	4	4		4
Uniform - Other Expenses	775	775		775
Police Cars	3	3		3
Emergency Management	126	126		126
First Aid Organization Expenses	9	9		9
First Aid Organization Uniforms	265	265		265
Rescue Squad	252	252		252
Rescue Squad Uniforms	35	35		35
Rescue Squad Vehicle Repairs	387	387		387
Fire Department	419	419	419	
Fire Department Vehicle Maintenance	245	245	245	
Fire Official	290	290	197	93
Road Repairs and Maintenance	155	155	155	
Vehicle Maintenance	508	1,772	1,018	754
Snow Removal	5,823	5,823	5,821	2
Solid Waste Disposal Fees	564	564		564
Public Buildings and Grounds	1,091	1,091	1,091	
Board of Health	49	49	25	24
Senior Citizens Committee	58	58		58
Ambulance Squad O.S.H.A.	86	86		86
Rescue Squad O.S.H.A.	1,880	1,880	438	1,442
Board of Health Hepatitis B Program	1,214	1,214		1,214
Street Lighting	1,530	1,530		1,530
Telephone	57	57		57
Gasoline	3,072	3,072		3,072
Uniform Construction Code Enforcement Functions	52	52	52	
Total Other expenses Within "CAPS"	<u>41,811</u>	<u>164,341</u>	<u>83,468</u>	<u>80,873</u>
Deferred Charges and Statutory Expenditures Within "CAPS":				
Public Employees Retirement System	3	3		3
Social Security (O.A.S.I.)	184	184		184
Total Deferred Charges and Statutory Expenditures Within "CAPS"	<u>184</u>	<u>184</u>		<u>184</u>
Total Reserves Within "CAPS"	<u>61,811</u>	<u>184,341</u>	<u>96,251</u>	<u>88,090</u>

BOROUGH OF BOGOTA, N.J.

Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2014

	Balance, Dec. 31, <u>2013</u>	Balance after <u>Transfers</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Operations - Excluded from "CAPS"				
Maintenance of Free Public Library	7,333	8,483	7,379	1,104
Maintenance of Free Public Library Municipal Services	32,345	32,345	19,795	12,550
911 Telecommunication Syetem	3,974	3,974		3,974
Municipal Court	255	255	255	
CDBG Project Success 2012	266	266		266
CDBG Project Success	<u>3,786</u>	<u>3,786</u>		<u>3,786</u>
Total Other Expenses Excluded from "CAPS"	<u>47,959</u>	<u>49,109</u>	<u>27,429</u>	<u>21,680</u>
Total Reserves	<u>\$ 109,770</u>	<u>233,450</u>	<u>123,680</u>	<u>109,770</u>
Appropriation reserves		109,770		
Encumbrances		<u>123,680</u>		
		<u>\$ 233,450</u>		

Exhibit A-15

BOROUGH OF BOGOTA, N.J.
Schedule of Reserve for Encumbrances

Current Fund

Year Ended December 31, 2014

Balance - December 31, 2013	\$	123,680
Increased by:		
2014 encumbrances		<u>42,624</u>
		166,304
Decreased by:		
Transferred to appropriation reserves		<u>123,680</u>
Balance - December 31, 2014	\$	<u><u>42,624</u></u>

Exhibit A-16

BOROUGH OF BOGOTA, N.J.

Schedule of Prepaid Taxes

Current Fund

Year Ended December 31, 2014

Balance - December 31, 2013	\$ <u>323,502</u>
Increased by:	
Prepaid taxes received	<u>58,039</u>
	381,541
Decreased by:	
Taxes realized as revenue	<u>323,502</u>
Balance - December 31, 2014	\$ <u><u>58,039</u></u>

Exhibit A-17

Schedule of Tax Overpayments

Current Fund

Year Ended December 31, 2014

Balance - December 31, 2013	\$ <u>2,641</u>
Decreased by:	
Cancelled	\$ <u><u>2,641</u></u>

BOROUGH OF BOGOTA, N.J.

**Schedule of Amount Due to the
State of New Jersey**

Current Fund

Year Ended December 31, 2014

	<u>Marriage License Fee</u>	<u>Construction Training Fee</u>	<u>Total</u>
Balance - December 31, 2013	\$ 725	3,048	3,773
Increased by:			
Collections	<u> </u>	<u>6,546</u>	<u>6,546</u>
	<u>725</u>	<u>9,594</u>	<u>10,319</u>
		<u>6,546</u>	<u>6,546</u>
Decreased by:			
Payments	<u> </u>	<u>1,243</u>	<u>1,243</u>
Balance - December 31, 2014	<u>\$ 725</u>	<u>8,351</u>	<u>9,076</u>

BOROUGH OF BOGOTA, N.J.

Schedule of Special Emergency Notes Payable

Current Fund

Year Ended December 31, 2014

<u>Number</u>	<u>Purpose</u>	<u>Date of Original Issue</u>	<u>Maturity</u>	<u>Interest Rate</u>	<u>Balance, Dec. 31, 2013</u>	<u>Issued</u>	<u>Matured</u>	<u>Balance, Dec. 31, 2014</u>
	Special Emergency Note	Jun. 14, 2013	May 16, 2014	1.05% \$	127,200	77,800	127,200	77,800
	Special Emergency Note	May 17, 2013	May 16, 2014	1.00%	320,000	240,000	320,000	240,000
					\$ 447,200	317,800	447,200	317,800

BOROUGH OF BOGOTA, N.J.

Schedule of Tax Anticipation Notes Payable

Current Fund

Year Ended December 31, 2014

<u>Number</u>	<u>Purpose</u>	<u>Date of Original Issue</u>	<u>Maturity</u>	<u>Interest Rate</u>	<u>Balance, Dec. 31, 2013</u>	<u>Matured</u>
	Tax Anticipation Note	Apr. 24, 2013	Feb. 24, 2014	0.99%	\$ 800,000	\$ 800,000
					\$ 800,000	\$ 800,000

Exhibit A-21

BOROUGH OF BOGOTA, N.J.

