

**BOROUGH OF BOGOTA**

**Financial Statements with  
Supplementary Information  
December 31, 2017**

**(With Independent Auditor's Reports Thereon)**

# 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	10-16
	<u>Trust Funds</u>	
B	Comparative Balance Sheet - Regulatory Basis	17-18
	<u>General Capital Fund</u>	
C	Comparative Balance Sheet - Regulatory Basis	19
C-1	Statement of Fund Balance - Regulatory Basis	20
	<u>General Fixed Assets Account Group</u>	
D	Comparative Statement of General Fixed Assets - Regulatory Basis	21
	Notes to Financial Statements	22-56
	Supplementary Data	57-62

# 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 - Collector Treasurer	63
A-5	Schedule of Cash - Change Funds	64
A-6	Schedule of Due from State of New Jersey- Senior Citizens' and Veterans' Deductions	65
A-7	Schedule of Taxes Receivable and Analysis of Property Tax Levy	66
A-8	Schedule of Property Acquired for Taxes	67
A-9	Schedule of Tax Title Liens	67
A-10	Schedule of Revenue Accounts Receivable	68
A-11	Schedule of Interfunds Due from/(to) Other Funds- Current Fund	69
A-12	Schedule of Deferred Charges N.J.S.A. 40A:4-53, Special Emergency Authorization	70
A-13	Schedule of Deferred Charges	71
A-14	Schedule of Appropriation Reserves	72
A-15	Schedule of Reserve for Encumbrances	74
A-16	Schedule of Prepaid Taxes	75
A-17	Schedule of Tax Overpayments	75
A-18	Schedule of Amount Due to State of New Jersey	76
A-19	Schedule of Library Taxes Payable	77
A-20	Schedule of School Taxes Payable	78
A-21	Schedule of County Taxes Payable	78
A-22	Schedule of Grants Receivable- Federal and State Grant Fund	79
A-23	Schedule of Due from/(to) Current Fund - Federal and State Grant Fund	80
A-24	Schedule of Appropriated Grant Reserves -Federal and State Grant Fund	81
A-25	Schedule of Unappropriated Grant Reserves Federal and State Grant Fund	82
	<u>Trust Funds</u>	
B-1	Schedule of Cash - Trust Funds	83
B-2	Schedule of Reserve for Animal License Trust Fund Expenditures	84
B-3	Schedule of Due to State of New Jersey- Animal License Trust Fund	85
B-4	Schedule of Interfund- Current Fund	86
B-5	Schedule of Payroll Deduction Payable- Other Trust Fund	87
B-6	Schedule of Miscellaneous Reserves- Other Trust Fund	88
B-7	Schedule of Reserve for Recreation Expenditures Recreation Trust Fund	89
B-8	Schedule of Reserve for Library Expenditures- Library Trust Fund	90
B-9	Schedule of Service Award Contributions Receivable- LOSAP	91
B-10	Schedule of Net Assets Available for Benefits- LOSAP	92

# BOROUGH OF BOGOTA

## Table of Contents (continued)

### Part I, (Continued)

<u>Exhibit</u>		<u>Page</u>
	<u>General Capital Fund</u>	
C-2	Schedule of General Capital Cash	93
C-3	Analysis of General Capital Cash	94
C-4	Schedule of Interfunds- General Capital Fund	95
C-5	Schedule of Grants Receivable	96
C-6	Schedule of Deferred Charges to Future Taxation - Funded	97
C-7	Schedule of Deferred Charges to Future Taxation - Unfunded	98
C-8	Schedule of General Serial Bonds	99
C-9	Schedule of Capital Leases Payable	100
C-10	Schedule of Bond Anticipation Notes	101
C-11	Schedule of Improvement Authorizations	102
C-12	Schedule of Capital Improvement Fund	103
C-13	Schedule of Reserve for Payment of Debt	104
C-14	Schedule of Reserve for Grants Receivable	105
C-15	Schedule of Bonds and Notes Authorized but not Issued	106

### Part II

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	107-108
Schedule of Findings and Questioned Costs	109-111
General Comments	112-114
Comments and Recommendations	115-118
Status of Prior Year Audit Findings/Recommendation	119
Acknowledgement	119

**BOROUGH OF BOGOTA**

**PART I**

**REPORT ON EXAMINATION OF FINANCIAL STATEMENTS**

**AND SUPPLEMENTARY DATA**

**YEAR ENDED DECEMBER 31, 2017**

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

Charles J. Ferraioli, Jr., MBA, CPA, RMA  
Steven D. Wielkottz, CPA, RMA  
James J. Cerullo, CPA, RMA  
Paul J. Cuva, CPA, RMA  
Thomas M. Ferry, CPA, RMA

Certified Public Accountants  
401 Wanaque Avenue  
Pompton Lakes, New Jersey 07442  
973-835-7900  
Fax 973-835-6631

Newton Office  
100B Main Street  
Newton, N.J. 07860  
973-579-3212  
Fax 973-579-7128

## 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, 2017 and 2016, 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, 2017, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

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

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

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

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



An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

***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, 2017 and 2016, or changes in financial position for the years then ended.

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

As described in Note 8 of the financial statements, the Borough participates in a Length of Service Award Program (LOSAP) for its' volunteer fire and rescue personnel. The amount reflected in the trust fund statements of \$141,777 and \$97,217 for 2017 and 2016, respectively, were not audited and, therefore, we express no opinion of the LOSAP program.

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

In our opinion, except for the effects of the matter described in the “Basis for Qualified Opinion on Regulatory Basis of Accounting” 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, 2017, the regulatory basis statements of operations for the year then ended and the regulatory basis statements of revenues and expenditures for the year ended December 31, 2017 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 2, 2018 on our consideration of the Borough of Bogota’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting

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 2, 2018

BOROUGH OF BOGOTA, N.J.

Comparative Balance Sheet-Regulatory Basis

Current Fund

December 31, 2017 and 2016

<u>Assets</u>	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
Current Fund:			
Cash	A-4	\$ 2,034,945	1,175,146
Change Fund	A-5	280	280
Due from State of New Jersey- Senior Citizen and Veteran's Deductions	A-6	<u>8,668</u>	<u>          </u>
		<u>2,043,893</u>	<u>1,175,426</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-7	1,273	783
Property Acquired for Taxes			
Assessed Valuations	A-8	136,680	136,680
Tax Title Liens	A-9	8,819	8,112
Revenue Accounts Receivable	A-10	9,771	8,453
Interfunds Receivable	A-11	<u>547,023</u>	<u>119,727</u>
		<u>703,566</u>	<u>273,755</u>
Deferred Charges:			
Special Emergency - N.J.S.A. 40-A:4-55	A-12		80,000
Overexpenditure of Appropriations	A-13	92,565	
Overexpenditure of Appropriation Reserves	A-13	<u>4,434</u>	<u>          </u>
		<u>96,999</u>	<u>80,000</u>
Total Current Fund		<u>2,844,458</u>	<u>1,529,181</u>
Federal and State Grant Fund:			
Cash	A-4		84,985
Grants Receivable	A-22	19,539	
Interfunds Receivable	A-23	<u>105,225</u>	<u>          </u>
Total Federal and State Grant Fund		<u>124,764</u>	<u>84,985</u>
		<u>2,969,222</u>	<u>1,614,166</u>

BOROUGH OF BOGOTA, N.J.

Comparative Balance Sheet-Regulatory Basis

Current Fund

December 31, 2017 and 2016

	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Current Fund:			
Appropriation Reserves	A-3, A-14	\$ 422,852	293,370
Encumbrances Payable	A-15	120,414	
Prepaid Taxes	A-16	352,726	43,534
Tax Overpayments	A-17	2,777	
Fees Payable	A-18	1,429	1,544
Library Taxes Payable	A-19	314	114
Interfunds Payable	A-11	<u>644,475</u>	<u>        </u>
		1,544,987	338,562
Reserve for Receivables and Other Assets	A	703,566	273,755
Fund Balance	A-1	<u>595,905</u>	<u>916,864</u>
Total Current Fund		<u>2,844,458</u>	<u>1,529,181</u>
Federal and State Grant Fund:			
Appropriated Grant Reserves	A-24	106,992	61,805
Unappropriated Grant Reserves	A-25	<u>17,772</u>	<u>23,180</u>
Total Federal and State Grant Fund		<u>124,764</u>	<u>84,985</u>
		<u>\$ 2,969,222</u>	<u>1,614,166</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, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Revenue and Other Income Realized:		
Fund Balance Utilized	\$ 794,765	375,000
Miscellaneous Revenue Anticipated	1,331,142	1,403,917
Receipts from Delinquent Taxes	783	43,613
Receipts from Current Taxes	24,399,023	24,255,591
Non-Budget Revenues	268,772	49,658
Other Credits to Income:		
Appropriated Grants Canceled		5,748
Unappropriated Grants Canceled		7,500
Unexpended Balance of Appropriation Reserves	291,160	88,102
Total Revenue	<u>27,085,645</u>	<u>26,229,129</u>
Expenditures:		
Budget and Emergency Appropriations:		
Operations:		
Salaries and Wages	3,444,009	3,155,800
Other Expenses	4,262,402	3,997,402
Capital Improvements	50,000	50,000
Municipal Debt Service	1,175,934	1,096,139
Deferred Charges and Statutory Expenditures	776,723	800,965
Judgements	151,036	120,000
School Taxes Payable	14,897,836	14,811,628
County Taxes Including Added Taxes	1,829,135	1,766,967
Overexpenditure of Appropriation Reserves	4,434	
Interfunds Advanced	20,282	
Prior Year Senior Citizen Disallowed	2,000	3,000
Tax Overpayments - Tax Court Judgements	95,047	
Grants Receivable Cancelled		3,279
Refunds		289,892
Total Expenditures	<u>26,708,838</u>	<u>26,095,072</u>
Excess/(Deficit) in Revenue	376,807	134,057
Adjustments to Income Before Fund Balance-		
Expenditures Which are by Statute Deferred		
Charges to Budget of Succeeding Year		
Overexpenditure of Appropriations	92,565	
Overexpenditure of Appropriation Reserves	4,434	
Statutory Excess to Fund Balance	473,806	134,057
Fund Balance - January 1,	916,864	1,157,807
Decreased by Utilization as Anticipated Revenue	<u>794,765</u>	<u>375,000</u>
Fund Balance - December 31,	<u>\$ 595,905</u>	<u>\$ 916,864</u>

See accompanying notes to financial statements.

**BOROUGH OF BOGOTA, N.J.**  
**Statement of Revenues-Regulatory Basis**  
**Current Fund**  
**Year Ended December 31, 2017**

	<u>Budget</u>	<u>Realized</u>	<u>Excess (deficit)</u>
Surplus Anticipated	\$ 794,765	794,765	
Miscellaneous Revenues:			
Licenses:			
Alcoholic Beverages	11,000	16,052	5,052
Other	9,000	9,932	932
Fees and Permits	13,000	10,215	(2,785)
Fines and Costs - Municipal Court	113,000	159,434	46,434
Interest and Costs on Taxes	44,000	24,752	(19,248)
Interest on Investments and Deposits	6,000	3,837	(2,163)
Energy Receipts Tax	592,886	592,886	
Consolidated Municipal Property Tax Relief	84,790	84,790	
Uniform Construction Code Fees	94,000	84,454	(9,546)
State and Federal Revenues Offset with Appropriations			
NJ Clean Communities Program	14,818	14,818	
NJ Recycling Tonnage Grant	6,538	6,538	
NJ Alcohol Education and Rehabilitation Program	121	121	
NJ Body Armor Fund	1,703	1,703	
NJ Municipal Alliance on Alcoholism and Drug Abuse	9,876	9,876	
Bergen County Prosecutor - Confiscated Funds	25,253	25,253	
Uniform Fire Safety	38,000	41,947	3,947
State Fees - Multi-Dwelling Inspections	2,900		(2,900)
Cable T.V. Franchise Fee - Cablevision	57,891	57,891	
Cable T.V. Franchise Fee - Verizon	44,188	44,188	
Swim Club Rent	7,500	9,500	2,000
PILOT - 297 Palisades Avenue	75,000	96,312	21,312
Outside Police Employment - Administrative Fees	212,000	36,643	(175,357)
Total Miscellaneous Revenues	<u>1,463,464</u>	<u>1,331,142</u>	<u>(132,322)</u>
Receipts from Delinquent Taxes		<u>783</u>	<u>783</u>
Amount to be Raised by Taxes for Support of Municipal Budget			
Local Tax for Municipal Purposes	7,442,260	7,581,037	138,777
Local Tax for Library Purposes	241,015	241,015	
	<u>7,683,275</u>	<u>7,822,052</u>	<u>138,777</u>
Budget Total	<u>\$ 9,941,504</u>	<u>9,948,742</u>	<u>7,238</u>
Non -Budget Revenue		<u>268,772</u>	
		<u>\$ 10,217,514</u>	

**BOROUGH OF BOGOTA, N.J.**  
**Statement of Revenues-Regulatory Basis**

**Current Fund**

**Year Ended December 31, 2017**

Analysis of Realized Revenue

Allocation of Current Tax Collections;	
Revenue from Collections	\$ 24,399,023
Allocated to School, County and Local Taxes	<u>16,726,971</u>
Balance for Support of Municipal Budget Appropriations	7,672,052
Add: Appropriation - Reserve for Uncollected Taxes	<u>150,000</u>
Amount for Support of Municipal Budget Appropriations	<u>\$ 7,822,052</u>
Receipts from:	
Delinquent Tax Collections	<u>\$ 783</u>

Analysis of Non-Budget Revenues

Advertising Bins	\$ 368
County Snow Plowing	86
Crossing Guard Reimbursements	1,668
Copy Fees	3,926
Restitution	2,500
FEMA Reimbursement - Hurricane Sandy	8,310
Insurance Reimbursements	35,926
Maintenance Liens	10,009
DPW Clean-Up Fees	6,724
Miscellaneous	49,827
NJ Inspection Fines	2,450
NSF Fees	100
Overpayment Refunds	23,483
PILOT Payments	2,250
Sale of Municipal Assets	<u>121,145</u>
	<u>\$ 268,772</u>

See accompanying notes to financial statements.

