

**BOROUGH OF BOGOTA**  
**BERGEN COUNTY, NEW JERSEY**  
**REPORT OF AUDIT**  
**YEAR ENDED DECEMBER 31, 2011**

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**BOROUGH OF BOGOTA**

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**PART I**

**REPORT ON AUDIT OF FINANCIAL STATEMENTS**

**AND SUPPLEMENTARY SCHEDULES**

**YEAR ENDED DECEMBER 31, 2011**

# LERCH, VINCI & HIGGINS, LLP

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## INDEPENDENT AUDITOR'S REPORT

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

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

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

As described more fully in Note 1, the Borough has prepared these financial statements using accounting practices that demonstrate compliance with the regulatory basis of accounting and budget laws prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which practices differ from accounting principles generally accepted in the United States of America. The effect on the financial statements of the variances between these regulatory accounting practices and the accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the Borough preparing its financial statements on the basis of accounting discussed in the preceding paragraph, the financial statements referred to previously do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Borough of Bogota as of December 31, 2011 and 2010, or the changes in its financial position for the years then ended. Further, the Borough has not presented a management's discussion and analysis that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

## INDEPENDENT AUDITOR'S REPORT (Continued)

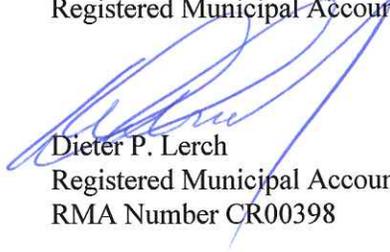
In our opinion, the financial statements - regulatory basis referred to previously present fairly, in all material respects, the financial position - regulatory basis of the various funds and account group of the Borough of Bogota as of December 31, 2011 and 2010 and the results of operations and changes in fund balance - regulatory basis of such funds for the years then ended and the revenues - regulatory basis and the expenditures - regulatory basis of the Current Fund for the year ended December 31, 2011, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued a report dated April 26, 2012 on our consideration of the Borough of Bogota's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements of the Borough of Bogota as a whole. The supplementary schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements of the Borough of Bogota. The supplementary schedules and schedules of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole on the basis of accounting described in Note 1.



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



Dieter P. Lerch  
Registered Municipal Accountant  
RMA Number CR00398

Fair Lawn, New Jersey  
April 26, 2012

**BOROUGH OF BOGOTA**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS - CURRENT FUND**  
**AS OF DECEMBER 31, 2011 AND 2010**

ASSETS	<u>Reference</u>	<u>2011</u>	<u>2010</u>
Cash	A-4	\$ 1,340,116	\$ 2,079,254
Change Funds	A-5	280	280
Grants Receivable	A-7	57,933	89,033
Due from State of New Jersey - Senior Citizen and Veteran's Deductions	A-6	<u>32,054</u>	<u>24,465</u>
		<u>1,430,383</u>	<u>2,193,032</u>
Receivables and Other Assets with Full Reserves			
Delinquent Property Taxes	A-8	66	4,969
Tax Title Liens	A-9	5,054	3,950
Property Acquired for Taxes	A-10	136,680	136,680
Revenue Accounts Receivable	A-12		12,860
Prepaid School Taxes	A-16	19,591	
Interfunds Receivable:			
Due from Animal Control Trust Fund	B-4	15	15
Due from Recreation Trust Fund	B-12	<u>18,985</u>	<u>14,073</u>
		<u>180,391</u>	<u>172,547</u>
Deferred Charges			
Emergency Authorizations	A-11	175,000	63,973
Special Emergency Authorizations	A-21	296,960	211,440
Overexpenditure of Appropriation	A-11	12,373	
Operating Deficit	A-11	41,115	
Overexpenditure of Appropriation Reserves	A-11	<u>-</u>	<u>8,963</u>
		<u>525,448</u>	<u>284,376</u>
Total Assets		<u>\$ 2,136,222</u>	<u>\$ 2,649,955</u>

**BOROUGH OF BOGOTA**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS - CURRENT FUND**  
**AS OF DECEMBER 31, 2011 AND 2010**

	<u>Reference</u>	<u>2011</u>	<u>2010</u>
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
<b>Liabilities</b>			
Appropriation Reserves	A-3,A-13	\$ 245,300	\$ 70,188
Encumbrances Payable	A-14	152,138	319,898
Accounts Payable	A-26	7,884	
Prepaid Taxes	A-17	48,415	49,910
Tax Anticipation Note Payable	A-22	950,000	950,000
Local School Taxes Payable	A-16		242,937
Due County for Added and Omitted Taxes	A-15	297	169
Fees Payable	A-18	43	466
Special Emergency Note Payable	A-23	180,000	201,000
Miscellaneous Reserves	A-19	55,301	42,884
Tax Overpayments	A-24	9,744	
Unappropriated Grant Reserves	A-20	12,775	13,736
Appropriated Grant Reserves	A-25	71,365	77,011
Interfunds Payable			
Due to Other Trust Fund	B-7	1,928	63,750
Due to General Capital Fund	C-4	<u>34,450</u>	<u>259,268</u>
		1,769,640	2,291,217
Reserve for Receivables	A	180,391	172,547
Fund Balance	A-1	<u>186,191</u>	<u>186,191</u>
<b>Total Liabilities, Reserves and Fund Balance</b>		<u>\$ 2,136,222</u>	<u>\$ 2,649,955</u>