Schedule of School Taxes Payable

Current Fund

Year Ended December 31, 2014

Increased by:

Levy

Local School Tax

\$ 14,487,107

Decreased by:

Cash Disbursed

\$ 14,275,194

Prepaid Taxes Applied

211,913

\$ 14,487,107

Exhibit A-22

BOROUGH OF BOGOTA, N.J.

Schedule of County Taxes Payable

Current Fund

Year Ended December 31, 2014

Balance - December 31, 2013

\$ 34

Increased by:

Levy

County Tax Levy

\$ 1,626,297

County Open Space Tax Levy

18,128

1,644,425

Decreased by:

Cash Disbursed

\$ 1,644,459

BOROUGH OF BOGOTA, N.J.

Schedule of Grants Receivable

State and Federal Grant Fund

Year Ended December 31, 2014

<u>Purpose</u>	<u>Balance, Dec. 31, 2013</u>	<u>2014 Budget Revenue Realized</u>	<u>Received</u>	<u>Cancelled</u>	<u>Balance, Dec. 31, 2014</u>
Municipal Alliance	\$ 2,728			2,728	
CDBG - Project Success	1,889	17,000	17,000	1,889	
CDBG - Senior Bus Driver	25,818	9,000	9,000	25,818	
NJ DCA Housing Inspection	1,685			1,685	
Clean Communities	9,021			9,021	
Over the Limit, Under Arrest	10			10	
Development Rights Feasibility Grant	19,000			19,000	
Recycling Tonnage Grant		3,281	3,281		
Body Armor Replacement		6,179	6,179		
Foetry Services		3,000		3,000	
Click it or Ticket		4,000		4,000	
Alcohol Education Rehabilitation Program		5,526	5,526		
	<u>\$ 60,151</u>	<u>47,986</u>	<u>40,986</u>	<u>67,151</u>	

BOROUGH OF BOGOTA, N.J.

Schedule of Appropriated Grant Reserves

State and Federal Grant Fund

Year Ended December 31, 2014

<u>Purpose</u>	Balance, Dec. 31, 2013	Transferred from 2014 Budget	Expended	Cancelled	Balance, Dec. 31, 2014
Municipal Alliance Grant	\$ 7,791			7,791	
CDBG - Project Success	1,048	17,000	17,000	1,048	
CDBG - Senior Bus	16,749	9,000	9,000	16,749	
DCA Housing	6,603			6,603	
Recycling Tonnage	11,076	3,281			14,357
Development Rights Feasibility Grant	16,000			16,000	
Clean Communities Grant	9,403				9,403
Foetry Services		3,000		3,000	
Click it or Ticket		4,000		4,000	
Alcohol Education Rehabilitation Program		5,526			5,526
Body Armor Replacement Program		6,179	6,179		
	<u>\$ 68,670</u>	<u>47,986</u>	<u>32,179</u>	<u>55,191</u>	<u>29,286</u>
Budget Appropriations	\$	33,000			
Unappropriated Reserves		<u>14,986</u>			
	\$	<u>47,986</u>			

BOROUGH OF BOGOTA, N.J.

Schedule of Unappropriated Grant Reserves

State and Federal Grant Fund

Year Ended December 31, 2014

<u>Purpose</u>	<u>Balance,</u> <u>Dec. 31,</u> <u>2013</u>	<u>Appropriated</u> <u>in 2014</u> <u>Budget</u>	<u>Receipts</u>	<u>Cancelled</u>	<u>Balance,</u> <u>Dec. 31,</u> <u>2014</u>
CDBG - Project Success	\$ 2,161			2,161	
Alcohol Rehabilitation	5,526	5,526	1,890		1,890
Body Armor	6,179	6,179	1,850		1,850
Clean Communities			10,663		10,663
Safety Council	10,436			10,436	
Forestry Services	3,000			3,000	
Click It or Ticket	1,072			1,072	
Recycling Tonnage Grant	3,281	3,281	11,115		11,115
	<u>\$ 31,655</u>	<u>14,986</u>	<u>25,518</u>	<u>16,669</u>	<u>25,518</u>

BOROUGH OF BOGOTA, N.J.

Schedule of Deferred Charges

Current Fund

Twelve Month Period Ended December 31, 2014

	Balance, Dec. 31, <u>2013</u>	Amount in 2014 <u>Budget</u>
Overexpenditure of Appropriations	\$ <u>72,299</u>	<u>72,299</u>
	\$ <u><u>72,299</u></u>	<u><u>72,299</u></u>

Exhibit A-27

BOROUGH OF BOGOTA, N.J.

Schedule of Miscellaneous Reserves

Current Fund

Year Ended December 31, 2014

	Balance Dec. 31, <u>2013</u>	<u>Decreased</u>
Reserve for:	\$	
Sale of Cell Tower	339,665	339,665
Insurance Proceeds - DPW Building	157,896	157,896
Recycling	<u>26,424</u>	<u>26,424</u>
	<u>\$ 523,985</u>	<u>523,985</u>
Revenue Anticipated	\$	497,561
Cancelled		<u>26,424</u>
		<u>\$ 523,985</u>

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BOROUGH OF BOGOTA, N.J.