BOROUGH OF BOGOTA, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2017

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>	<u>Over - Expenditure of Appropriation</u>
Operations - within "CAPS":						
General Government:						
Administration:						
Salaries and Wages	\$ 110,000	110,000	111,060			1,060
Other Expenses	50,000	50,000	59,972			9,972
Mayor and Council:						
Salaries and Wages	16,500	16,500	16,500			
Other Expenses	3,500	3,500	3,437	63		
Municipal Clerk:						
Salaries and Wages	101,000	101,000	105,293			4,293
Other Expenses	25,000	25,000	24,553	447		
Financial Administration:						
Salaries and Wages	95,000	95,000	88,364	6,636		
Other Expenses	25,000	25,000	17,617	7,383		
Audit Services:						
Other Expenses	30,000	30,000		30,000		
Computerized Data Processing:						
Other Expenses	25,000	25,000	28,814			
Revenue Administration (Tax Administration):						
Salaries and Wages	50,000	50,000	49,431	569		
Other Expenses	25,000	25,000	13,367	11,633		
Assessment of Taxes:						
Salaries and Wages	16,000	16,000	15,363	637		
Other Expenses	5,000	5,000	4,575	425		
Legal Services and Costs:						
Other Expenses	205,000	205,000	159,941	45,059		
Engineering Services and Costs:						
Other Expenses	15,000	15,000	12,362	2,638		

BOROUGH OF BOGOTA, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2017

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>	<u>Over - Expenditure of Appropriation</u>
Municipal Land Use Law (N.J.S.A. 40:55D-1 et seq.)						
Planning Board:						
Salaries and Wages	7,500	7,500	2,400	5,100		
Other Expenses	10,000	10,000	10,678			678
Code Enforcement & Administration						
Property Maintenance:						
Salaries and Wages	20,000	20,000	21,385			1,385
Other Expenses	26,000	26,000	2,150	23,850		
Insurance:						
Liability Insurance	312,664	312,664	312,664			
Workman's Compensation Insurance	189,197	189,197	189,197			
Employee Group Insurance	652,000	652,000	642,088	9,912		
Other Insurance Premiums	20,000	20,000	14,766	5,234		
Unemployment	10,000	10,000	4,875	5,125		
Public Safety:						
Police Department:						
Salaries and Wages	1,825,000	1,825,000	1,864,812			39,812
Other Expenses	105,000	105,000	100,129	4,871		
Police Clerical:						
Salaries and Wages	40,000	40,000	40,000			
Crossing Guards:						
Salaries and Wages	60,000	60,000	57,058	2,942		
Emergency Management:						
Other Expenses	5,000	5,000	3,540	1,460		
Aid to Volunteer Fire Companies:						
Other Expenses	85,000	85,000	80,297	4,703		
Rescue Squad:						
Other Expenses	20,000	20,000	19,915	85		
First Aid Organization:						
Other Expenses	15,000	15,000	6,346	8,654		

**BOROUGH OF BOGOTA, N.J.**

**Statement of Expenditures - Regulatory Basis**

**Current Fund**

**Year Ended December 31, 2017**

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>	<u>Over - Expenditure of Appropriation</u>
Uniform Fire Safety:						
Salaries and Wages	30,000	30,000	29,297	703		
Other Expenses	83,436	83,436	82,174	1,262		
Public Works Function:						
Streets and Roads:						
Streets and Road Maintenance:						
Salaries and Wages	450,000	450,000	473,230			23,230
Other Expenses	100,000	100,000	100,000			
Shade Tree:						
Salaries and Wages	2,500	2,500		2,500		
Other Expenses	25,000	25,000	25,000			
Solid Waste Collection:						
Other Expenses	298,000	298,000	296,000	2,000		
Public Building and Grounds:						
Other Expenses	100,000	100,000	102,686			2,686
Health and Welfare:						
Board of Health:						
Salaries and Wages	8,500	8,500	8,500			
Other Expenses	40,000	40,000	41,881			1,881
Animal Control Services:						
Other Expenses-Contract	17,500	17,500	13,750	3,750		
Recreational Services and Programs:						
Recreation Commission:						
Salaries and Wages	75,000	75,000	63,123	11,877		
Other Expenses	50,000	50,000	35,201	14,799		
Uniform Construction Code:						
Code Enforcement and Administration:						
Salaries and Wages	90,000	90,000	55,958	34,042		
Other Expenses	5,000	5,000	1,643	3,357		

BOROUGH OF BOGOTA, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2017

	Budget	Budget after Modification and Transfer	Paid or Charged	Reserved	Unexpended Balance Canceled	Over - Expenditure of Appropriation
Utility Expenses and Bulk Purchases:						
Electricity	200,000	120,000	118,630	1,370		
Street Lighting	50,000	50,000	40,000	10,000		
Telephone	50,000	50,000	33,291	16,709		
Water	10,000	10,000	2,654	7,346		
Natural Gas		80,000	6,090	73,910		
Gasoline	75,000	75,000	47,343	27,657		
Solid Waste Disposal Costs:						
Dump Fees	300,000	300,000	293,752	6,248		
Total Operations within "CAPS"	6,259,297	6,259,297	5,953,152	394,956		88,811
Detail:						
Salaries & Wages	2,997,000	2,997,000	3,001,774	65,006		69,780
Other Expenses (Including Contingent)	3,262,297	3,262,297	2,951,378	329,950		19,031
Total:	6,259,297	6,259,297	5,953,152	394,956		88,811
(E) Deferred Charges and Statutory Expenditures- Municipal within "CAPS":						
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System	118,120	118,120	118,120			3,525
Social Security System (O.A.S.I.)	150,000	150,000	153,525			
Police and Fireman's Retirement System of NJ	425,078	425,078	425,078			
Total Deferred Charged and Statutory Expenditures-Municipal within "CAPS"	693,198	693,198	696,723			3,525
Total General Appropriations for Municipal Purposes within "CAPS"	6,952,495	6,952,495	6,649,875	394,956		92,336

**BOROUGH OF BOGOTA, N.J.**

**Statement of Expenditures - Regulatory Basis**

**Current Fund**

**Year Ended December 31, 2017**

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>	<u>Over - Expenditure of Appropriation</u>
Other Appropriations - Excluded from "CAPS":						
Sewer Processing and Disposal [N.J.S.A. 40A:4-45.3(j)]:						
Other Expenses	709,271	709,271	709,271			
Maintenance of Free Public Library:						
Salaries and Wages	147,000	147,000	141,902	5,098		
Other Expenses	94,015	94,015	79,549	14,466		
Police Dispatch/911:						
Salaries and Wages	200,000	200,000	200,229			229
Other Expenses	2,500	2,500		2,500		
LOSAP Contribution:						
Other Expenses	39,610	39,610	39,610			
<b>Total Other Appropriations - Excluded from "CAPS"</b>	<b>1,192,396</b>	<b>1,192,396</b>	<b>1,170,561</b>	<b>22,064</b>		<b>229</b>
Interlocal Municipal Service Agreements-Excluded from "CAPS":						
Municipal Court-Borough of Little Ferry:						
Salaries and Wages	30,000	30,000	29,168	832		
Other Expenses	74,900	74,900	69,900	5,000		
<b>Total Interlocal Municipal Service Agreements</b>	<b>104,900</b>	<b>104,900</b>	<b>99,068</b>	<b>5,832</b>		
Public and Private Programs Offset by Revenues:						
NJ Clean Communities Program	14,818	14,818	14,818			
NJ Recycling Tonnage Grant	6,538	6,538	6,538			
NJ Alcohol Education and Rehabilitation Program	121	121	121			
NJ Body Armor Fund	1,703	1,703	1,703			
BC Prosecutor's Office Confiscated Fund	25,253	25,253	25,253			
NJ Muni Alliance-State	9,876	9,876	9,876			
NJ Muni Alliance-Local	2,469	2,469	2,469			

BOROUGH OF BOGOTA, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2017

	Budget	Budget after Modification and Transfer	Paid or Charged	Reserved	Unexpended Balance Canceled	Over - Expenditure of Appropriation
Total Public and Private Programs Offset by Revenues	60,778	60,778	60,778			
Total Operations-Excluded from "CAPS"	1,358,074	1,358,074	1,330,407	27,896		229
Detail:						
Salaries and Wages	377,000	377,000	371,299	5,930		229
Other Expenses	981,074	981,074	959,108	21,966		
Total	1,358,074	1,358,074	1,330,407	27,896		229
Capital Improvements-Excluded from "CAPS"	50,000	50,000	50,000			
Capital Improvement Fund	50,000	50,000	50,000			
Total Capital Improvements Excluded from "CAPS"	50,000	50,000	50,000			
Municipal Debt Service - Excluded from "CAPS"	695,000	695,000	695,000			
Bond-Principal	97,566	97,566	97,566			
Bond-Interest	88,000	88,000	88,000			
BCIA Loan - Principal	2,702	2,702	2,702			
BCIA Loan - Interest	223,000	223,000	223,000			
BAN - Principal	69,666	69,666	69,666			
BAN - Interest	1,175,934	1,175,934	1,175,934			
Total Municipal Debt Service-Excluded from "CAPS"	1,175,934	1,175,934	1,175,934			
Deferred Charges-Municipal- Excluded from "CAPS"	80,000	80,000	80,000			
Emergency Authorization						
Special Emergency Authorizations- 5 Years (N.J.S.A. 40A:4-55)	80,000	80,000	80,000			
Total Deferred Charges-Municipal- Excluded from "CAPS"	80,000	80,000	80,000			

BOROUGH OF BOGOTA, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2017

	Budget	Budget after Modification and Transfer	Paid or Charged	Reserved	Unexpended Balance Canceled	Over - Expenditure of Appropriation
Judgements (N.J.S.A. 40A:4-3ec)	175,000	175,000	151,036		23,964	
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	2,839,008	2,839,008	2,787,377	27,896	23,964	229
Subtotal General Appropriations	9,791,503	9,791,503	9,437,252	422,852	23,964	92,565
Reserve for Uncollected Taxes	150,000	150,000	150,000			
Total General Appropriations	\$ 9,941,503	\$ 9,941,503	\$ 9,587,252	422,852	23,964	92,565

Adopted Budget \$ 9,941,503

\$ 9,941,503

Reserve for Uncollected Taxes	\$ 150,000
Grants	60,778
Special Emergency Authorizations	80,000
Encumbrances	120,414
Cash	9,176,060
	\$ 9,587,252

See accompanying notes to the financial statements.

BOROUGH OF BOGOTA, N.J.

Comparative Balance Sheet-Regulatory Basis

Trust Funds

December 31, 2017 and 2016

<u>Assets</u>	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
Animal Trust Fund:			
Cash	B-1	\$ <u>15,156</u>	<u>11,474</u>
		<u>15,156</u>	<u>11,474</u>
Other Trust Fund			
Cash	B-1	1,195,687	1,512,837
Deficit in Reserve for Uniform Fire Safety	B-6	1,020	
Deficit in Reserve for Police Vests	B-6	<u>2,840</u>	
		<u>1,199,547</u>	<u>1,512,837</u>
Recreation Trust Fund			
Cash	B-1	<u>125,775</u>	<u>90,112</u>
		<u>125,775</u>	<u>90,112</u>
Library Trust Fund			
Cash	B-1	<u>70,174</u>	<u>44,227</u>
Emergency Services Volunteer Length of Service Award Program (unaudited):			
Cash in Plan	B-1	101,852	27,384
Contributions Receivable	B-9	<u>39,925</u>	<u>69,833</u>
		<u>141,777</u>	<u>97,217</u>
		<u>\$ 1,552,429</u>	<u>1,755,867</u>

**BOROUGH OF BOGOTA, N.J.**

**Comparative Balance Sheet-Regulatory Basis**

**Trust Funds**

**December 31, 2017 and 2016**

	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
<u>Liabilities, Reserves &amp; Fund Balance</u>			
Animal Trust Fund:			
Reserve for Animal Trust Fund Expenditures	B-2	4,477	5,610
Due to State of New Jersey	B-3	8	385
Interfund - Current Fund	B-4	<u>10,671</u>	<u>5,479</u>
		<u>15,156</u>	<u>11,474</u>
Other Trust Fund:			
Payroll Deductions Payable	B-5	2,294	547,810
Interfund - Current Fund	B-4	502,940	81,133
Miscellaneous Reserves	B-6	<u>694,313</u>	<u>883,894</u>
		<u>1,199,547</u>	<u>1,512,837</u>
Recreation Trust Fund			
Interfund - Current Fund	B-4	33,412	33,115
Reserve for Expenditures	B-7	<u>92,363</u>	<u>56,997</u>
		<u>125,775</u>	<u>90,112</u>
Library Trust Fund			
Reserve for Expenditures	B-8	<u>70,174</u>	<u>44,227</u>
Emergency Services Volunteer Length of Service Award Program (unaudited):			
Net Assets Available for Benefits	B-10	<u>141,777</u>	<u>97,217</u>
		<u>\$ 1,552,429</u>	<u>1,755,867</u>

See accompanying notes to financial statements.

## BOROUGH OF BOGOTA, N.J.

## Comparative Balance Sheet-Regulatory Basis

## General Capital Fund

December 31, 2017 and 2016

<u>Assets</u>	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
Cash	C-2,3	\$	685,257
Interfund Receivable	C-4	539,250	
Grants Receivable	C-5	304,500	
Deferred Charges to Future Taxation:			
Funded	C-6	3,046,000	3,829,000
Unfunded	C-7	5,092,000	3,968,000
		<u>\$ 8,981,750</u>	<u>8,482,257</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Deficit in Cash	C-2,3	12,940	
Serial Bonds Payable	C-8	2,952,000	3,647,000
Capital Leases Payable	C-9	94,000	182,000
Bond Anticipation Notes Payable	C-10	5,092,000	3,493,000
Improvement Authorizations:			
Funded	C-11		138
Unfunded	C-11	421,016	1,090,436
Capital Improvement Fund	C-12	40,005	38,005
Reserve for Payment of Debt	C-13	23,438	23,438
Reserve for Grants Receivable	C-14	304,500	
Fund Balance	C-1	41,851	8,240
		<u>\$ 8,981,750</u>	<u>8,482,257</u>

There were \$ -0- and \$475,000 of Bonds and Notes Authorized But Not Issued on December 31, 2017 and December 31, 2016 (Exhibit C-15).

See accompanying notes to the financial statements.

**BOROUGH OF BOGOTA, N.J.**

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

**General Capital Fund**

**Year Ended December 31,**

	<u>2017</u>	<u>2016</u>
Balance - December 31,	\$ 8,240	\$ 8,240
Increased by:		
Premium on Bond Anticipation Note	<u>33,611</u>	<u>          </u>
Balance - December 31,	<u>\$ 41,851</u>	<u>\$ 8,240</u>

See accompanying notes to the financial statements.