**BOROUGH OF BOGOTA**  
**COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -**  
**REGULATORY BASIS - CURRENT FUND**  
**FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

	<u>Reference</u>	<u>2011</u>	<u>2010</u>
<b>REVENUE AND OTHER INCOME REALIZED</b>			
Miscellaneous Revenue Anticipated	A-2	\$ 1,624,938	\$ 1,447,463
Receipts from Delinquent Taxes	A-2	7,425	371,643
Receipts from Current Taxes	A-2	21,368,642	21,156,555
Non-Budget Revenue	A-2	52,518	26,406
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-13	23,217	67,871
Interfunds Liquidated	A	<u>-</u>	<u>754</u>
 Total Income		 <u>23,076,740</u>	 <u>23,070,692</u>
 <b>EXPENDITURES</b>			
Budget and Emergency Appropriations:			
Operations			
Salaries and Wages	A-3	3,080,101	3,043,491
Other Expenses	A-3	3,611,584	3,699,979
Deferred Charges and Statutory			
Expenditures- Municipal	A-3	793,935	406,891
Capital Improvements	A-3	25,000	13,700
Municipal Debt Service	A-3	690,700	681,134
Local District School Taxes	A-16	13,315,304	13,513,758
County Taxes Payable	A-15	1,778,674	1,789,166
Due to County for Added and Omitted Taxes	A-15	297	169
Establish Reserve for Prepaid School Taxes	A-16	19,591	
Interfunds Advanced	A	4,912	
Prior Year Senior Citizen/Veteran Disallowed	A-8	2,456	
Refund of Prior Year Revenue	A-4	99,674	42,454
Cancelled Grants Receivable	A-7	<u>25,000</u>	<u>-</u>
 Total Expenditures		 <u>23,447,228</u>	 <u>23,190,742</u>
 Excess (Deficiency) in Revenues Over (Under) Expenditures		 (370,488)	 (120,050)
 Adjustment to Income before Fund Balance:			
Expenditures included above which are by Statute Deferred			
Charges to Budget of Succeeding Year	A-11,A-21	<u>329,373</u>	<u>168,973</u>
 Statutory Excess to Fund Balance			 48,923
 Deficit in Operations to be Raised in Budget of Succeeding Year	A-11	 <u>\$ 41,115</u>	
 Fund Balance, January 1	A-1	 <u>\$ 186,191</u>	 <u>137,268</u>
 Fund Balance, December 31	A-1	 <u>\$ 186,191</u>	 <u>\$ 186,191</u>

The Accompanying Notes are an Integral Part of these Financial Statements

**BOROUGH OF BOGOTA**  
**STATEMENT OF REVENUES - REGULATORY BASIS**  
**CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Reference</u>	<u>Budget</u>	<u>Anticipated</u> Added by N.J.S. 40A:4-87	<u>Realized</u>	<u>Excess or</u> <u>(Deficit)</u>
<b>MISCELLANEOUS REVENUES</b>					
Licenses					
Alcoholic Beverages	A-12	\$ 6,000		\$ 7,518	\$ 1,518
Other	A-12	6,500		10,437	3,937
Fees and Permits	A-12	4,100		5,600	1,500
Fines and Costs					
Municipal Court	A-12	169,000		258,112	89,112
Interest and Costs on Taxes	A-12	46,286		32,140	(14,146)
Interest on Investments and Deposits	A-2	23,000		26,975	3,975
Fire Fees	A-12	40,000		17,288	(22,712)
Cable Television Franchise Fees	A-12	89,400		87,967	(1,433)
Energy Receipts Tax	A-12	536,076		536,076	
Consolidated Municipal Property Tax Relief Aid	A-12	141,600		141,600	
Uniform Construction Code Fees	A-12	57,000		56,471	(529)
State and Federal Revenues Offset with Appropriations					
Club 200	A-7	1,000		1,000	
Recycling Tonnage Grant	A-7	3,281		3,281	
Clean Communities Program	A-7	10,500		10,500	
FEMA - Assistance to Firefighters Grant	A-7		\$ 109,535	109,535	
CDBG - Project Success	A-7		18,000	18,000	
CDBG - Senior Bus Driver	A-7		10,000	10,000	
Recycling Tonnage Grant	A-7		11,845	11,845	
Energy Audit	A-7		13,966	13,966	
Clean Communities Program	A-7		9,843	9,843	
Reserve for Body Armor Program	A-20	4,647		4,647	
Reserve for Prevention of Alcohol and Drug Abuse	A-20	1,106		1,106	
Reserve for Drunk Driving Enforcement Fund	A-20	3,786		3,786	
Celebration of Public Events	A-12	5,000			(5,000)
Uniform Fire Safety Act	A-12	8,300		8,047	(253)
C.C.O. Expenditures	A-12	7,800		8,632	832
Reserve for Recycling	A-19	28,756		28,756	
Swim Club Rent	A-12	7,500		7,500	
Cell Tower Rental Fee	A-12	45,000		50,350	5,350
Sewer Charges	A-12	70,000		42,758	(27,242)
FEMA Reimbursement	A-12	27,350		52,501	25,151
Outside Police Duty Reimbursement	A-12	32,695		32,695	
Fund Balance - Other Trust Fund	B-1	16,006		16,006	
Reserve for Library Trust	B-13	23,000	-	-	(23,000)
		<u>1,414,689</u>	<u>173,189</u>	<u>1,624,938</u>	<u>37,060</u>
<b>RECEIPTS FROM DELINQUENT TAXES</b>	A-8	<u>4,000</u>	<u>-</u>	<u>7,425</u>	<u>3,425</u>
<b>AMOUNT TO BE RAISED FOR SUPPORT OF MUNICIPAL BUDGET</b>					
Local Tax for Municipal Purposes	A-2	<u>6,321,069</u>	<u>-</u>	<u>6,315,367</u>	<u>(5,702)</u>
<b>Total General Revenues</b>		<u>\$ 7,739,758</u>	<u>\$ 173,189</u>	<u>7,947,730</u>	<u>\$ 34,783</u>
Non-Budget Revenue				<u>52,518</u>	
				<u>\$ 8,000,248</u>	