Schedule of Cash

Trust Funds

Year Ended December 31, 2014

	Animal Trust Fund	Other Trust Fund	Recreation Trust Fund	Library Trust Fund
Balance - December 31, 2013	\$ 11,124	692,711	31,114	28,612
Increase by Receipts:				
Animal License Fees	3,224			
Schedule of Interfunds	26	23,895		
Due to State of New Jersey	780			
Payroll Deductions		5,690,373		
Various Trust Deposits		853,512		
Recreation Fees			182,580	
Grant Receipts				
Library Collections				16,109
Borough Contributions				
Investment Gains				
Interest Earned on Investments	42		131	85
Total Receipts	4,072	6,567,780	182,711	16,194
	15,196	7,260,491	213,825	44,806
Decreased by Disbursements:				
Animal License Expenditures				
Schedule of Interfunds	41	26	90,500	
Due to State of New Jersey	618			
Payroll Deductions		5,723,511		
Unemployment Compensation		15,043		
Various Trust Deposits		598,314		
Recreation Fees			73,662	
Library Expenditures				13,122
Total Disbursements	659	6,336,894	164,162	13,122
Balance - December 31, 2014	\$ 14,537	923,597	49,663	31,684

BOROUGH OF BOGOTA, N.J.

Reserve for Animal Trust Fund Expenditures

Trust Funds

Year Ended December 31, 2014

Balance - December 31, 2013	\$ 4,231
Increased by:	
License Fees Collected	<u>3,224</u>
	7,455
Decreased by:	
Statutory Excess	<u>331</u>
Balance - December 31, 2014	<u><u>\$ 7,124</u></u>

Animal Licenses Collected

<u>Year</u>	<u>Amount</u>
2013	\$ 3,624
2012	<u>3,500</u>
	<u><u>\$ 7,124</u></u>

Exhibit B-3

BOROUGH OF BOGOTA, N.J.

Schedule of Due to State of New Jersey

Animal License Trust Fund

Year Ended December 31, 2014

Balance - December 31, 2013	\$	224
Increased by:		
State License Fees collected		<u>780</u>
		1,004
Decreased by:		
Cash Disbursements		<u>618</u>
Balance - December 31, 2014	\$	<u><u>386</u></u>

BOROUGH OF BOGOTA, N.J.
Schedule of Interfund - Current Fund

Trust Funds

Year Ended December 31, 2014

	Due from/(to) Balance <u>Dec. 31, 2013</u>	<u>Increased</u>	<u>Decreased</u>	Due from/(to) Balance <u>Dec. 31, 2014</u>
Animal License Trust				
Current Fund	\$ (6,695)	41	373	(7,027)
Other Trust	<u>26</u>		<u>26</u>	
Total Animal Trust	<u>(6,669)</u>	<u>41</u>	<u>399</u>	<u>(7,027)</u>
Other Trust				
Current Fund	(47,141)		23,895	(71,036)
Animal License Trust	<u>(26)</u>	<u>26</u>		
Total Other Trust	<u>(47,167)</u>	<u>26</u>	<u>23,895</u>	<u>(71,036)</u>
Recreation Trust				
Current Fund	<u>(10)</u>	<u>90,500</u>	<u>124,205</u>	<u>(33,715)</u>
Total Recreation Trust	<u>(10)</u>	<u>90,500</u>	<u>124,205</u>	<u>(33,715)</u>
	<u>\$ (53,846)</u>	<u>90,567</u>	<u>148,499</u>	<u>(111,778)</u>

Statutory Excess	\$	331
Cash Receipts		24,093
Budget Offsets		123,445
Cash Disbursements	<u>90,567</u>	
	<u>\$</u>	<u>90,567</u>
		<u>147,869</u>

BOROUGH OF BOGOTA, N.J.

Schedule of Reserve for Unemployment Expenditures

Other Trust Fund

Year Ended December 31, 2014

Balance - December 31, 2013	\$ <u>14,363</u>
Decreased by:	
Transferred to Miscellaneous Reserves	\$ <u><u>14,363</u></u>

BOROUGH OF BOGOTA, N.J.

Schedule of Payroll Deduction Payable

Other Trust Fund

Year Ended December 31, 2014

Balance - December 31, 2013		\$	96,339
Increased by:			
Payroll Deposits			<u>5,690,373</u>
			5,786,712
Decreased by:			
Payroll Disbursements	\$	5,723,511	
Transfer-Miscellaeous Trust		<u>249</u>	
			<u>5,723,760</u>
Balance - December 31, 2014		\$	<u><u>62,952</u></u>

BOROUGH OF BOGOTA, N.J.

Schedule of Due to State of New Jersey - Unemployment Compensation

Other Trust Fund

Year Ended December 31, 2014

Balance - December 31, 2013	\$ <u>680</u>
Decreased by:	
Cash Disbursement - Miscellaneous Trust	\$ <u><u>680</u></u>

BOROUGH OF BOGOTA, N.J.

Schedule of Miscellaneous Reserves

Other Trust Fund

Year Ended December 31, 2014

	Balance <u>Dec. 31, 2013</u>	<u>Increased</u>	<u>Decreased</u>	Balance <u>Dec. 31, 2014</u>
Reserve for:				
Escrow Deposits	\$ 95,789			95,789
Street Opening Deposits	12,675			12,675
Municipal Court - POAA	31,552			31,552
Municipal Court - Public Defender	3,625			3,625
Police Vests	(1,073)			(1,073)
Uniform Fire Safety	14,373			14,373
D.A.R.E.	1,554			1,554
Tax Title Liens	364,172			364,172
Medical Contributions	2,151			2,151
Outside Police Duty	7,100			7,100
Unallocated		<u>853,761</u>	<u>598,314</u>	<u>255,447</u>
	<u>\$ 531,918</u>	<u>853,761</u>	<u>598,314</u>	<u>787,365</u>

Accounts Receivable	\$ 249		
Cash Receipts	853,512		
Cash Disbursements		<u>598,314</u>	
	<u>\$ 853,761</u>	<u>598,314</u>	

Exhibit B-9

BOROUGH OF BOGOTA, N.J.