**BOROUGH OF BOGOTA, N.J.**

**Comparative Statement of General Fixed Assets-Regulatory Basis**

**December 31, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
<u>General Fixed Assets:</u>		
Land	\$ 5,968,400	5,968,400
Buildings	4,635,800	4,635,800
Machinery and Equipment	<u>5,850,492</u>	<u>5,214,081</u>
	<u>\$ 16,454,692</u>	<u>15,818,281</u>
 Investment in Fixed Assets	 <u>\$ 16,454,692</u>	 <u>15,818,281</u>

See accompanying notes to financial statements.

**BOROUGH OF BOGOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2017 AND 2016**

**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, 2017 AND 2016**  
**(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.

Emergency Services Volunteer Length of Service Award Plan (LOSAP) Trust Fund – This fund is used to account for the cumulative amount of each participant's length of service awards, including any income, gains, losses or increases or decreases in market value attributable to the investment of the participant's length of service awards.

**BOROUGH OF BOGOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2017 AND 2016**  
**(CONTINUED)**

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

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

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.

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 11<sup>th</sup> day of the 11<sup>th</sup> 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

**BOROUGH OF BOGOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2017 AND 2016**  
**(CONTINUED)**

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

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

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.

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.

**BOROUGH OF BOGOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2017 AND 2016**  
**(CONTINUED)**

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

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

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.

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.

**BOROUGH OF BOGOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2017 AND 2016**  
**(CONTINUED)**

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

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

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

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

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

Cash and Investments - Cash includes amounts in demand deposits as well as short-term investments with a maturity date within one year of the date acquired by the government. Investments are stated at 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.

**BOROUGH OF BOGOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2017 AND 2016**  
**(CONTINUED)**

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

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

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.

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**

In June 2015, the Government Accounting Standards Board issued GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. This Statement applies to government employers who provided OPEB plans to their employees and basically parallels GASB Statement 68 and replaces GASB Statement 45. The Statement is effective for periods beginning after June 15, 2017. The Borough does not believe this Statement will have any effect on future financial statements.

**BOROUGH OF BOGOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2017 AND 2016**  
**(CONTINUED)**

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

**C. Recent Accounting Pronouncements, (continued)**

In June 2015, the Government Accounting Standards Board issued GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, which reduces the GAAP hierarchy to two categories of authoritative GAAP from the four categories under GASB Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The first category of authoritative GAAP consists of GASB Statements of Governmental Accounting Standards. The second category comprises GASB Technical Bulletins and Implementation Guides, as well as guidance from the American Institute of Certified Public Accountants that is cleared by the GASB. This Statement is effective for periods beginning after June 15, 2015. The Borough does not believe this Statement will have any effect on future financial statements.

In August 2015, the Government Accounting Standards Board issued GASB Statement No. 77, *Tax Abatement Disclosures*, which improve financial reporting by giving users of financial statements essential information that is not consistently or comprehensively reported to the public at present. Disclosure of information about the nature and magnitude of tax abatements will make these transactions more transparent to financial statement users. As a result, users will be better equipped to understand (1) how tax abatements affect a government's future ability to raise resources and meet its financial obligations and (2) the impact those abatements have on a government's financial position and economic condition. The Borough does not believe this Statement will have any effect on future financial statements..

In December 2015, the Government Accounting Standards Board issued GASB Statement No. 78, *Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans*. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. This issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions. This Statement is effective for reporting periods beginning after December 15, 2015. The Borough does not believe this Statement will have any effect on future financial statements.

In December 2015, the Government Accounting Standards Board issued GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*. This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically, it established criteria for an external investment pool to qualify

**BOROUGH OF BOGOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2017 AND 2016**  
**(CONTINUED)**

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

**C. Recent Accounting Pronouncements, (continued)**

for making the election to measure all of its investments at amortized cost for financial reporting purposes. This Statement is effective for periods beginning after June 15, 2015, and for certain provisions, periods beginning after December 15, 2015. The Borough does not believe this Statement will have any effect on future financial statements.

In January 2016, the Government Accounting Standards Board issued GASB Statement No. 80, *Blending Requirements for Certain Component Units*, which provides clarity about how certain component units incorporated as not-for-profit corporations should be presented in the financial statements of the primary state or local government. The Borough does not believe this Statement will have any effect on future financial statements. In March 2016, the Government Accounting Standards Board issued GASB Statement No. 81, *Irrevocable Split-Interest Agreements*. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The Borough does not believe this Statement will have any effect on future financial statements.

In March 2016, the Government Accounting Standards Board issued GASB Statement No. 82, *Pension Issues - an Amendment of GASB Statements No. 67, No. 68 and No. 73*. The objective of this Statement is to address certain issues that have been raised with respect to Statement No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. This Statement is effective for reporting periods beginning after June 15, 2016. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice.

In November 2016, the Government Accounting Standards Board issued GASB Statement No. 83, *Certain Asset Retirement Obligations*. This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflows of resources for asset retirement obligations (AROs). The Borough does not believe this Statement will have any effect on future financial statements.

**BOROUGH OF BOGOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2017 AND 2016**  
**(CONTINUED)**

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

**C. Recent Accounting Pronouncements, (continued)**

In January 2017, the Government Accounting Standards Board issued GASB Statement No. 84, *Fiduciary Activities*. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus on the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify component units and postemployment benefit arrangements that are fiduciary activities. The Borough is currently evaluating the effects, if any, this Statement may have on future financial statements.

In March 2017, the Government Accounting Standards Board issued GASB Statement No. 85, *Omnibus 2017*, which addresses practice issues that have been identified during the implementation and application of certain GASB statements. This Statement addresses a variety of topics including issues relating to blending component units, goodwill, fair value measurement and application, and postemployment benefits. The Borough is currently reviewing what effect, if any, this Statement might have on future financial statements.

In May 2017, the Governmental Accounting Standards Board issued GASB Statement No. 86, *Certain Debt Extinguishment Issues*, which improves consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. The Borough is currently reviewing what effect, if any, this Statement might have on future financial statements.

**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.

**BOROUGH OF BOGOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2017 AND 2016**  
**(CONTINUED)**

**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, 2017 and 2016, \$-0- of the Borough's bank balance of \$4,455,925 and \$6,103,751, respectively, was exposed to custodial credit risk.

**Investments**

**Investment Rate Risk**

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

**Credit Risk**

New Jersey Statutes 40A:5-15.1(a) limits municipal investments to those specified in the Statutes. The type of allowance investments are Bonds of the United States of America, bonds or other obligations of the 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.

**BOROUGH OF BOGOTA  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016  
(CONTINUED)**

**NOTE 2. CASH, CASH EQUIVALENTS AND INVESTMENTS**

**Unaudited Investments**

As more fully described in Note 9, the Borough has created a Length of Service Award Program (LOSAP) for emergency service volunteers. The LOSAP investments are similar to those allowed in a deferred compensation program specified in NJSA 43:15B-1 et. seq. except that all investments are retained in the name of the Borough. All investments are valued at fair value. In accordance with NJAC 5:30-14.37, the investments are maintained by Lincoln Financial Advisors, which is an authorized provider approved by the Division of Local Government Services. The balance in the account on December 31, 2017 and 2016 amount to \$101,852 and \$27,384, respectively, as no contributions have been deposited to date.

The following investments represent 5% or more of the total invested with Lincoln Financial Advisors on December 31, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
American Funds Growth Fund	\$	\$1,419
Fixed Income	30,136	7,923
LVIP Blackrock Dividend Value	6,808	1,837
LVIP SSGA International	9,006	2,822
LVIP SSFA S&P 500 Index	30,965	7,391
All Others	<u>24,937</u>	<u>5,992</u>
	<u>\$101,852</u>	<u>\$27,384</u>

**NOTE 3. MUNICIPAL DEBT**

Long-term debt as of December 31, 2017 and 2016 consisted of the following:

	<u>Balance</u> <u>Dec. 31, 2016</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>Dec. 31, 2017</u>	<u>Amounts Due</u> <u>Within</u> <u>One Year</u>
Bonds Payable:					
Obligation Debt	\$3,647,000	\$	\$695,000	\$2,952,000	\$712,000
Other Liabilities:					
PERS/PFRS Pension Deferral	108,368		12,231	96,137	13,619
Compensated Absences	446,013			446,013	
Capital Leases Payable	<u>182,000</u>	<u>          </u>	<u>88,000</u>	<u>94,000</u>	<u>94,000</u>
	<u>\$4,383,381</u>	<u>\$</u>	<u>\$795,231</u>	<u>\$3,588,150</u>	<u>\$819,619</u>

**BOROUGH OF BOGOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2017 AND 2016**  
**(CONTINUED)**

**NOTE 3. MUNICIPAL DEBT, (continued)**

	<u>Balance</u> <u>Dec. 31, 2015</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>Dec. 31, 2016</u>	<u>Amounts Due</u> <u>Within</u> <u>One Year</u>
Bonds Payable:					
Obligation Debt	\$4,322,000	\$	\$675,000	\$3,647,000	\$695,000
Other Liabilities:					
PERS/PFRS Pension Deferral	119,593		11,225	108,368	12,231
Compensated Absences	427,550	37,025	18,562	446,013	
Capital Leases Payable	<u>265,000</u>	<u>          </u>	<u>83,000</u>	<u>182,000</u>	<u>88,000</u>
	<u>\$5,134,143</u>	<u>\$37,025</u>	<u>\$787,787</u>	<u>\$4,383,381</u>	<u>\$795,231</u>

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

The Borough's debt is summarized as follows:

Summary of Municipal Debt (Excluding Current Operating Debt)

	<u>Year 2017</u>	<u>Year 2016</u>	<u>Year 2015</u>
<u>Issued:</u>			
General - Bonds, Notes and Loans	\$8,044,000	\$7,322,000	\$7,002,000
<u>Authorized But Not Issued</u>			
General - Bonds and Notes	<u>          </u>	<u>475,000</u>	<u>          </u>
Total Bonds, Notes and Loans Issued and Authorized But Not Issued	8,044,000	7,797,000	7,002,000
Less: Deductions	<u>23,438</u>	<u>23,438</u>	<u>          </u>
Net Debt	<u>\$8,020,562</u>	<u>\$7,773,562</u>	<u>\$7,002,000</u>

**BOROUGH OF BOGOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2017 AND 2016**  
**(CONTINUED)**

**NOTE 3. MUNICIPAL DEBT, (continued)**

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 1.112% for 2017.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
School District Debt	\$3,030,000	\$3,030,000	\$ -
General Debt	<u>8,044,000</u>	<u>23,438</u>	<u>8,020,562</u>
	<u>\$11,074,000</u>	<u>\$3,053,438</u>	<u>\$8,020,562</u>

Net debt of \$8,020,562 divided by equalized valuation basis per N.J.S.A. 40A:2-2 as amended of \$721,324,306 equals 1.112% for 2017.

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 1.088% for 2016.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
School District Debt	\$4,025,000	\$4,025,000	\$ -
General Debt	<u>7,797,000</u>	<u>23,438</u>	<u>7,773,562</u>
	<u>\$11,822,000</u>	<u>\$4,048,438</u>	<u>\$7,773,562</u>

Net debt of \$7,773,562 divided by equalized valuation basis per N.J.S.A. 40A:2-2 as amended of \$712,237,077 equals 1.088% for 2016.

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

	<u>2017</u>	<u>2016</u>
3 ½% of Equalized Valuation Basis (Municipal)	\$25,246,351	\$24,928,298
Net Debt	<u>8,020,562</u>	<u>7,773,562</u>
Remaining Borrowing Power	<u>\$17,225,789</u>	<u>\$17,154,736</u>

**BOROUGH OF BOGOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2017 AND 2016**  
**(CONTINUED)**

**NOTE 3. MUNICIPAL DEBT, (continued)**

The Borough's long-term debt consisted of the following at December 31, 2017:

Paid by Current Fund:

<u>General Serial Bonds</u>	<u>2017</u>	<u>2016</u>
\$1,840,000, General Obligation Bonds - with an interest rate of 3.00% to 4.00%, issued March 15, 2004, due through March 15, 2017	\$	\$205,000
\$2,667,000, General Obligation Bonds, with an interest rate of 4.125% to 4.25%, issued July 1, 2007, due through July 1, 2018	522,000	827,000
\$3,265,000, General Obligation Bonds - with an interest rate of 0.70% to 3.00%, issued December 1, 2012, due through December 1, 2025	<u>2,430,000</u>	<u>2,615,000</u>
Total General Serial Bonds	<u>\$2,952,000</u>	<u>\$3,647,000</u>

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

<u>Year</u>	<u>General Capital Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$712,000	\$77,185	\$789,185
2019	320,000	51,200	371,200
2020	320,000	44,800	364,800
2021	320,000	38,400	358,400
2022	320,000	32,000	352,000
2023-2025	<u>960,000</u>	<u>52,800</u>	<u>1,012,800</u>
	<u>\$2,952,000</u>	<u>\$296,385</u>	<u>\$3,248,385</u>

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, 2017 and 2016, the Borough had authorized but not issued debt as follows:

	<u>2017</u>	<u>2016</u>
General Capital Fund	<u>\$ -0-</u>	<u>\$475,000</u>

**BOROUGH OF BOGOTA  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016  
(CONTINUED)**

**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, 2017 and 2016, the Borough had \$5,092,000 and \$3,493,000, respectively, in outstanding General Capital bond anticipation notes.

The following activity related to bond anticipation notes occurred during the periods ended December 31, 2017 and 2016:

	<u>Balance Dec. 31, 2016</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance Dec. 31, 2017</u>
General Capital Notes Payable: Oppenheimer & Co., Inc.	<u>\$3,493,000</u>	<u>\$5,092,000</u>	<u>\$3,493,000</u>	<u>\$5,092,000</u>
	<u>Balance Dec. 31, 2015</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance Dec. 31, 2016</u>
General Capital Notes Payable: Bogota Securities Corp.	\$525,000	\$	\$525,000	\$
Bogota Savings Bank	1,890,000		1,890,000	
Oppenheimer & Co., Inc.	<u>                    </u>	<u>3,493,000</u>	<u>                    </u>	<u>3,493,000</u>
	<u>\$2,415,000</u>	<u>\$3,493,000</u>	<u>\$2,415,000</u>	<u>\$3,493,000</u>

**NOTE 5. PENSION PLANS**

Description of Plans:

Borough employees participate in one of the two contributory, defined benefit public employee retirement systems: the State of New Jersey Public Employees' Retirement System (PERS) or the State of New Jersey Police and Firemen's Retirement System (PFRS); or the Defined Contribution Retirement Program (DCRP), a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) 401(a).

**BOROUGH OF BOGOTA  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016  
(CONTINUED)**

**NOTE 5. PENSION PLANS, (continued)**

*Public Employees' Retirement System (PERS)*

Plan Description

The State of New Jersey Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the "Division"). For additional information about the PERS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions/annrpts.shtml](http://www.state.nj.us/treasury/pensions/annrpts.shtml).

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS. The following represents the membership tiers for PERS:

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

Service retirement benefits of 1/55<sup>th</sup> of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 50 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

**BOROUGH OF BOGOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2017 AND 2016**  
**(CONTINUED)**

**NOTE 5. PENSION PLANS, (continued)**

*Police and Firemens' Retirement System (PFRS)*

Plan Description

The State of New Jersey Police and Firemen's Retirement System (PFRS), is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey Division of Pensions and Benefits (the "Division"). For additional information about the PFRS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions/annrpts.shtml](http://www.state.nj.us/treasury/pensions/annrpts.shtml).

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:16A. PFRS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for disability benefits, which vest after 4 years of service. The following represents the membership tiers for PFRS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to May 22, 2010
2	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
3	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service, as defined, up to 30 years plus 1% for each year of service in excess of 30 years. Members may seek special retirement after achieving 25 years of creditable service, in which benefits would equal 65% (Tiers 1 and 2 members) and 60% (Tier 3 members) of final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years. Members may elect deferred retirement benefits after achieving ten years of service, in which case benefits would begin at age 55 equal to 2% of final compensation for each year of service.

Defined Contribution Retirement Program

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS or PFRS, the employee may be eligible to enroll in the DCRP. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

**BOROUGH OF BOGOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2017 AND 2016**  
**(CONTINUED)**

**NOTE 5. PENSION PLANS, (continued)**

Defined Contribution Retirement Program, (continued)

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

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

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 in the amount of \$171,430. The amount outstanding at December 31, 2017 was \$96,137.

Contribution Requirements

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

**BOROUGH OF BOGOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2017 AND 2016**  
**(CONTINUED)**

**NOTE 5. PENSION PLANS, (continued)**

Contribution Requirements, (continued)

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>
2017	\$101,865	\$425,078
2016	116,068	426,497
2015	97,742	400,358

Statement No's 68 and 71 require a state or local government employer to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. However, since the financial statements are prepared on another comprehensive basis of accounting, the net pension liability of the various pension systems is not recorded in the financial statements and is only required to be disclosed in the notes to the financial statements.

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

**Public Employees Retirement System (PERS)**

At December 31, 2017, the Borough had a liability of \$2,831,824 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2017, the Borough's proportion was 0.0121650288 percent, which was an increase/(decrease) of 0.0013313337 percent from its proportion measured as of June 30, 2016.

**BOROUGH OF BOGOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2017 AND 2016**  
**(CONTINUED)**

**NOTE 5. PENSION PLANS, (continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, (continued)**

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

For the year ended December 31, 2017, the Borough recognized pension expense of \$101,865. At December 31, 2017, deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference in expected and actual experience	\$66,680	\$
Changes in assumptions	570,515	568,423
Net difference between projected & actual earnings on pension plan investments	19,283	
Changes in proportion and differences between the Borough's contributions and proportionate share of contributions	<u>1,616,489</u>	<u>1,216,331</u>
Total	<u>\$2,272,967</u>	<u>\$1,784,754</u>

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2017) will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2018	\$66,664
2019	100,597
2020	60,957
2021	(81,073)
2022	(59,090)

**BOROUGH OF BOGOTA  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016  
(CONTINUED)**

**NOTE 5. PENSION PLANS, (continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, (continued)**

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

**Changes in Proportion**

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.48, 5.57, 5.72 and 6.44 years for 2017, 2016, 2015 and 2014 amounts, respectively.

**Additional Information**

Local Group Collective balances at June 30, 2017 and June 30, 2016 are as follows:

	<u>June 30, 2017</u>	<u>June 30, 2016</u>
Collective deferred outflows of resources	\$6,424,455,842	\$8,685,338,380
Collective deferred inflows of resources	5,700,625,981	870,133,595
Collective net pension liability	23,278,401,588	29,617,131,759
Borough's Proportion	0.0121650288%	0.0108336951%

**Actuarial Assumptions**

The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which rolled forward to June 30, 2017. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

Inflation	2.25 Percent
Salary Increases:	
Through 2026	1.65-4.15 Percent (based on age)
Thereafter	2.65-5.15 Percent (based on age)
Investment Rate of Return	7.00 Percent

**BOROUGH OF BOGOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2017 AND 2016**  
**(CONTINUED)**

**NOTE 5. PENSION PLANS, (continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, (continued)**

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

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

**Mortality Rates**

Pre-retirement mortality rates were based on the RP-2000 Employee Pre-retirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plans actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirements and beneficiaries of former members and a one year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

**Long-Term Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2017) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2017 are summarized in the following table:

**BOROUGH OF BOGOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2017 AND 2016**  
**(CONTINUED)**

**NOTE 5. PENSION PLANS, (continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, (continued)**

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute return/risk mitigation	5.00%	5.51%
Cash equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
Public high yield	2.50%	6.82%
Global diversified credit	5.00%	7.10%
Credit oriented hedge funds	1.00%	6.60%
Debt related private equity	2.00%	10.63%
Debt related real estate	1.00%	6.61%
Private real asset	2.50%	11.83%
Equity related real estate	6.25%	9.23%
U.S. equity	30.00%	8.19%
Non-U.S. developed markets equity	11.50%	9.00%
Emerging markets equity	6.50%	11.64%
Buyouts/venture capital	8.25%	13.08%

**Discount Rate**

The discount rate used to measure the total pension liability was 5.00% as of June 30, 2017. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.58% as of June 30, 2017 based on the Bond Buyer GO 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 40% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2040. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**BOROUGH OF BOGOTA  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016  
(CONTINUED)**

**NOTE 5. PENSION PLANS, (continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, (continued)**

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

**Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate**

The following presents the collective net pension liability of the participating employers as of June 30, 2017, respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 -percentage point lower or 1- percentage-point higher than the current rate:

	June 30, 2017		
	1% Decrease <u>4.00%</u>	At Current Discount Rate <u>5.00%</u>	1% Increase <u>6.00%</u>
Borough's proportionate share of the pension liability	\$3,513,070	\$2,831,824	\$2,264,262

**Pension Plan Fiduciary Net Position**

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS). The financial report may be accessed at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**Police and Firemen's Retirement System (PFRS)**

At December 31, 2017, the Borough had a liability of \$7,165,259 for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2017, the Borough's proportion was 0.0464129303 percent, which was an increase/(decrease) of (.0031313955) percent from its proportion measured as of June 30, 2016.

**BOROUGH OF BOGOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2017 AND 2016**  
**(CONTINUED)**

**NOTE 5. PENSION PLANS, (continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, (continued)**

**Police and Firemen's Retirement System, (continued)**

For the year ended December 31, 2017, the Borough recognized pension expense of \$425,078. At December 31, 2017, deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference in actual and expected experience	\$46,484	\$42,054
Changes of assumptions	883,556	
Net difference between projected and actual earnings on pension plan investments	136,730	1,173,460
Changes in proportion and differences between Borough contributions and proportionate share of contributions	<u>29,774</u>	<u>578,017</u>
Total	<u>\$1,096,544</u>	<u>\$1,793,531</u>

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2017) will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding changes in proportion) will be recognized in pension expense as follows:

Year ended June 30:	
2018	\$87,189
2019	236,134
2020	48
2021	(327,253)
2022	(144,862)

**BOROUGH OF BOGOTA  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016  
(CONTINUED)**

**NOTE 5. PENSION PLANS, (continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, (continued)**

**Police and Firemen's Retirement System, (continued)**

**Changes in Proportion**

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.59, 5.58, 5.53 and 6.17 years for 2017, 2016, 2015 and 2014 amounts respectively.

**Additional Information**

Local Group Collective balances at June 30, 2017 and June 30, 2016 are as follows:

	<u>June 30, 2017</u>	<u>June 30, 2016</u>
Collective deferred outflows of resources	\$2,941,952,753	\$4,547,316,543
Collective deferred inflows of resources	3,262,432,093	688,197,590
Collective net pension liability	17,167,260,198	20,706,699,056
Borough's Proportion	0.0464129303%	0.0495443258%

**Actuarial Assumptions**

The collective total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which rolled forward to June 30, 2017. This actuarial valuation used the following actuarial assumptions:

Inflation	2.25 Percent
Salary Increases:	
Through 2026	2.10-8.98 Percent (based on age)
Thereafter	3.10-9.98 Percent (based on age)
Investment Rate of Return	7.00 Percent

**BOROUGH OF BOGOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2017 AND 2016**  
**(CONTINUED)**

**NOTE 5. PENSION PLANS, (continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, (continued)**

**Police and Firemen's Retirement System, (continued)**

**Mortality Rates**

Pre-retirement mortality rates were based on the RP-2000 Pre-retirement mortality tables projected thirteen years using Projection Scale BB and then projected on a generational basis using the plan actuary's modified 2014 projection scales. Post-retirement mortality rates for male service retirements and beneficiaries are based on the RP-2000 Combined Healthy Mortality Tables projected one year using Projection Scale AA and two years using the plan actuary's modified 2014 projection scales. Post-retirement mortality rates for female service retirements and beneficiaries are based on the RP-2000 Combined Healthy Mortality Tables projected thirteen years using Projection Scale BB and then two years using the plan actuary's modified 2014 projection scales, which was further projected on a generational basis using the plan actuary's modified 2014 projection scales. Disability mortality rates were based on special mortality tables used for the period after disability.

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013.

**Long-Term Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2017) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2017 are summarized in the following table:

**BOROUGH OF BOGOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2017 AND 2016**  
**(CONTINUED)**

**NOTE 5. PENSION PLANS, (continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, (continued)**

**Police and Firemen's Retirement System, (continued)**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute return/risk mitigation	5.00%	5.51%
Cash equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
Public high yield	2.50%	6.82%
Global diversified credit	5.00%	7.10%
Credit oriented hedge funds	1.00%	6.60%
Debt related private equity	2.00%	10.63%
Debt related real estate	1.00%	6.61%
Private real asset	2.50%	11.83%
Equity related real estate	6.25%	9.23%
U.S. equity	30.00%	8.19%
Non-U.S. developed markets equity	11.50%	9.00%
Emerging markets equity	6.50%	11.64%
Buyouts/venture capital	8.25%	13.08%

**Discount Rate**

The discount rate used to measure the total pension liability was 6.14% as of June 30, 2017. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.58% as of June 30, 2017 based on the Bond Buyer GO 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the non-employer contributing entity will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 40% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**BOROUGH OF BOGOTA  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016  
(CONTINUED)**

**NOTE 5. PENSION PLANS, (continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, (continued)**

**Police and Firemen's Retirement System, (continued)**

**Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate**

The following presents the collective net pension liability of the participating employers as of June 30, 2017, respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 -percentage point lower or 1- percentage-point higher than the current rate:

	June 30, 2017		
	1%	At Current	1%
	Decrease	Discount Rate	Increase
	<u>5.14%</u>	<u>6.14%</u>	<u>7.14%</u>
Borough's proportionate share of the pension liability	\$10,498,270	\$7,165,259	\$5,888,783

**Pension Plan Fiduciary Net Position**

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Police and Firemen's Retirement System (PFRS). The financial report may be accessed at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**NOTE 6. FUND BALANCE APPROPRIATED**

The fund balance at December 31, 2017 and 2016 which has been appropriated as revenue in the 2018 and 2017 budgets is as follows:

	<u>2018</u>	<u>2017</u>
Current Fund	<u>\$570,000</u>	<u>\$794,765</u>

**BOROUGH OF BOGOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2017 AND 2016**  
**(CONTINUED)**

**NOTE 7. FIXED ASSETS**

The following is a summary of General Fixed Assets Account Group as of December 31, 2017 and 2016:

	<u>Balance</u> <u>Dec. 31, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>Dec. 31, 2017</u>
General Fixed Assets:				
Land	\$5,968,400	\$	\$	\$5,968,400
Buildings and Improvements	4,635,800			4,635,800
Machinery and Equipment	<u>5,124,081</u>	<u>1,008,427</u>	<u>282,016</u>	<u>5,850,492</u>
	<u>\$15,728,281</u>	<u>\$1,008,427</u>	<u>\$282,016</u>	<u>\$16,454,692</u>
	<u>Balance</u> <u>Dec. 31, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>Dec. 31, 2016</u>
General Fixed Assets:				
Land	\$5,968,400	\$	\$	\$5,968,400
Buildings and Improvements	4,635,800			4,635,800
Machinery and Equipment	<u>5,124,081</u>			<u>5,124,081</u>
	<u>\$15,728,281</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$15,728,281</u>

**NOTE 8. EMERGENCY SERVICES VOLUNTEER LENGTH OF SERVICE AWARD PLAN (LOSAP)**

On July 19, 2012, the Division of Local Government Services approved the Borough's LOSAP plan, provided by Lincoln National Life Insurance Company. The purpose of this plan is to enhance the Borough's ability to retain and recruit volunteer firefighters and volunteer members of emergency service squads.

Lincoln National Life Insurance Company will provide the benefit of participants, a multi-fund variable annuity contract as its funding vehicle. The plan shall have minimum and maximum contribution requirements as follows: the minimum contribution for each participating active volunteer member shall be \$650 per year of active emergency service and the maximum contribution for each active volunteer member shall be \$1,150 per year of active emergency service, subject to periodic increases as permitted by N.J.A.C. 5:30-14.9. The Borough's contribution shall be included in the current year's budget.

**BOROUGH OF BOGOTA  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016  
(CONTINUED)**

**NOTE 8. EMERGENCY SERVICES VOLUNTEER LENGTH OF SERVICE AWARD PLAN (LOSAP), (continued)**

All amounts awarded under a length of service award plan shall remain the asset of the sponsoring agency; the obligation of the sponsoring agency to participating volunteers shall be contractual only; and no preferred or special interest in the awards made shall accrue to such participants. Such money shall be subject to the claims of the sponsoring agency's general creditors until distributed to any or all participants.

We have reviewed the plan for the year ended December 31, 2017 in accordance with the American Institute of Certified Public Accountants (AICPA) Statement on Standards for Accounting and Review Services.

**NOTE 9. 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 \$446,013 as of December 31, 2017 and \$446,013 at December 31, 2016. The amount is not reported either as an expenditure or liability.