Schedule of Reserve for Terminal Pay

Other Trust Fund

Year Ended December 31, 2014

Balance - December 31, 2013	\$ <u>2,244</u>
Balance - December 31, 2014	\$ <u><u>2,244</u></u>

BOROUGH OF BOGOTA, N.J.

Schedule of Reserve for Recreation Expenditures

Recreation Trust Fund

Year Ended December 31, 2014

Balance - December 31, 2013		\$	31,104
Increased by:			
Recreation Fees Collected			<u>182,580</u>
			213,684
Decreased by:			
Cash Disbursements	\$	73,662	
Due to Current Fund		<u>124,074</u>	
			<u>197,736</u>
Balance - December 31, 2014		\$	<u><u>15,948</u></u>

Exhibit B-11

BOROUGH OF BOGOTA, N.J.

Schedule of Reserve for Library Expenditures

Library Trust Fund

Year Ended December 31, 2014

Balance - December 31, 2013		\$	28,612
Increased by:			
Library Collections	\$	16,109	
Interest Earned		<u>85</u>	
			<u>16,194</u>
			44,806
Decreased by:			
Library Disbursements			<u>13,122</u>
Balance - December 31, 2014		\$	<u><u>31,684</u></u>

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BOROUGH OF BOGOTA, N.J.

Schedule of Cash

General Capital Fund

Year Ended December 31, 2014

Balance - December 31, 2013		\$	305,124
Increased by Receipts:			
Bond Anticipation Notes Proceeds	\$	830,000	
Budget Appropriation -			
Deferred Charges to Future Taxation - Unfunded		19,653	
Capital Improvement Fund		50,000	
Deferred Charge - Overexpenditure of Ordinance		37,098	
Grant Proceeds		26,775	
Receipts from Current Fund		1,010,388	
Reserve for Payment of Debt		88,960	
Fund Balance		28,383	
Interest Earned		1,256	
			<u>2,092,513</u>
			2,397,637
Decreased by Disbursements:			
Improvement Authorizations		562,724	
Bond Anticipation Notes Proceeds		465,000	
Payments to Current Fund		757,790	
Reserve for Payment of Debt		106,477	
Fund Balance		186,338	
			<u>2,078,329</u>
Balance - December 31, 2014		\$	<u><u>319,308</u></u>

BOROUGH OF BOGOTA, N.J.

Analysis of Cash

General Capital Fund

Year Ended December 31, 2014

Reserve for Payment of Debt	\$ 88,960
Capital Improvement Fund	92,005
Fund Balance	8,240

Improvement Authorizations:

Ordinance

<u>Number</u>	<u>Improvement Description</u>	
1419	Various Public Improvements and Acquisitions	19,567
1442	Acquisition of Passenger Bus	550
1443	Improvements to Facilities	8,193
1445	2014 Road Program	<u>101,793</u>
		<u>\$ 319,308</u>

BOROUGH OF BOGOTA, N.J.

Schedule of Interfunds

General Capital Fund

Year Ended December 31, 2014

	Due from/(to) Balance <u>Dec. 31, 2013</u>	<u>Increased</u>	<u>Decreased</u>	Due from/(to) Balance <u>Dec. 31, 2014</u>
Current Fund	\$ <u>87,274</u>	<u>924,475</u>	<u>1,011,749</u>	<u> </u>
	<u>87,274</u>	<u>924,475</u>	<u>1,011,749</u>	<u> </u>
Grant Receivables Cancelled \$		166,685		
Disbursements		757,790		
Receipts			1,010,388	
Interest on Investments			1,256	
Fund Balance		<u> </u>	<u>105</u>	
		<u>924,475</u>	<u>1,011,749</u>	

BOROUGH OF BOGOTA, N.J.

Schedule of Grants/Contributions Receivable

General Capital Fund

Year Ended December 31, 2014

Balance - December 31, 2013		\$ <u>473,549</u>
Decreased by:		
Cash Receipts	\$ 26,775	
Due from Current Fund	166,685	
Improvement Authorizations Cancelled	<u>280,089</u>	
		\$ <u><u>473,549</u></u>

BOROUGH OF BOGOTA, N.J.

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

General Capital Fund

Year Ended December 31, 2014

Balance - December 31, 2013		\$ 6,028,000
Decreased by:		
Current Year Budget Appropriations:		
Serial Bonds	\$ 635,000	
Capital Leases	<u>74,000</u>	
		<u>709,000</u>
Balance - December 31, 2014		<u><u>\$ 5,319,000</u></u>

BOROUGH OF BOGOTA, N.J.

Schedule of Deferred Charges to Future Taxation - Unfunded

General Capital Fund

Year Ended December 31, 2014

Ordinance Number	Improvement Description	Balance Dec. 31, 2013	2014 Authorizations	Decreased	Cancelled	Balance Dec. 31, 2014	Analysis of Balance, Dec. 31, 2014	
							Financed by Bond Anticipation Notes	Unexpended Improvement Authorization
General Improvements:								
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	1,500			1,500			
1325/1336	Various Public Improvements	215			215			
1369/1390	Various Public Improvements and Acquisitions	217			217			
1388	Various Public Improvements and Acquisitions	15,578			15,578			
1397	Resurfacing of Various Roads	20,057			20,057			
1398	Various Improvements	8,224			8,224			
1424	Refunding of Tax Appeals	575,000		110,000		465,000	465,000	
1441	Resurfacing of Various Roads		80,000			80,000	80,000	
1442	Various Improvements		95,000			95,000	95,000	
1446	Refunding of Tax Appeals		190,000			190,000	190,000	
		<u>\$ 650,505</u>	<u>365,000</u>	<u>110,000</u>	<u>55,505</u>	<u>830,000</u>	<u>830,000</u>	

Cash Receipts \$ 19,653
 Cancelled by Resolution 35,852
 \$ 55,505

BOROUGH OF BOGOTA, N.J.