**NOTE 10. INTERFUND BALANCES AND ACTIVITY**

Balances due to/from other funds at December 31, 2017 consist of the following:

\$270,987	Due to the Current Fund from the Other Trust Fund for deposits in error and interest earned on investments.
44,333	Due to the Current Fund from the Other Trust Fund - Escrow Accutrack for reimbursement of expenditures paid and return of funds deposited.
187,620	Due to the Current Fund from the Payroll Agency Account for excess funds transferred.
10,671	Due to the Current Fund from the Animal License Trust Fund for statutory excess.
33,412	Due to the Current Fund from the Recreation Trust Fund for reimbursement of expenditures paid.
539,250	Due to the General Capital Fund from the Current Fund for budget appropriations and reimbursement for expenditures paid.
<u>105,225</u>	Due to the Federal and State Grant Fund from the Current Fund for grant monies received less expenditures paid.
<u>\$1,191,498</u>	

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

**BOROUGH OF BOGOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2017 AND 2016**  
**(CONTINUED)**

**NOTE 11. 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			
<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	<u>\$94,000</u>	<u>\$992</u>	<u>\$94,992</u>

**NOTE 12. 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 2017 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 workers' 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 provision included in the financial statements for claims incurred but not reported as of December 31, 2017.

**BOROUGH OF BOGOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2017 AND 2016**  
**(CONTINUED)**

**NOTE 12. RISK MANAGEMENT, (continued)**

There has been no significant reduction in insurance coverage from the previous year. A settlement in excess of insurance coverages occurred during the current year. The settlement was for \$2,250,000 and the Joint Insurance Fund agreed to cover \$750,000 and the balance is the responsibility of the Borough.

**NOTE 13. TAXES COLLECTED IN ADVANCE**

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

	<u>Balance</u> <u>Dec. 31, 2017</u>	<u>Balance</u> <u>Dec. 31, 2016</u>
Prepaid Taxes	<u>\$352,726</u>	<u>\$43,534</u>
Cash Liability for Taxes Collected in Advance	<u>\$352,726</u>	<u>\$43,534</u>

**NOTE 14. 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.

**NOTE 15. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS**

Certain expenditures are required to be deferred to budgets of succeeding years. The following deferred charges are shown on the balance sheets of the Borough of Bogota:

	<u>Balance</u> <u>December 31,</u>	<u>Subsequent</u> <u>Year Budget</u> <u>Appropriation</u>	<u>Balance to</u> <u>Succeeding</u> <u>Year's Budget</u>
<u>2017</u>			
Current Fund:			
Overexpenditure of Appropriations	\$92,565	\$92,565	\$
Overexpenditure of Appropriation Reserves	<u>4,434</u>	<u>          </u>	<u>4,434</u>
Total Current Fund	<u>96,999</u>	<u>92,565</u>	<u>4,434</u>
Other Trust Fund:			
Reserve for Uniform Fire Safety	1,020	1,020	
Reserve for Police Vests	<u>2,840</u>	<u>2,840</u>	<u>          </u>
Total Other Trust Fund	<u>3,860</u>	<u>3,860</u>	<u>          </u>
Total Deferred Charges	<u>\$100,859</u>	<u>\$96,425</u>	<u>\$4,434</u>

**BOROUGH OF BOGOTA  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016  
(CONTINUED)**

**NOTE 15. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS, (continued)**

	<u>Balance December 31,</u>	<u>Subsequent Year Budget Appropriation</u>	<u>Balance to Succeeding Year's Budget</u>
<u>2016</u>			
Current Fund:			
Special Emergency Authorizations	<u>\$80,000</u>	<u>\$80,000</u>	\$ _____
Total Deferred Charges	<u>\$80,000</u>	<u>\$80,000</u>	\$ _____

**NOTE 16. MUNICIPAL EXCESS JOINT INSURANCE FUND LOAN**

The Borough entered into a loan agreement with the Municipal Excess Joint Insurance Fund (MEL) in order to finance the payout of a litigation settlement in the sum of \$1,500,000. The Borough shall reimburse the MEL in twenty (20) installments of \$75,000 plus interest, with the first payment being made on or before December 31, 2017 and subsequent payments to be made annually before the end of each calendar year thereafter until the full amount of the Borough's share of the settlement has been repaid to the MEL, together with interest equal to the rate of interest the MEL is currently receiving on its investments, which fluctuates, but which, at the moment is 0.87%. The annual payment shall be accompanied by an interest payment on the unpaid principal. Under the terms and conditions of the agreement, if the Borough should resign or fails to renew its membership for any reason is no longer a member of the South Bergen Joint Insurance Fund or the MEL, all outstanding monies due and owing to the MEL, including principal and interest shall be paid to the MEL on January 1<sup>st</sup> of the year the Borough is no longer a member of the South Bergen Joint Insurance Fund or the MEL. The amount outstanding at December 31, 2017 was \$1,350,000.

**NOTE 17. SUBSEQUENT EVENTS**

The Borough has evaluated subsequent events through August 2, 2018, the date which the financial statements were available to be issued and no other items were noted for disclosure.

**SUPPLEMENTARY DATA**

## 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>
Christopher Kelemen	Mayor	
Thomas Napolitano	Council President	
David Macfarlane	Councilman	
Mary Ellen Murphy	Councilwoman	
Francisco J. Miranda	Councilman	
Kathryn Gates-Ferris	Councilwoman	
Danielle Fede	Councilwoman	
Joseph Scarpa	Borough Administrator	\$1,000,000 (A)
Frank DiMaria	Chief Financial Officer	1,000,000 (A)
Jeanne M. Cook	Borough Clerk	
Frank DiMaria	Treasurer	1,000,000 (A)
Elizabeth Wiemer	Tax Collector	1,000,000 (A)
Daniel Howell	Construction Code Official	
Michael Quercia	Plumbing Subcode Official	
Giuseppe Randazzo	Municipal Court Judge	50,000 (B)
Pat Wilkens	Tax Assessor	
Daniel Maye	Chief of Police	
Robert Costa	Borough Engineer	
Craig Bossong, Esq.	Borough Attorney	

(A) Blanket bond for all Municipal employees

(B) Blanket bond for all Court employees

**BOROUGH OF BOGOTA**

**Supplementary data**

Comparative Schedule of Tax Rate Information

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Tax rate	<u>3.800</u>	<u>3.773</u>	<u>3.729</u>
Apportionment of tax rate:			
Municipal	1.196	1.196	1.161
County	0.274	0.272	0.262
County Open Space	0.011	0.003	0.003
Local School	<u>2.319</u>	<u>2.302</u>	<u>2.303</u>

Assessed Value

2017	\$ 642,458,400
2016	643,656,400
2015	643,315,800

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>
2017	\$ 24,433,460	24,399,023	99.86%
2016	24,302,358	24,255,591	99.81%
2015	24,001,027	23,969,922	99.87%

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>
2017	\$ 1,273	8,819	10,092	0.04%
2016	783	8,112	8,895	0.04%
2015	34,114	12,446	46,560	0.19%

**BOROUGH OF BOGOTA**

**Supplementary data**

Property Acquired by Tax Title Lien Liquidation

No properties have been acquired in 2017 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>
2017	\$	136,680
2016		136,680
2015		136,680

Comparative Schedule of Fund Balance

	<u>Year</u>		<u>Dec. 31</u>	Utilized in budget of succeeding <u>year</u>
Current Fund	2017	\$	595,905	570,000
	2016		916,864	794,765
	2015		1,157,807	375,000
	2014		868,000	150,000
	2013		290,414	158,304

**BOROUGH OF BOGOTA**

**Schedule of Expenditure of Federal Awards**

Year ended December 31, 2017

Program	CFDA Number	FAIN Number	Grant or State Project Number	Grant Period	Grant Award	Receipts	Expenditures	MEMO	
								Expenditures	Total Cumulative Expenditures
Current Fund: U.S. Department of Law and Public Safety FEMA Reimbursement - Severe Winter Storm	97.036		2016-066-1200-100-B80	10/30/12	8,310	8,310	8,310	*	8,310
						<u>8,310</u>	<u>8,310</u>	*	<u>8,310</u>
						<u>8,310</u>	<u>8,310</u>	*	<u>8,310</u>
Total Current Fund					\$ <u>8,310</u>	<u>8,310</u>	<u>8,310</u>	*	<u>8,310</u>

Note: This schedule is not subject to an audit in accordance with the Uniform Guidance.

**BOROUGH OF BOGOTA**

**Schedule of Expenditures of State Awards and Other Financial Assistance**

Year ended December 31, 2017

	Grant Number	Grant Year	Allocation or Grant Award Amount	Cash Received	Expended	MEMO Total Cumulative Expenditures
<u>State &amp; County Programs</u>						
<u>State Programs:</u>						
<u>Environmental Protection Agency:</u>						
Clean Communities Program	4900-765-042-4900-004	2012	9,700 \$			9,284
Clean Communities Program	4900-765-042-4900-004	2014	10,663			*
Clean Communities Program	4900-765-042-4900-004	2015	12,962			*
Clean Communities Program	4900-765-042-4900-004	2016	14,818			*
Clean Communities Program	4900-765-042-4900-004	2017	12,589	12,589		*
Recycling Tonnage Grant	4910-100-042-4910-224	2012	11,013			*
Recycling Tonnage Grant	4910-100-042-4910-224	2014	11,115			*
Recycling Tonnage Grant	4910-100-042-4910-224	2015	10,702			*
Recycling Tonnage Grant	4910-100-042-4910-224	2016	6,538			*
Recycling Tonnage Grant	4910-100-042-4910-224	2017	2,690	2,690		*
				15,279		16,521
<u>Department of Law and Public Safety:</u>						
Body Armor Replacement Grant	1020-718-066-1020-001	2014	1,850			*
Body Armor Replacement Grant	1020-718-066-1020-001	2015	1,847			*
Body Armor Replacement Grant	1020-718-066-1020-001	2016	1,703			*
Body Armor Replacement Grant	1020-718-066-1020-001	2017	1,785	1,785		*
Alcohol Education Rehabilitation Program	9735-760-098-9735-001	2013	5,526			*
Alcohol Education Rehabilitation Program	9735-760-098-9735-001	2014	1,890			*
Alcohol Education Rehabilitation Program	9735-760-098-9735-001	2015	1,355			*
Alcohol Education Rehabilitation Program	9735-760-098-9735-001	2016	121			*
Alcohol Education Rehabilitation Program	9735-760-098-9735-001	2017	708	708		*
				2,493		*
				17,772		16,521
Total State Assistance						

BOROUGH OF BOGOTA

Schedule of Expenditures of State Awards and Other Financial Assistance

Year ended December 31, 2017

<u>State &amp; County Programs</u>	<u>Grant Number</u>	<u>Grant Year</u>	<u>Allocation or Grant Award Amount</u>	<u>Cash Received</u>	<u>Expended</u>	<u>MEMO Total Cumulative Expenditures</u>
<u>Other Financial Assistance:</u>						
<u>County of Bergen:</u>						
Municipal Alliance Grant Fund	100-082-2000-044	2017	9,876	4,068	4,069	4,069
Prosecutor Confiscated Fund		2017	25,253	11,522	11,522	11,522
Total Other Financial Assistance				15,590	15,591	15,591
Total State and Other Financial Assistance				\$ 33,362	15,591	32,112

Note: This schedule was not subject to an audit in accordance with NJ OMB Circular 15-08.

**BOROUGH OF BOGOTA, N.J.**

**Schedule of Cash - Collector/Treasurer**

**Current Fund**

**Year Ended December 31, 2017**

	<u>Current Fund</u>	<u>Grant Fund</u>
Balance - December 31, 2016	\$ 2,032,948	84,985
Increased by Receipts:		
Miscellaneous Revenues Not Anticipated	268,772	
Senior Citizens and Veterans Deductions	52,370	
Taxes Receivable	24,058,171	
Revenue Accounts Receivable	1,272,832	
Interfunds	934,437	
Due to State of NJ	6,069	
Prepaid Taxes	352,726	
Tax Overpayments	8,306	
	<u>26,953,683</u>	
	<u>28,986,631</u>	<u>84,985</u>
Decreased by Disbursements:		
Current Year Budget Appropriations	9,176,060	
Interfunds	953,211	84,985
Due to State of NJ	6,184	
Appropriation Reserves	6,644	
School Taxes Payable	14,897,836	
County Taxes Payable	1,829,135	
Tax Overpayments	82,616	
	<u>26,951,686</u>	<u>84,985</u>
Balance - December 31, 2017	\$ <u><u>2,034,945</u></u>	<u><u>          </u></u>

**BOROUGH OF BOGOTA, N.J.**

**Schedule of Cash - Change Fund**

**Current Fund**

**Year Ended December 31, 2017**

Balance - December 31, 2016	\$ <u>280</u>
Balance - December 31, 2017	\$ <u><u>280</u></u>
Analysis of Balance:	
Borough Clerk	125
Tax Collector	100
Municipal Court	50
Library	<u>5</u>
	\$ <u><u>280</u></u>

**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, 2017**

Increased by:

Senior Citizens' and Veterans' Deductions per Tax Billings	\$	52,000	
Senior Citizens' and Veterans' Allowed-2017		<u>12,400</u>	
			\$ <u>64,400</u>
			64,400

Decreased by:

Deductions Disallowed-Prior Years		2,000	
Deductions Disallowed-2017		1,362	
Cash Received		<u>52,370</u>	
			<u>55,732</u>

Balance - December 31, 2017	\$	<u><u>8,668</u></u>
-----------------------------	----	---------------------



**Exhibit A-8**

**BOROUGH OF BOGOTA, N.J.**

**Schedule of Property Acquired for Taxes**

**Current Fund**

**Year Ended December 31, 2017**

Balance - December 31, 2016	\$ <u>136,680</u>
Balance - December 31, 2017	\$ <u><u>136,680</u></u>

**Exhibit A-9**

**Schedule of Tax Title Liens**

**Current Fund**

**Year Ended December 31, 2017**

Balance - December 31, 2016	\$ 8,112
Increased by:	
Transferred from Taxes Receivable	<u>707</u>
Balance - December 31, 2017	\$ <u><u>8,819</u></u>