Schedule of Deferred Charges - Overexpenditure of Ordinances

General Capital Fund

Year Ended December 31, 2014

Balance - December 31, 2013	\$ <u>37,098</u>
Decreased by:	
Budget Appropriation	\$ <u>37,098</u>

BOROUGH OF BOGOTA, N.J.

Schedule of General Serial Bonds Payable

General Capital Fund

Year Ended December 31, 2014

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding, December 31, 2014	Interest Rate	Balance	
					Dec. 31, 2013	Dec. 31, 2014
2004 General Improvement Bonds	March 15, 2004	1,840,000	03/15/15 03/15/16 03/15/17	3.20% 4.00% 4.00%	795,000	195,000
	2007 General Improvement Bonds	July 1, 2007	07/01/15	4.125%	1,682,000	275,000
			07/01/16	4.125%		
2012 General Improvement Bonds	December 1, 2012	3,295,000	07/01/17	4.125%	3,135,000	165,000
			07/01/18	4.25%		
			12/01/15	1.00%		
			12/01/16	1.50%		
			12/01/17	2.00%		
			12/01/18	2.00%		
			12/01/19	2.00%		
			12/01/20	2.00%		
			12/01/21	2.00%		
			12/01/22	2.00%		
			12/01/23	2.50%		
			12/01/24	2.50%		
			12/01/25	3.00%		
					\$ 5,612,000	635,000
						4,977,000

BOROUGH OF BOGOTA, N.J.

Schedule of Capital Leases Payable

General Capital Fund

Year Ended December 31, 2014

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding, December 31, 2014</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2013</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2014</u>
BCIA Loan Refunding Revenue Bonds	May 17, 2012	427,000	03/15/15	0.84%	416,000	74,000	342,000
			03/15/16	1.24%			
			03/15/17	1.64%			
			03/15/18	2.11%			
					<u>\$ 416,000</u>	<u>74,000</u>	<u>342,000</u>

BOROUGH OF BOGOTA, N.J.

Schedule of Bond Anticipation Notes Payable

General Capital Fund

Year Ended December 31, 2014

Ordinance Number	Improvement Description	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2013	Change		Balance Dec. 31, 2014
							Increased	Decreased	
1424	Refunding Tax Appeals	Jun. 14, 2013	Jun. 14, 2013	May 16, 2014	1.05%	575,000		575,000	465,000
1441	Acquisition of Passenger Bus	Jun. 14, 2013	May 15, 2014	May 15, 2015	0.87%		465,000		80,000
1442	Improvements to Municipal Facilities	July 24, 2014	July 24, 2014	May 15, 2015	0.89%		80,000		95,000
1446	Road Program (Local)	July 24, 2014	July 24, 2014	May 15, 2015	0.89%		95,000		190,000
		Nov. 13, 2014	Nov. 13, 2014	Nov. 13, 2015	1.05%	\$	190,000		190,000
						\$	830,000	575,000	830,000
						Cash \$	365,000		
						Deferred Charges to Taxation-Unfunded		110,000	
						Renewed	465,000	465,000	
						\$	830,000	575,000	575,000

BOROUGH OF BOGOTA, N.J.

Schedule of Improvement Authorizations

General Capital Fund

Year Ended December 31, 2014

Ordinance Number	Improvement Description	Ordinance Amount	Balance Dec. 31, 2013		2014 Authorizations	Paid or Charged	Cancelled	Balance Dec. 31, 2014	
			Funded	Unfunded				Funded	Unfunded
1273	Various Public Improvements	1,123,000	7,500				7,500		
1299	Various Public Improvements	385,000	9,114				9,114		
1325/1336	Various Public Improvements	312,500	7,226	215			7,441		
1337	Various Public Improvements and Acquisition of New Communication and Signal Equipment	228,000	4,976				4,976		
1359	Stormwater Sewer Improvements	17,500							
1366	Municipal Complex Roof Repairs	20,000	1,776				1,776		
1369/1390	Various Public Improvements and Acquisitions	969,000	47,886	217			48,103		
1372	Stormwater Inlet Improvements	1,100,000	73,221				73,221		
1388	Various Public Improvements and Acquisitions	274,000	5,225	15,578			20,803		
1397	Resurfacing of Various Roads	150,000	6,779	20,057			26,836		
1404	Various Public Improvements and Acquisitions of Equipment	360,000							
1419	Various Public Improvements and Acquisitions	1,171,900	277,827			258,260		19,567	
1442	Acquisition of Passenger Bus	85,000		85,000		84,450			550
1443	Improvements to Facilities	100,000		100,000		91,807			8,193
1445	2014 Road Program	200,000		200,000		98,207			101,793
1450	Acquisition of Various Equipment	30,000		30,000		30,000			
			\$ 441,530	36,067	415,000	562,724	199,770	19,567	110,536
			Capital Improvement Fund \$						
			Capital Surplus		20,000				
			Deferred Charges to Future Taxation		30,000				
					365,000				
			\$		415,000				

Exhibit C-13

BOROUGH OF BOGOTA, N.J.

Schedule of Capital Improvement Fund

General Capital Fund

Year Ended December 31, 2014

Balance - December 31, 2013	\$ 62,005
Increased by:	
Budget Appropriation	<u>50,000</u>
	112,005
Decreased by:	
Appropriated to Finance Improvement Authorizations	<u>20,000</u>
Balance - December 31, 2014	\$ <u><u>92,005</u></u>

Exhibit C-14

BOROUGH OF BOGOTA, N.J.