**BOROUGH OF BOGOTA, N.J.**

**Schedule of Revenue Accounts Receivable**

**Current Fund**

**Year Ended December 31, 2017**

	Balance, Dec. 31, <u>2016</u>	Accrued in 2017	<u>Collected</u>	Balance, Dec. 31, <u>2017</u>
Licenses				
Alcoholic Beverages	\$	16,052	16,052	
Other		9,932	9,932	
Fees and Permits		10,215	10,215	
Municipal Court - Fines and Costs	8,453	160,752	159,434	9,771
Interest and Cost on Taxes		24,752	24,752	
Interest on Investments and Deposits		3,837	3,837	
Consolidated Municipal Purpose Tax Relief Aid		592,886	592,886	
Energy Receipts Tax		84,790	84,790	
Construction Code Fees		84,454	84,454	
Uniform Fire Safety Act		41,947	41,947	
Cable T.V. Franchise Fee - Cablevision		57,891	57,891	
Cable T.V. Franchise Fee - Verizon		44,188	44,188	
Swim Club Rent		9,500	9,500	
Outside Police Employment - Administrative Fee		36,642	36,642	
PILOT - 297 Palisades Avenue		96,312	96,312	
	\$ <u>8,453</u>	<u>1,274,150</u>	<u>1,272,832</u>	<u>9,771</u>

**BOROUGH OF BOGOTA, N.J.**

**Schedule of Interfunds Due from/(to) Other Funds**

**Current Fund**

**Year Ended December 31, 2017**

	Balance Dec. 31, <u>2016</u>	<u>Increased</u>	<u>Decreased</u>	Balance Dec. 31, <u>2017</u>
Grant Fund	\$	15,591	120,816	(105,225)
Trust Funds:				
Animal Control Trust Fund	5,479	5,197	5	10,671
Recreation Trust Fund	33,115	459	162	33,412
Other Trust Fund	61,800	219,577	10,390	270,987
Escrow Accutrack	19,333	25,000		44,333
Payroll Agency		187,620		187,620
General Capital Fund		<u>725,266</u>	<u>1,264,516</u>	<u>(539,250)</u>
	\$	<u>1,178,710</u>	<u>1,395,889</u>	<u>(97,452)</u>
Due to Current Fund	119,727	437,853	10,557	547,023
Due From Current Fund		<u>740,857</u>	<u>1,385,332</u>	<u>(644,475)</u>
		<u>119,727</u>	<u>1,395,889</u>	<u>(97,452)</u>
Cash Receipts	\$		934,437	
Cash Disbursements		953,211		
Statutory Excess		3,961		
Miscellaneous Revenue Anticipated			167	
Interest on Investments		1,016		
Local Match			2,469	
Reallocation			84,985	
Down Payment on Bond Anticipation Notes			223,000	
Reimbursement for Expenditures Paid			142,629	
Funds Deposited in Error		<u>220,522</u>	<u>8,202</u>	
	\$	<u>1,178,710</u>	<u>1,395,889</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, 2017**

<u>Purpose</u>	<u>Date</u>	<u>Amount Authorized</u>	<u>Not Less Than 1/5 of Amount Authorized</u>	<u>Balance, Dec. 31, 2016</u>	<u>Decreased</u>
Reassessment of Real Property	October 18, 2012	70,000	14,000	\$ 14,000	14,000
Hurricane Sandy	November 8, 2012	330,000	66,000	66,000	66,000
				<u>\$ 80,000</u>	<u>80,000</u>

**BOROUGH OF BOGOTA, N.J.**

**Schedule of Deferred Charges**

**Current Fund**

**Year Ended December 31, 2017**

	<u>Added in 2017</u>	<u>Balance, Dec. 31, 2017</u>
Overexpenditure of Appropriations	\$ 92,565	92,565
Overexpenditure of Appropriation Reserves	<u>4,434</u>	<u>4,434</u>
	<u>\$ 96,999</u>	<u>\$ 96,999</u>

## BOROUGH OF BOGOTA, N.J.

## Schedule of Appropriation Reserves

## Current Fund

Year Ended December 31, 2017

	Balance, Dec. 31, <u>2016</u>	Balance after <u>Transfers</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>	Over- <u>Expenditure</u>
Salaries and Wages Within "CAPS":					
Mayor and Council	\$ 468	468		468	
Municipal Clerk	1,327	1,327		1,327	
Financial Administration	5,953	5,953		5,953	
Revenue Administration (Tax Administration)	1,538	1,538		1,538	
Assessment of Taxes	938	938		938	
Planning Board	5,100	5,100		5,100	
Uniform Construction Code Enforcement Functions	165	165		165	
Police Department	627	627		627	
Police Clerical	161	161		161	
Crossing Guards	396	396		396	
Uniform Fire Safety	1,421	1,421		1,421	
Streets and Road Maintenance	21,665	21,665		21,665	
Shade Tree	2,500	2,500		2,500	
Recreation Commission	4,341	4,341		4,341	
Uniform Construction Code	15,771	15,771		15,771	
Total Salaries and Wages Within "CAPS"	62,371	62,371		62,371	
Other Expenses Within "CAPS":					
General Administration	602	602	2,265		1,663
Mayor and Council	623	623		623	
Municipal Clerk	1,289	1,289		1,289	
Financial Administration	9,362	9,362		9,362	
Audit Services	30,000	30,000		30,000	
Computerized Data Processing	5,344	5,344		5,344	
Tax Administration	323	323	495		172
Assessment of Taxes	61	61	200		139
Legal Services	2,683	2,683		2,683	
Engineering Services and Costs	2,772	2,772		2,772	
Planning Board	488	488		488	
Workman's Compensation Insurance	200	200		200	
Employee Group Insurance	5,870	5,870		5,870	
Unemployment	109	109		109	
Police	510	510	843		333
Emergency Management	2,259	2,259		2,259	
Aid to Volunteer Fire Companies	10,563	10,563		10,563	
Rescue Squad	373	373	2,500		2,127
First Aid Organization	511	511		511	
Uniform Fire Safety	22,564	22,564		22,564	
Streets and Road Maintenance	350	350	183	167	
Shade Tree	450	450		450	
Solid Waste Collection	25	25		25	
Public Buildings and Grounds	1,617	1,617	158	1,459	
Board of Health	3,764	3,764		3,764	
Animal Control Services	500	500		500	

## BOROUGH OF BOGOTA, N.J.

## Schedule of Appropriation Reserves

## Current Fund

Year Ended December 31, 2017

	Balance, Dec. 31, 2016	Balance after Transfers	Paid or Charged	Balance Lapsed	Over- Expenditure
Recreation Commission	17,117	17,117		17,117	
Uniform Construction Code Enforcement Functions	25	25		25	
Electricity	34,617	34,617		34,617	
Street Lighting	25,800	25,800		25,800	
Telephone	343	343		343	
Water	53	53		53	
Gasoline	27,575	27,575		27,575	
Solid Waste Disposal Fees	691	691		691	
Total Other Expenses Within "CAPS"	<u>209,433</u>	<u>209,433</u>	<u>6,644</u>	<u>207,223</u>	<u>4,434</u>
Other Appropriations - Excluded from "CAPS"					
Maintenance of Free Public Library					
Salaries and Wages	12,164	12,164		12,164	
Other Expenses	519	519		519	
Police Dispatch/911:					
Salaries and Wages	743	743		743	
Other Expenses	2,500	2,500		2,500	
Total Other Appropriations - Excluded from "CAPS"	<u>15,926</u>	<u>15,926</u>		<u>15,926</u>	
Interlocal Municipal Service Agreements - Excluded from "CAPS"					
Municipal Court - Borough of Little Ferry					
Salaries and Wages	1,528	1,528		1,528	
Other Expenses	3,848	3,848		3,848	
Total Interlocal Municipal Service Agreements	<u>5,376</u>	<u>5,376</u>		<u>5,376</u>	
Judgements (N.J.S.A. 40A:4-3cc)	<u>264</u>	<u>264</u>		<u>264</u>	
Total Reserves	<u>\$ 293,370</u>	<u>293,370</u>	<u>6,644</u>	<u>291,160</u>	<u>4,434</u>
Appropriation Reserves		<u>293,370</u>			

**BOROUGH OF BOGOTA, N.J.**

**Schedule of Reserve for Encumbrances**

**Current Fund**

**Year Ended December 31, 2017**

Increased by:		
2017 Encumbrances	\$	<u>120,414</u>
Balance - December 31, 2017	\$	<u><u>120,414</u></u>

**BOROUGH OF BOGOTA, N.J.**

**Schedule of Prepaid Taxes**

**Current Fund**

**Year Ended December 31, 2017**

Balance - December 31, 2016	\$	43,534
Increased by:		
Prepaid Taxes Received		<u>352,726</u>
		396,260
Decreased by:		
Taxes Realized as Revenue		<u>43,534</u>
Balance - December 31, 2017	\$	<u><u>352,726</u></u>

**Schedule of Tax Overpayments**

**Current Fund**

**Year Ended December 31, 2017**

Increased by:			
Tax Court Judgements from Fund Balance	\$	95,047	
Cash Receipts		<u>8,306</u>	
			\$ <u>103,353</u>
			103,353
Decreased by:			
Applied		15,772	
Interfund		2,188	
Cash Disbursements		<u>82,616</u>	
			<u>100,576</u>
Balance - December 31, 2017	\$		<u><u>2,777</u></u>

**BOROUGH OF BOGOTA, N.J.**

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

**Current Fund**

**Year Ended December 31, 2017**

	<u>Marriage License Fee</u>	<u>Construction Training Fee</u>	<u>Total</u>
Balance - December 31, 2016	\$ 100	1,444	1,544
Increased by:			
Collections	<u>1,475</u>	<u>4,594</u>	<u>6,069</u>
	1,575	6,038	7,613
Decreased by:			
Payments	<u>1,200</u>	<u>4,984</u>	<u>6,184</u>
	<u>1,200</u>	<u>4,984</u>	<u>6,184</u>
Balance - December 31, 2017	\$ <u><u>375</u></u>	<u><u>1,054</u></u>	<u><u>1,429</u></u>

**BOROUGH OF BOGOTA, N.J.**

**Schedule of Library Taxes Payable**

**Current Fund**

**Year Ended December 31, 2017**

Balance - December 31, 2016	\$	114
Increased by:		
Levy: Added and Omitted Taxes		<u>200</u>
Balance - December 31, 2017	\$	<u><u>314</u></u>

**Exhibit A-20**

**BOROUGH OF BOGOTA, N.J.**  
**Schedule of School Taxes Payable**  
**Current Fund**  
**Year Ended December 31, 2017**

Increased by:		
Levy	\$	<u>14,897,836</u>
Decreased by:		
Cash Disbursed	\$	<u><u>14,897,836</u></u>

**Exhibit A-21**

**BOROUGH OF BOGOTA, N.J.**  
**Schedule of County Taxes Payable**  
**Current Fund**  
**Year Ended December 31, 2017**

Increased by:			
Tax Levy	\$	1,754,698	
Added and Omitted Taxes		1,445	
Open Space Tax Levy		72,934	
Open Space Added and Omitted Taxes		<u>58</u>	
	\$		<u>1,829,135</u>
Decreased by:			
Cash Disbursed	\$		<u><u>1,829,135</u></u>

**BOROUGH OF BOGOTA, N.J.**

**Schedule of Grants Receivable**

**Federal and State Grant Fund**

**Year Ended December 31, 2017**

<u>Purpose</u>	2017 Budget Revenue <u>Realized</u>	<u>Received</u>	Balance, Dec. 31, <u>2017</u>
Municipal Alliance	\$ 9,876	4,068	5,808
Clean Communities	14,818	14,818	
Recycling Tonnage Grant	6,538	6,538	
Body Armor Replacement	1,703	1,703	
Bergen County Confiscated Funds	25,253	11,522	13,731
Alcohol Education Rehabilitation Program	121	121	
	<u>\$ 58,309</u>	<u>38,770</u>	<u>19,539</u>
		Interfunds \$ 15,590	
		Unappropriated Reserves <u>23,180</u>	
		<u>\$ 38,770</u>	

**BOROUGH OF BOGOTA, N.J.**

**Schedule of Due from/(to) Current Fund**

**Federal and State Grant Fund**

**Year Ended December 31, 2017**

Increased by:		
Grants Receivable	\$ 15,590	
Local Match	2,469	
Reallocation of Prior Year Cash	84,985	
Unappropriated Grants	<u>17,772</u>	
		<u>120,816</u>
		120,816
Decreased by:		
Appropriated Grant Reserves Expended		<u>15,591</u>
Balance - December 31, 2017		<u><u>\$ 105,225</u></u>

**BOROUGH OF BOGOTA, N.J.**  
**Schedule of Appropriated Grant Reserves**  
**Federal and State Grant Fund**  
**Year Ended December 31, 2017**

<u>Purpose</u>	Transferred from Current <u>Fund</u>	Transferred from 2017 <u>Budget</u>	<u>Expended</u>	Balance, Dec. 31, <u>2017</u>
Recycling Tonnage - 2012	\$ 3,776			3,776
Recycling Tonnage - 2014	11,115			11,115
Recycling Tonnage - 2015	10,702			10,702
Recycling Tonnage - 2016		6,538		6,538
Clean Communities Grant - 2012	119			119
Clean Communities Grant - 2014	10,663			10,663
Clean Communities Grant - 2015	12,962			12,962
Clean Communities Grant - 2016		14,818		14,818
Alcohol Education Rehabilitation Program - 2013	5,526			5,526
Alcohol Education Rehabilitation Program - 2014	1,890			1,890
Alcohol Education Rehabilitation Program - 2015	1,355			1,355
Alcohol Education Rehabilitation Program - 2016		121		121
Body Armor Replacement Program - 2014	1,850			1,850
Body Armor Replacement Program - 2015	1,847			1,847
Body Armor Replacement Program - 2016		1,703		1,703
Bergen County Confiscated Funds		25,253	11,522	13,731
Municipal Alliance Grant		9,876	4,069	5,807
Municipal Alliance Grant - Match		2,469		2,469
	<u>\$ 61,805</u>	<u>60,778</u>	<u>15,591</u>	<u>106,992</u>
		Budget Appropriations \$ 37,598		
		Unappropriated Reserves <u>23,180</u>		
		<u>\$ 60,778</u>		

**BOROUGH OF BOGOTA, N.J.**  
**Schedule of Unappropriated Grant Reserves**  
**Federal and State Grant Fund**  
**Year Ended December 31, 2017**

<u>Purpose</u>	Balance, Dec. 31, <u>2016</u>	Appropriated in 2017 <u>Budget</u>	<u>Receipts</u>	Balance, Dec. 31, <u>2017</u>
Alcohol Rehabilitation	\$ 121	121	708	708
Body Armor	1,703	1,703	1,785	1,785
Clean Communities	14,818	14,818	12,589	12,589
Recycling Tonnage Grant	<u>6,538</u>	<u>6,538</u>	<u>2,690</u>	<u>2,690</u>
	<u>\$ 23,180</u>	<u>23,180</u>	<u>17,772</u>	<u>17,772</u>