Schedule of Reserve for Payment of Debt

General Capital Fund

Year Ended December 31, 2014

Balance - December 31, 2013	\$	106,477
Increased by:		
Cash Receipts		<u>88,960</u>
		195,437
Decreased by:		
Utilized as Paydown on Note Renewal		<u>106,477</u>
Balance - December 31, 2014	\$	<u><u>88,960</u></u>

Exhibit C-15

Schedule of Reserve for Grants/Contributions Receivable

General Capital Fund

Year Ended December 31, 2014

Balance - December 31, 2013	\$	<u>280,089</u>
Decreased by:		
Receivables Cancelled	\$	<u><u>280,089</u></u>

BOROUGH OF BOGOTA, N.J.

Schedule of Bonds and Notes Authorized But Not Issued

General Capital Fund

Year Ended December 31, 2014

Ordinance Number	Improvement Description	Balance Dec. 31, 2013	2014 Authorizations	Decreased	Bond Anticipation Notes Issued	Balance Dec. 31, 2014
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	1,500		1,500		
1325/1336	Various Public Improvements	215		215		
1369/1390	Various Public Improvements and Acquisitions	217		217		
1388	Various Public Improvements and Acquisitions	15,578		15,578		
1397	Resurfacing of Various Roads	20,057		20,057		
1398	Various Improvements	8,224		8,224		
1441	Acquisition of Passenger Bus		80,000		80,000	
1442	Improvements to Municipal Facilities		95,000		95,000	
1446	2014 Road Program - Local		190,000		190,000	
		<u>\$ 55,505</u>	<u>365,000</u>	<u>55,505</u>	<u>365,000</u>	
			Budget Appropriations	19,653		
			Deferred Charges	35,852		
				<u>\$ 55,505</u>		

BOROUGH OF BOGOTA

PART II

**LETTER ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS**

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2014

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

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements-regulatory basis of the Borough of Bogota in the County of Bergen as of and for the year ended December 31, 2014 and the related notes to the financial statements, and have issued our report thereon dated August 12, 2015, which was adverse due to being presented in accordance with New Jersey regulatory basis of accounting. The regulatory basis opinion was qualified for fixed assets not being audited.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.



Honorable Mayor and
Members of the Borough Council
Page 2.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2014-001, 2014-002, 2014-003 and 2014-004 to be material weaknesses.

We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2014-005, 2014-006 and 2014-007 to be significant deficiencies.


Compliance and Other Matters

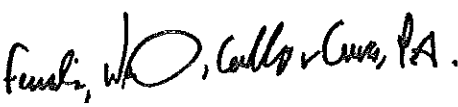
As part of obtaining reasonable assurance about whether the Borough of Bogota's financial statements-regulatory basis are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2014-001, 2014-002, 2014-003, 2014-004, 2014-005, 2014-006 and 2014-007.

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

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 controls and compliance. Accordingly, this communication is not suitable for any other purpose.


Steven D. Wielkocz, C.P.A.
Registered Municipal Accountant
No. CR00413


FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants
Pompton Lakes, New Jersey

August 12, 2015

**BOROUGH OF BOGOTA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

Section I - Financial Statement Findings

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 2014-001

The Current Fund financial statements made available for audit were materially different than the Annual Financial Statement originally filed with the State of New Jersey.

Criteria or Specific Requirement:

The Annual Financial Statements prepared in accordance with N.J.S. 40A:5-12 by the Chief Financial Officer are not an accurate representation of the financial condition summarized from the books and records kept and maintained in the local unit.

Condition:

General ledgers were restated to include revised cash reconciliations and additional financial activity.

Questioned Costs:

None

Context

A complete record of the local unit financial condition was not maintained on a monthly basis because of deficiencies in timeliness, completeness, accuracy and monitoring of daily record keeping.

Effect:

The general ledger presented for audit was materially different than the Annual Financial Statement filed with the State of New Jersey.

Cause:

The financial statements were recreated after the Annual Financial Statement was filed with the state of New Jersey.

Recommendation:

That procedures be implemented to ensure the local unit's books are monitored and maintained at a higher level to reduce all deficiencies in timeliness, completeness, accuracy and monitoring of daily record keeping.

Management's Response:

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

BOROUGH OF BOGOTA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2014
(CONTINUED)

Finding 2014-002

Certain accounts in the general ledgers for the year ended December 31, 2014 were not in agreement with the supporting reconciliations, subsidiary records and/or journals.

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 ledger 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.

Management's Response:

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

**BOROUGH OF BOGOTA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2014
(CONTINUED)**

Finding 2014-003

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:

Deposits in the Current Fund and Trust Funds 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 QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2014
(CONTINUED)**

Finding 2014-004

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:

Disbursements in the Current Fund and Trust Funds 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 QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2014
(CONTINUED)**

Finding 2014-005

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:

Vendor invoices are dated prior to the purchase orders. Additionally, funds are not being certified as available to be encumbered.

Effect:

Commitments may exist and not be recorded in the financial statements and funds may not be available to commit to the purchase.

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 QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2014
(CONTINUED)

Finding 2014-006

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.

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 QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2014
(CONTINUED)

Finding 2014-007

Purchases relating to acquisition of an ambulance and bus exceeded the bid threshold in aggregate and the documents to verify purchases were awarded by public bid in accordance with NJSA 40A:11 et. seq. or by State contract were not made available for audit.

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 a Ford E-450 ambulance totaling \$227,557 and a Ford/Glaval bus totaling \$69,450.

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.

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**BOROUGH OF BOGOTA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2014**

This section identifies the status of prior-year findings related to the general purpose financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, U.S. OMB Circular A-133 (section .315(a)(b)) and New Jersey OMB's Circular 04-04, as amended.

STATUS OF PRIOR YEAR FINDINGS

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.

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.

Recommendation:

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

Current Status:

Repeat Finding.