**BOROUGH OF BOGOTA, N.J.**

**Schedule of Cash**

**Trust Funds**

**Year Ended December 31, 2017**

	Animal Trust Fund	Other Trust Fund	Recreation Trust Fund	Library Trust Fund	Emergency Service LOSAP Fund
Balance - December 31, 2016	\$ 11,474	1,512,837	90,112	44,227	27,384
Increased by Receipts:					
Animal License Fees	2,443				
Schedule of Interfunds	1,236	244,577	459		
Due to State of New Jersey	492				
Payroll Deductions		4,422,738			
Various Trust Deposits		497,895			
Recreation Fees			215,472		
Library Collections				101,101	
LOSAP Contribution					65,960
Interest Earned on Investments				169	9,383
Total Receipts	4,171	5,165,210	215,931	101,270	75,343
	15,645	6,678,047	306,043	145,497	102,727
Decreased by Disbursements:					
Schedule of Interfunds	5	8,000	162		
Due to State of New Jersey	484				
Payroll Deductions		4,780,634			
Various Trust Deposits		693,726			
Recreation Fees			180,106		
Library Expenditures				75,323	
Account Charges					875
Total Disbursements	489	5,482,360	180,268	75,323	875
Balance - December 31, 2017	\$ 15,156	1,195,687	125,775	70,174	101,852

**BOROUGH OF BOGOTA, N.J.**

**Reserve for Animal Trust Fund Expenditures**

**Trust Funds**

**Year Ended December 31, 2017**

Balance - December 31, 2016		\$	5,610
Increased by:			
License Fees Collected	\$	2,443	
Adjustment to Due to State		<u>385</u>	
			<u>2,828</u>
			8,438
Decreased by:			
Statutory Excess			<u>3,961</u>
Balance - December 31, 2017		\$	<u><u>4,477</u></u>

Animal Licenses Collected

<u>Year</u>		<u>Amount</u>
2016	\$	2,181
2015		<u>2,296</u>
	\$	<u><u>4,477</u></u>

**BOROUGH OF BOGOTA, N.J.**  
**Schedule of Due to State of New Jersey**  
**Animal License Trust Fund**  
**Year Ended December 31, 2017**

Balance - December 31, 2016		\$	385
Increased by:			
State License Fees Collected			<u>492</u>
			877
Decreased by:			
Cash Disbursements	\$	484	
Adjustment		<u>385</u>	
			<u>869</u>
Balance - December 31, 2017		\$	<u><u>8</u></u>

**BOROUGH OF BOGOTA, N.J.**

**Schedule of Interfund - Current Fund**

**Trust Funds**

**Year Ended December 31, 2017**

	Due from/(to) Balance <u>Dec. 31, 2016</u>	<u>Increased</u>	<u>Decreased</u>	Due from/(to) Balance <u>Dec. 31, 2017</u>
Animal License Trust				
Current Fund	\$ (5,479)	5	5,197	(10,671)
Total Animal Trust	<u>(5,479)</u>	<u>5</u>	<u>5,197</u>	<u>(10,671)</u>
Other Trust				
Current Fund - Escrow	(19,333)		25,000	(44,333)
Current Fund - Other Trust	(61,800)	10,390	219,577	(270,987)
Current Fund - Payroll Agency			<u>187,620</u>	<u>(187,620)</u>
Total Other Trust	<u>(81,133)</u>	<u>10,390</u>	<u>432,197</u>	<u>(502,940)</u>
Recreation Trust				
Current Fund	<u>(33,115)</u>	<u>162</u>	<u>459</u>	<u>(33,412)</u>
Total Recreation Trust	<u>(33,115)</u>	<u>162</u>	<u>459</u>	<u>(33,412)</u>
	<u>\$ (119,727)</u>	<u>10,557</u>	<u>437,853</u>	<u>(547,023)</u>
Statutory Excess			\$ 3,961	
Cash Receipts			245,522	
Interest on Investments			750	
Cash Disbursements		8,167		
Excess Funds Transferred from Current			187,620	
Public Defender Fees Deposited in Current		<u>2,390</u>		
		<u>\$ 10,557</u>	<u>437,853</u>	

**BOROUGH OF BOGOTA, N.J.**

**Schedule of Payroll Deductions Payable**

**Other Trust Fund**

**Year Ended December 31, 2017**

Balance - December 31, 2016		\$	547,810
Increased by:			
Payroll Deposits			<u>4,422,738</u>
			4,970,548
Decreased by:			
Payroll Disbursements	\$	4,780,634	
Interfund to Current		<u>187,620</u>	
Payroll Disbursements			<u>4,968,254</u>
Balance - December 31, 2017		\$	<u><u>2,294</u></u>

**BOROUGH OF BOGOTA, N.J.**

**Schedule of Miscellaneous Reserves**

**Other Trust Fund**

**Year Ended December 31, 2017**

	<u>Balance</u>			<u>Balance</u>
	<u>Dec. 31, 2016</u>	<u>Increased</u>	<u>Decreased</u>	<u>Dec. 31, 2017</u>
Reserve for:				
Escrow Deposits (Other Trust)	\$ 87,873		4,500	83,373
Municipal Court POAA	36,622	572		37,194
Municipal Court Public Defender	5,707	2,960		8,667
Police Vests	(3,240)	400		(2,840)
Uniform Fire Safety	28,493		29,513	(1,020)
Tax Title Liens	316,616	451,704	590,831	177,489
Community Garden		225		225
Recycling	43,760	20,189	7,750	56,199
Judgements	248,575			248,575
Unallocated Other Trust Transactions	120			120
Escrow - Accutrack	63,868	24,235	61,132	26,971
Vacant Properties	55,500			55,500
	<u>\$ 883,894</u>	<u>500,285</u>	<u>693,726</u>	<u>690,453</u>
	Cash Receipts \$	497,895		
	Cash Disbursements		693,726	
	Interfunds	2,390		
		<u>\$ 500,285</u>	<u>693,726</u>	

**BOROUGH OF BOGOTA, N.J.**

**Schedule of Reserve for Recreation Expenditures**

**Recreation Trust Fund**

**Year Ended December 31, 2017**

Balance - December 31, 2016	\$	56,997
Increased by:		
Recreation Fees Collected		<u>215,472</u>
		272,469
Decreased by:		
Cash Disbursements		<u>180,106</u>
Balance - December 31, 2017	\$	<u><u>92,363</u></u>

**BOROUGH OF BOGOTA, N.J.**

**Schedule of Reserve for Library Expenditures**

**Library Trust Fund**

**Year Ended December 31, 2017**

Balance - December 31, 2016		\$	44,227
Increased by:			
Library Collections	\$	101,101	
Interest Earned		<u>169</u>	
			<u>101,270</u>
			145,497
Decreased by:			
Library Disbursements			<u>75,323</u>
Balance - December 31, 2017		\$	<u><u>70,174</u></u>

**BOROUGH OF BOGOTA, N.J.**

**Schedule of Service Award Contributions Receivable**

**Emergency Services Volunteer Length of Service Award Program**

**Year Ended December 31, 2017**

Balance - December 31, 2016		\$	69,833
Increased by:			
2017 Service Award Contribution			<u>39,925</u>
			109,758
Decreased by:			
Cash Receipts	\$	65,960	
Refund of Prior Year Contribution		<u>3,873</u>	
			<u>69,833</u>
Balance - December 31, 2017		\$	<u><u>39,925</u></u>

**BOROUGH OF BOGOTA, N.J.**

**Schedule of Net Assets Available for Benefits**

**Emergency Services Volunteer Length of Service Award Program**

**Year Ended December 31, 2017**

Balance - December 31, 2016		\$	97,217
Increased by:			
Service Award Contribution	\$	39,925	
Gain on Investments		<u>9,383</u>	
			<u>49,308</u>
			146,525
Decreased by:			
Account Charges		875	
Refund of Prior Year Contributions		<u>3,873</u>	
			<u>4,748</u>
Balance - December 31, 2017		\$	<u><u>141,777</u></u>

**BOROUGH OF BOGOTA, N.J.**

**Schedule of Cash**

**General Capital Fund**

**Year Ended December 31, 2017**

Balance - December 31, 2016		\$	685,257
Increased by Receipts:			
Bond Anticipation Notes Proceeds	\$	1,822,000	
Budget Appropriation -			
Capital Improvement Fund		50,000	
Interfunds		725,266	
Fund Balance		<u>33,611</u>	
			<u>2,630,877</u>
			3,316,134
Decreased by Disbursements:			
Improvement Authorizations		2,064,558	
Interfunds		<u>1,264,516</u>	
			<u>3,329,074</u>
Balance - December 31, 2017		\$	<u><u>(12,940)</u></u>

**BOROUGH OF BOGOTA, N.J.**

**Analysis of Cash**

**General Capital Fund**

**Year Ended December 31, 2017**

Interfund Receivable	\$ (539,250)
Reserve for Payment of Debt	23,438
Capital Improvement Fund	40,005
Fund Balance	41,851

Improvement Authorizations:

Ordinance

<u>Number</u>	<u>Improvement Description</u>	
1442	Acquisition of Passenger Bus	15,550
1492	Reconstruction of West Shore Ave	5,616
1493	Reconstruction of Leonia Ave (Phase II)	19,085
1494	Various Public Improvements	<u>380,765</u>
		<u>\$ (12,940)</u>

**BOROUGH OF BOGOTA, N.J.**

**Schedule of Interfunds**

**General Capital Fund**

**Year Ended December 31, 2017**

		<u>Increased</u>	<u>Decreased</u>	<u>Due from/(to) Balance Dec. 31, 2017</u>
Current Fund	\$	<u>1,264,516</u>	<u>725,266</u>	<u>539,250</u>
		<u>1,264,516</u>	<u>725,266</u>	<u>539,250</u>
Disbursements	\$	1,264,516		
Receipts			725,000	
Interest on Investments			<u>266</u>	
		<u>1,264,516</u>	<u>725,266</u>	

**BOROUGH OF BOGOTA, N.J.**

**Schedule of Grants Receivable**

**General Capital Fund**

**Year Ended December 31, 2017**

Increased by:		
Improvement Authorizations	\$	<u>304,500</u>
Balance - December 31, 2017	\$	<u><u>304,500</u></u>
	Ord. 1492 - DOT	\$ 149,000
	Ord. 1493 - DOT	<u>155,500</u>
		\$ <u><u>304,500</u></u>

**BOROUGH OF BOGOTA, N.J.**

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

**General Capital Fund**

**Year Ended December 31, 2017**

Balance - December 31, 2016		\$	3,829,000
Decreased by:			
Current Year Budget Appropriations:			
Serial Bonds	\$	695,000	
Capital Leases		<u>88,000</u>	
			<u>783,000</u>
Balance - December 31, 2017		\$	<u><u>3,046,000</u></u>



**BOROUGH OF BOGOTA, N.J.**

**Schedule of General Serial Bonds Payable**

**General Capital Fund**

**Year Ended December 31, 2017**

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding, December 31, 2017	Interest Rate	Balance		
					Dec. 31, 2016	Dec. 31, 2017	
			Date	Amount	Decreased		
2004 General Improvement Bonds	March 15, 2004	1,840,000			205,000	205,000	
2007 General Improvement Bonds	July 1, 2007	2,677,000	07/01/18	4.25%	827,000	305,000	
2012 General Improvement Bonds	December 1, 2012	3,295,000	12/01/18	2.00%	190,000	185,000	
			12/01/19	2.00%	320,000		
			12/01/20	2.00%	320,000		
			12/01/21	2.00%	320,000		
			12/01/22	2.00%	320,000		
			12/01/23	2.50%	320,000		
			12/01/24	2.50%	320,000		
			12/01/25	3.00%	320,000		
					\$ 3,647,000	695,000	2,952,000

**BOROUGH OF BOGOTA, N.J.**

**Schedule of Capital Leases Payable**

**General Capital Fund**

**Year Ended December 31, 2017**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Date</u>	<u>Maturities of Bonds Outstanding, December 31, 2017</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2016</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2017</u>
				<u>Amount</u>	<u>Amount</u>				
BCIA Loan Refunding Revenue Bonds	May 17, 2012	427,000	03/15/18	94,000		2.11%	182,000	88,000	94,000
							<u>\$ 182,000</u>	<u>88,000</u>	<u>94,000</u>

BOROUGH OF BOGOTA, N.J.

Schedule of Bond Anticipation Notes Payable

General Capital Fund

Year Ended December 31, 2017

Ordinance Number	Improvement Description	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance		Decreased	Balance Dec. 31, 2017
						Dec. 31, 2016	Increased		
1424	Refunding Tax Appeals	Jun. 14, 2013	May 13, 2016	May 12, 2017	2.00%	\$ 235,000	120,000	235,000	120,000
1442	Acquisition of Passenger Bus	July 24, 2014	May 13, 2016	May 12, 2017	2.00%	80,000	80,000	80,000	80,000
1443	Improvements to Municipal Facilities	July 24, 2014	May 13, 2016	May 12, 2017	2.00%	95,000	95,000	95,000	95,000
1445	2014 Road Improvement Program	Nov. 13, 2014	May 13, 2016	May 12, 2017	2.00%	190,000	190,000	190,000	190,000
1462	Various Public Improvements	Nov. 13, 2015	May 13, 2016	May 12, 2017	2.00%	1,047,000	1,047,000	1,047,000	1,047,000
1463	Sanitary Sewer System Improvements	Nov. 13, 2015	May 13, 2016	May 12, 2017	2.00%	238,000	238,000	238,000	238,000
1467	Refunding Bonds (Tasca)	Nov. 13, 2015	May 13, 2016	May 12, 2017	2.00%	332,000	224,000	332,000	224,000
1476	Various Public Improvements	May 13, 2016	May 13, 2016	May 12, 2017	2.00%	1,276,000	1,276,000	1,276,000	1,276,000
1483	Various Public Improvements	May 12, 2017	May 12, 2017	May 11, 2018	2.25%	190,000	190,000		190,000
1488	Various Public Improvements	May 12, 2017	May 12, 2017	May 11, 2018	2.25%	285,000	285,000		285,000
1492	Reconstruction of Shore Ave	May 12, 2017	May 12, 2017	May 11, 2018	2.25%	200,000	200,000		200,000
1493	Reconstruction of Leonia Ave Phase II	May 12, 2017	May 12, 2017	May 11, 2018	2.25%	200,000	200,000		200,000
1494	Various Public Improvements	May 12, 2017	May 12, 2017	May 11, 2018	2.25%	947,000	947,000		947,000
						\$ 3,493,000	5,092,000	3,493,000	5,092,000

Cash \$	1,822,000
Budget Appropriation Renewed	3,270,000
	223,000
	3,270,000
\$	5,092,000
	3,493,000

**BOROUGH OF BOGOTA, N.J.**

**Schedule of Improvement Authorizations**

**General Capital Fund**

**Year Ended December 31, 2017**

Ordinance Number	Improvement Description	Ordinance Amount	Balance Dec. 31, 2016		2017 Authorizations	Paid or Charged	Balance Dec. 31, 2017	
			Funded	Unfunded			Funded	Unfunded
1442	Acquisition of Passenger Bus	85,000 \$		15,550				15,550
1462	Various Public Improvements	1,100,000		105,711		105,711		
1463	Sanitary Sewer System Improvements	250,000		108,857		108,857		
1476	Various Public Improvements	1,340,000		568,393		568,393		
1483	Various Improvements to Buildings	200,000		6,925		6,925		
1488	Various Improvements to Buildings	300,000	138	285,000		285,138		
1492	Reconstruction of West Shore Ave	200,000			200,000	194,384		5,616
1493	Reconstruction of Leonia Ave (Phase II)	200,000			200,000	180,915		19,085
1494	Various Public Improvements	995,000			995,000	614,235		380,765
		\$	138	1,090,436	1,395,000	2,064,558		421,016

Capital Improvement Fund \$ 48,000  
 Deferred Charges to Future Taxation - Unfunded 1,347,000

\$ 1,395,000

**BOROUGH OF BOGOTA, N.J.**  
**Schedule of Capital Improvement Fund**  
**General Capital Fund**  
**Year Ended December 31, 2017**

Balance - December 31, 2016	\$ 38,005
Increased by:	
Budget Appropriation	<u>50,000</u>
	88,005
Decreased by:	
Appropriated to Finance Improvement Authorizations	<u>48,000</u>
Balance - December 31, 2017	<u><u>\$ 40,005</u></u>

**BOROUGH OF BOGOTA, N.J.**

**Schedule of Reserve for Payment of Debt**

**General Capital Fund**

**Year Ended December 31, 2017**

Balance - December 31, 2016	\$ <u>23,438</u>
Balance - December 31, 2017	\$ <u><u>23,438</u></u>

**BOROUGH OF BOGOTA, N.J.**  
**Schedule of Reserve for Grants Receivable**  
**General Capital Fund**  
**Year Ended December 31, 2017**

Increased by:	
Improvement Authorizations	\$ <u>304,500</u>
Balance - December 31, 2017	\$ <u><u>304,500</u></u>

BOROUGH OF BOGOTA, N.J.

Schedule of Bonds and Notes Authorized But Not Issued

General Capital Fund

Year Ended December 31, 2017

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2016</u>	<u>2017 Authorizations</u>	<u>Bond Anticipation Notes Issued</u>
1483	Various Improvements to Buildings	\$ 190,000		190,000
1488	Various Improvements to Buildings	285,000		285,000
1492	Reconstruction of West Shore Ave		200,000	200,000
1493	Reconstruction of Leonia Ave (Phase II)		200,000	200,000
1494	Various Public Improvements		947,000	947,000
		<u>\$ 475,000</u>	<u>1,347,000</u>	<u>1,822,000</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, 2017**

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

Charles J. Ferraioli, Jr., MBA, CPA, RMA  
Steven D. Wielkocz, CPA, RMA  
James J. Cerullo, CPA, RMA  
Paul J. Cuva, CPA, RMA  
Thomas M. Ferry, CPA, RMA

Certified Public Accountants  
401 Wanaque Avenue  
Pompton Lakes, New Jersey 07442  
973-835-7900  
Fax 973-835-6631

Newton Office  
100B Main Street  
Newton, N.J. 07860  
973-579-3212  
Fax 973-579-7128

## 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, 2017 and the related notes to the financial statements, and have issued our report thereon dated August 2, 2018, which was adverse due to being presented in accordance with New Jersey regulatory basis of accounting.

### **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 did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

We consider the deficiencies described in the accompanying schedule of findings and questioned costs as item 2017-001 to be a significant deficiency.

### **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 item 2017-001.

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 2, 2018

**BOROUGH OF BOGOTA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

*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 2017-001**

Our audit revealed numerous instances in which expenses were not encumbered prior to the goods and/or services being ordered.

**Criteria or Specific Requirement:**

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

**Condition:**

Purchase orders were not always created for goods and services prior to expense being incurred.

**Questioned Costs:**

Unknown

**Context:**

There were instances in which vendor invoices were dated prior to the purchase orders being created.

**Effect:**

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

**Cause:**

Internal control policies in place are not being adhered to.

**Recommendation:**

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

**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, 2017**

**STATUS OF PRIOR YEAR FINDINGS**

**Finding 2016-001**

The Borough does not utilize the approved accounting software (Munidex) for general ledgers, subsidiary ledgers or bank reconciliations

**Condition:**

The Borough does not utilize the approved accounting software for general ledgers, subsidiary ledgers or bank reconciliations.

**Recommendation:**

That all transactions be entered into the Munidex accounting software which will provide integrated modules for all transactions.

**Current Status:**

Corrective action has been taken.

**Finding 2016-002**

Our audit revealed instances in which there were material discrepancies within the Annual Financial Statement filed with the State of New Jersey.

**Condition:**

The Current Fund Cash reported on the Cash Reconciliation page did not agree to the Trial Balance. Amounts recorded as "Due to Other Trust" in the Current Fund Trial Balance do not appear as "Due from Current Fund" in the Other Trust Trial Balance.

**Recommendation:**

That all transactions be entered into the Munidex accounting software which will provide integrated modules for all transactions.

**Current Status:**

Corrective action has been taken.

**BOROUGH OF BOGOTA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**  
**(continued)**

*Section I – Financial Statement Findings*

**STATUS OF PRIOR YEAR FINDINGS, CONTINUED**

**Finding 2016-003**

Our audit revealed numerous instances in which expenses were not encumbered prior to the goods and/or services being ordered.

**Condition:**

Purchase orders were not always created for goods and services prior to expense being incurred.

**Recommendation:**

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

**Current Status:**

Corrective action was not taken, see Finding 2017-001.

**Finding 2016-004**

Our audit revealed instances in which purchase order and check numbers were duplicated.

**Condition:**

There were instances in which purchase order and check numbers were duplicated however only one item is reflected in the system generated check registers.

**Recommendation:**

That controls over purchasing procedures be enhanced to ensure that duplicate purchase orders and checks are not issued and all transaction are properly recorded in the system.

**Current Status:**

Corrective action has been taken.

## **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 \$17,500 and with a qualified purchasing agent the threshold may be up to \$36,000. On July 1, 2015, the threshold was increased to \$40,000 with 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:

- Road Improvements at West Shore Avenue
- Leonia Avenue Project - Phase II
- Leonia Avenue Project - Phase III

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 5, 2017, 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 1<sup>st</sup>, May 1<sup>st</sup>, August 1<sup>st</sup>, and November 1<sup>st</sup> 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.

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 December 19, 2017, 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>
2017	1
2016	1
2015	2

**BOROUGH OF BOGOTA  
COMMENTS AND RECOMMENDATIONS  
DECEMBER 31, 2017**

**COMMENTS:**

**Finance:**

1. \*A corrective action plan for the year ended December 31, 2016 audit comments and recommendations was not prepared.
2. \*Prior year interfund balances were not liquidated prior to the close of the current fiscal year.
3. Technical Accounting Directive #2, codified as N.J.A.C. 5:30-5.6., requires the Borough to place a value on all fixed assets put into service. The fixed asset report provided does not include Land and Buildings/Improvements.
4. The Fixed Asset Report does not include all eligible items purchased in the year under review.
5. There were instances in which receipts were not posted in a timely manner.
6. The Reserve for Tax Title Lien Premiums and Redemptions within the Other Trust Fund does not agree to the analysis prepared for outside liens.
7. Outside Tax Title Liens are not properly maintained within the Munidex System.
8. There were over-expenditure of Appropriation Reserves resulting in deferred charges of \$4,434.
9. There were over-expenditures of Appropriations resulting in deferred charges of \$92,565.
10. There were over-expenditures of Other Trust Fund Reserves for Uniform Fire Safety and Police Vests in the total amount of \$3,860.
11. A detailed analysis of the liability for accrued sick and vacation was not available for audit review.
12. Verification of issuance of IRS Form 1099s to vendors receiving payments in excess of IRS thresholds could not be provided for audit review.
13. There is a cash deficit in the General Capital Fund in the amount of \$12,940.

**Borough Administrator:**

1. The Borough increased the annual LOSAP contribution for 2017 based on the allowable CPI adjustment without an authorizing resolution.

**Board of Health:**

1. Payments to the State of New Jersey for Dog Licenses collections were not remitted in a timely manner.

**Municipal Court:**

1. There are 50 tickets Eligible for DSUS/RSUS on the December Monthly Management Report.
2. There are 100 tickets Assigned over 180 days on the December Monthly Management Report.
3. There are 54 tickets Issued but Not Assigned on the December Monthly Management Report.
4. There are 33 tickets Eligible for Dismissal on the December Monthly Management Report.
5. There are 33 complaints Eligible for FTA over 14 days on the December Monthly Management Report.

**BOROUGH OF BOGOTA  
COMMENTS AND RECOMMENDATIONS  
DECEMBER 31, 2017  
(CONTINUED)**

**COMMENTS, Continued:**

**Building Department:**

1. The annual UCC Enforcement Fee Report submitted to the State was not provided for review at the time of audit.

**Payroll:**

1. \*The portion of employees' unemployment withholdings for state unemployment insurance that is to be retained by the Borough is not being deposited into a separate reserve for unemployment as required under the Benefit Reimbursement Method.
2. \*There were two manual check books used throughout the course of the year for the Payroll Deductions bank account.
3. \*An analysis of the remaining balance in the Payroll Deductions bank account was not provided at the time of audit.
4. \*There were instances in which employee W-4 forms could not be located for review for selected individuals.
5. There were instances in which employee time sheets could not be located for review for selected individuals.
6. There were instances in which amounts transferred into the Payroll Deductions Account did not agree to the payroll summaries.
7. A monthly bank reconciliation is not being prepared for the Payroll Deductions Account.

**Purchasing:**

1. \*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 availability of funds.
2. \*Documentation of formal evaluations for Request for Qualification submissions were not available at the time of audit
3. \*There were instances in which the certification of available funds was not included in resolutions awarding contracts resulting from bids requested by public advertising.
4. There were instances in which informal bids were not solicited for purchases which exceeded the bid threshold as required by N.J.S.A. 40A:11-6.1.
5. There were instances in which purchase orders were missing required signatures and supporting documentation.
6. There were various instances in which purchase orders selected for review were not available at the time of audit.
7. There are numerous vendor numbers being utilized for the same vendor.

**BOROUGH OF BOGOTA**  
**COMMENTS AND RECOMMENDATIONS**  
**DECEMBER 31, 2017**  
**(CONTINUED)**

**RECOMMENDATIONS:**

**Finance:**

1. \*That a corrective action plan be prepared and approved by Mayor and Council.
2. \*That all interfund balances be liquidated prior to the close of the year.
3. That the Fixed Asset Report be updated to include all eligible Borough owned assets.
4. That more care be taken to ensure all eligible purchases are included in the fixed asset report.
5. That all transactions be recorded in the accounting software in a timely manner.
6. That the Reserve for Tax Title Lien Premiums and Redemptions within the Other Trust Fund be reviewed to ensure adequate funds are available to support all outstanding certificates.
7. That all Outside Tax Title Liens be reviewed and properly maintained within the tax system.
8. That more care be taken to ensure over-expenditures do not occur.
9. That more care be taken to ensure over-expenditures do not occur.
10. That more care be taken to ensure over-expenditures do not occur.
11. That a detailed analysis of the accrued liability for sick and vacation be maintained and provided for auditor review.
12. That verification of Form 1099's that were issued be maintained and provided for auditor review.
13. That more care be taken to ensure a cash deficit does not occur.

**Borough Administrator:**

1. That any adjustments to the annual LOSAP contribution be approved via resolution in accordance with Local Finance Notice 2018-02, "LOSAP CY 2017 Annual CIP Adjustment".

**Board of Health:**

1. That more care be taken to ensure that fees collected that are "Due to the State" be remitted in a timely manner.

**Municipal Court:**

1. That tickets Eligible for DSUS/RSUS be processed in a timely manner.
2. That tickets Assigned over 180 days be recalled by the Court Administrator.
3. That more care be taken to ensure tickets are assigned prior to issuance.
4. That tickets Eligible for Dismissal be processed in a timely manner.
5. That tickets Eligible for FTA be processed in a timely manner.

**Building Department:**

1. That the annual UCC Enforcement Fee Report submitted to the State was be maintained and provided for review at the time of audit.

**BOROUGH OF BOGOTA  
COMMENTS AND RECOMMENDATIONS  
DECEMBER 31, 2017  
(CONTINUED)**

**RECOMMENDATIONS, Continued:**

**Payroll:**

1. \*That the Borough create a separate reserve for the percentage portion of the employees' unemployment withholdings required to be maintained.
2. \*That only one checkbook be utilized for the issuance of manual checks from the Payroll Deductions bank account.
3. \*That an analysis of the remaining balance be maintained for the Payroll Deductions bank account.
4. \*That all W-4 forms be maintained and made available for review at the time of audit.
5. That all employee time sheets be maintained and made available for review at the time of audit.
6. That more care be taken to ensure the amounts transferred to the Payroll Deductions Account agree to the payroll summaries.
7. That bank reconciliations be prepared for all accounts on a monthly basis.

**Purchasing:**

1. \*That resolutions awarding contracts for Request for Qualifications contain the required language in accordance with N.J.S.A. 19:44A-20.4.
2. \*That documentation of formal evaluations be prepared prior to awarding contracts resulting from Request for Qualifications.
3. \*That a certification of available funds be included in all resolutions awarding contracts.
4. That bids be requested by public advertising for all purchases that will exceed the bid threshold as required by the Local Public Contracts Law.
5. That more care be taken to ensure all purchase order contain the required signatures and supporting documentation prior to payment in accordance with the Division of Local Government Services, Requirements of Audit for Expenditures and Disbursements.
6. That more care be taken to ensure all requested purchase orders are available for review in accordance with the Division of Local Government Services, Requirements of Audit for Expenditures and Disbursements.
7. That the vendor history be reviewed and vendors be consolidated.

**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 2, 2018