**BOROUGH OF BOGOTA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2014
(CONTINUED)**

STATUS OF PRIOR YEAR FINDINGS

Finding 2013-2

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

Condition:

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

Recommendation:

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

Current Status:

Repeat Finding.

**BOROUGH OF BOGOTA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2014
(CONTINUED)**

STATUS OF PRIOR YEAR FINDINGS

Finding 2013-3

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

Condition:

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

Recommendation:

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

Current Status:

Repeat Finding.

**BOROUGH OF BOGOTA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2014
(CONTINUED)**

STATUS OF PRIOR YEAR FINDINGS

Finding 2013-4

Our audit revealed that certain general capital ordinances were overexpended.

Condition:

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

Recommendation:

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

Current Status:

Corrective action has been taken.

**BOROUGH OF BOGOTA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2014
(CONTINUED)**

STATUS OF PRIOR YEAR FINDINGS

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.

Condition:

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

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.

Current Status:

Repeat Finding.

**BOROUGH OF BOGOTA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2014
(CONTINUED)**

Section II - 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 *General Auditing Standards*.

Finding 2013-6

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

Condition:

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

Recommendation:

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

Current Status:

Repeat Finding.

**BOROUGH OF BOGOTA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2014
(CONTINUED)**

Finding 2013-7

Purchases relating to various services and 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.

Condition:

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

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.

Current Status:

Repeat Finding.

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BOROUGH OF BOGOTA

GENERAL COMMENTS

Contracts and Agreements

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

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

N.J.S.A. 40A:11-4 states:

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

BOROUGH OF BOGOTA

GENERAL COMMENTS (CONTINUED)

Effective July 1, 2010, the bid threshold, in accordance with N.J.S.A. 40A:11-3 and 40A:11-4 (as amended) is \$26,000 and with a qualified purchasing agent the threshold may be up to \$36,000. On May 7, 2009, the Borough increased the bid threshold to \$36,000 as allowed by law for having a qualified purchasing agent.

Effective January 1, 2011, P.L., 2009, c.166 eliminated the previous lower non-qualified purchasing agent threshold of \$26,000. Thus a contracting unit without a qualified purchasing agent now has a maximum bid threshold of \$17,500.

The governing body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed the bid threshold within the fiscal year. Where question arises as to whether any contract or 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:

2013 Road Improvements
Portable Office Trailers for Expandable Office Use

Resolutions were adopted authorizing the awarding of contracts and agreements for "Professional Services" N.J.S. 40A:11-5.

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 material or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear cut violation existed. No violations were disclosed.

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

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 nonpayment of taxes or assessments on or before the date when they would become delinquent.

The governing body, on January 8, 2014, adopted the following amended resolution authorizing interest to be charged on delinquent taxes:

BOROUGH OF BOGOTA

**GENERAL COMMENTS
(CONTINUED)**

“NOW THEREFORE BE IT RESOLVED by the Mayor and Council of the Borough of Bogota, that taxes due to the Borough shall be payable February 1st, May 1st, August 1st, and November 1st each year, after which dates, if unpaid, shall become delinquent and from and after the respective dates herein before provided for taxes to become delinquent, the tax payer or property assessed shall be subject to interest at 8% per annum on the first \$1,500 and 18% thereafter and a 6% additional penalty for a delinquency over \$10,000 if not paid by the end of the calendar year. Delinquent water bills over \$100 shall be subject to interest at 1% per month thirty days after the due date.

ALSO, BE IT RESOLVED, that in the event said taxes shall be paid within ten days from the due date the interest shall be waived except in the office of the Tax Collector is closed on the tenth day of February, May, August or November then the grace period shall be extended to include the first business day thereafter; and,

BE IT FURTHER RESOLVED that the interest rates so stated will revert back to the due date of any installment of taxes or assessments received after the expiration of the ten-day grace period or as otherwise provided in the Resolution.”

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

Delinquent Taxes and Tax Title Liens

A tax sale was held on October 23, 2014, and was complete.

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

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

<u>Year</u>	<u>Number of liens</u>
2014	4
2013	1
2012	1

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**BOROUGH OF BOGOTA
COMMENTS
DECEMBER 31, 2014**

Finance:

1. *Bank accounts were not reconciled for 2014.
2. The Payroll General Ledger was not provided for the whole year, first three (3) months were not included.
3. Various receivables were cancelled without approval via resolution.
4. Petty cash disbursed to various departments does not agree to State approved application in accordance with N.J.S.A. 40A:5-21.
5. All Funds are being processed through unapproved software, QuickBooks.
6. Wire transfers and payments are not included on expenditure reports generated from Munidex.
7. The following tax reports were not provided at the time of audit:
 - a. Tax Sale Report
 - b. Outside Liens Report
 - c. Municipal Liens Report
8. The prepaid balance of school taxes paid was not included on the 2014 AFS.
9. The Senior Citizen and Veteran deductions allowed and disallowed reported on the AFS were unable to be traced to the Tax Revenue Report.
10. The amount of money received from the State for Senior Citizen and Veteran deductions included in the 2014 AFS could not be traced to the revenue report.
11. There were instances where the due from/to State for Senior Citizen and Veteran deductions reported on the AFS did not match the amount listed in the Extended Tax Duplicate and Trial Balance.
12. Various balances on the Schedule of Delinquent Taxes and Tax Title Liens could not be traced to the Tax Revenue Report.
13. One instance of paid tax interest not appearing on Munidex.

Municipal Clerk:

14. There were instances where Mayor and Council Meeting minutes were not approved.
15. There were instances where Mayor and Council Meeting minutes were not signed

Payroll:

16. *There is no salary ordinance for the Municipal Prosecutor and Municipal Judge.
17. There is a material difference of more than one percent between the budget salaries and wages and those reported on the quarterly 941 Reports.
18. There is a significant difference between the amount of salaries and wages reported on the budget and what was paid according to payroll registers.

**BOROUGH OF BOGOTA
COMMENTS
DECEMBER 31, 2014
(CONTINUED)**

Payroll: (continued)

19. A listing of new hires and terminated employees is not maintained throughout the year.
20. Proper termination documents are not on file for employees who were terminated.
21. There was an instance where an employee was not timely removed from the Health Benefits.
22. There was an instance where an employee ineligible for a clothing allowance reimbursement received a check, not included on their W-2, for \$2,000 intended for a clothing allowance for the past two years.
23. The Recreation Director received additional pay as a Bus Driver that was not approved in the minutes and lacked supporting documentation of time worked.
24. Payroll is being processed through an unapproved vendor, Balance Point.
25. Timesheets for 2014 were not provided for audit.
26. Employee detail of actual hours worked are not provided for review.

Purchasing:

27. There were instances in which bid packets selected for review did not contain all required documents.
28. Informal quotes were not obtained for purchases which exceeded 15% of the bid threshold as required by N.J.S.A. 40A:11-6.1.
29. The awarding resolutions for Request for Qualifications do not include the required information such as the anticipated value of the contract or "not to exceed" cost language and a certification of available funds.
30. There were instances in which original Request for Proposal documentation was not provided at the time of audit.
31. 1099's were not issued to all individuals and/or organizations that were compensated in excess of \$600 in violation of IRS regulations.
32. There were instances where the incorrect budget account line was charged for expenditures.
33. There were various instances in which vouchers were unavailable at the time of audit.

Recreation

34. *Registration forms are not maintained in an orderly manner.
35. *Deposits are not always made within 48 hours of receipt as required by N.J.S.A. 40A:5-15.
36. *Fees are not approved/ratified by Council resolution.
37. *Instances where fees charged did not agree to program flyer and/or website.
38. Payments via credit card collection are not being recorded on a ledger.

**BOROUGH OF BOGOTA
RECOMMENDATIONS
DECEMBER 31, 2014**

Finance:

1. *That bank reconciliations be performed on a timely basis.
2. That the Payroll General Ledger include all twelve months.
3. That all cancellations be approved by resolution before execution.
4. That an updated application be submitted to the State to approve various appointments of petty cash.
5. That all Funds be processed through the approved software, Munidex.
6. That all wire transfers and payments are included on expenditure reports generated from Munidex.
7. That requested tax reports be provided in order to complete test work.
8. That the prepaid balance of school taxes paid be included on the AFS.
9. That the amount of Senior Citizen and Veteran deductions allowed and disallowed reported on the AFS be included in the Tax Revenue Report.
10. That the amount of money received from the State in regards to Senior Citizen and Veteran deductions reported on the AFS is included in the Tax Revenue Report.
11. That the amount of due from/to State for Senior Citizen and Veteran deductions reported on the AFS match the amount in the Extended Tax Duplicate and Trial Balance.
12. That all balances reported in the Delinquent Taxes and Tax Title Liens be included on the Tax Revenue Report.
13. That all interest payments be recorded in Munidex.

Municipal Clerk:

14. That all meeting minutes be approved by Mayor and Council.
15. That all meeting minutes be signed by the Borough Clerk.

Payroll:

16. That all positions be properly included in the salary ordinance for the Borough.
17. That the budget salaries and wages equal the amount reported on the quarterly 941 Reports.
18. That the amount charged per the Payroll Registers equal the amount reported on the budget.
19. That a listing of new hires and terminated employees be maintained throughout the year.
20. That termination documents be filed for employees who are terminated.
21. That all employees be removed from Health Benefits in a timely manner after termination.
22. That only the eligible employees receive a clothing allowance and that is included in their total wages on their W-2.
23. That all positions be approved via resolution and that proper documentation of actual time worked is provided.

**BOROUGH OF BOGOTA
RECOMMENDATIONS
DECEMBER 31, 2014
(CONTINUED)**

Payroll: (continued)

24. That payroll is processed through a vendor approved by resolution.
25. That all timesheets be available for audit.
26. That all hourly employees provide a detail of actual hours worked and that it be available for audit.

Purchasing:

27. That all required documentation be maintained and made available for review.
28. That all purchases in excess of 15% of the bid threshold have informal quotes obtained as required by Local Public Contracts Law.
29. That awarding resolutions for Request for Qualifications include the required language.
30. That all required documentation be provided for awarded Requests for Qualifications in regards to Pay to Play.
31. That all vendors and/or individuals compensated in excess of \$600 be issued a 1099 in accordance with IRS regulations.
32. That the proper budget account line be charged for expenditures.
33. That all vouchers be available at the time of audit.

Recreation:

34. *That all registration forms be maintained in sequential order of collection and by activity.
35. *That deposits be made on a timely basis.
36. *That all fees be approved by Council via resolution.
37. *That all fees charged agree to flyer and/or documentation be presented for hardships.
38. That a cash book/ledger be maintained summarizing credit card collections by category.

BOROUGH OF BOGOTA


STATUS OF PRIOR YEAR AUDIT FINDINGS/RECOMMENDATIONS

A review was performed on all prior year recommendations and corrective action was taken on all except for the Findings/Recommendations marked with an “*”.

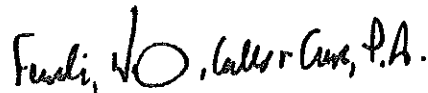
ACKNOWLEDGMENT

We received the complete cooperation of all of the officials of the municipality and we greatly appreciate the courtesies extended to all members of the audit team.

Respectfully submitted,



Steven D. Wielkocz
Registered Municipal Accountant
No. CR00413



FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants
Pompton Lakes, New Jersey

August 12, 2015