**BOROUGH OF BOGOTA**  
**STATEMENT OF REVENUES - REGULATORY BASIS**  
**CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**  
**(Continued)**

	<u>Reference</u>	
<b>ANALYSIS OF REALIZED REVENUES</b>		
Allocation of Current Tax Collection		
Revenue from Collections	A-8	\$ 21,368,642
Less: Allocated to School and County Taxes	A-15,A-16	<u>15,094,275</u>
Balance for Support of Municipal Budget Appropriations		6,274,367
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	<u>41,000</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 6,315,367</u>
Licenses - Other		
Board of Health	A-12	\$ 2,420
Borough Clerk	A-12	<u>8,017</u>
	A-2	<u>\$ 10,437</u>
Fees and Permits		
Board of Health	A-12	\$ 200
Fire Bureau	A-12	2,271
Planning/Zoning Boards	A-12	420
Police Department	A-12	2,384
Tax Collector	A-12	<u>325</u>
	A-2	<u>\$ 5,600</u>
Interest on Investments and Deposits		
Revenue Accounts Receivable	A-12	\$ 13,519
Due from General Capital Fund	C-4	10,913
Due from Recreation Trust Fund	B-12	262
Due from Other Trust Fund	B-7	2,238
Due from Animal Control Trust Fund	B-4	<u>43</u>
	A-2	<u>\$ 26,975</u>
Miscellaneous Revenue Not Anticipated:		
Copies		\$ 21,911
Housing Inspection		3,152
Payments in Lieu of Taxes		3,000
Administrative Fee - Senior Citizens and Veterans Deductions		1,399
Elavon		16,621
Merchant Fees		2,561
Miscellaneous		<u>3,874</u>
	A-2,A-4	<u>\$ 52,518</u>

**BOROUGH OF BOGOTA**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Appropriations</u>		<u>Expended</u>		<u>Over Expended</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<b>OPERATIONS - WITHIN "CAPS"</b>					
<b>GENERAL GOVERNMENT</b>					
Mayor and Council					
Salaries and Wages	\$ 16,275	\$ 16,275	\$ 16,275		
Administration and Executive					
Salaries and Wages					
Administrator's Office	170,000	186,020	185,821	\$ 199	
Other Expenses					
Administrator's Office	35,000	33,000	31,396	1,604	
Codification of Ordinances	3,000	3,000	3,000		
Financial Administration					
Salaries and Wages	71,990	74,575	74,291	284	
Other Expenses	25,200	19,970	18,718	1,252	
Elections	7,000	7,000	6,713	287	
Audit Services					
Annual Audit	31,000	30,000	30,000		
Collection of Taxes					
Salaries and Wages	44,705	44,805	44,771	34	
Other Expenses	17,000	16,900	16,094	806	
Assessment of Taxes					
Salaries and Wages	13,920	13,920	13,915	5	
Other Expenses	3,000	3,000	2,784	216	
Legal Services and Costs					
Other Expenses	55,000	67,000	64,262	2,738	
<b>LAND USE ADMINISTRATION</b>					
Municipal Land Use Law (N.J.S.A. 40:55-1):					
Planning Board					
Salaries and Wages	5,000	2,750	2,236	514	
Other Expenses	3,000	2,000	1,317	683	
Master Plan	5,000	4,000	3,903	97	
Property Maintenance	12,000	12,800	12,777	23	
<b>INSURANCE</b>					
Other Insurance Premiums	303,000	298,920	222,838	76,082	
Group Insurance Plan for Employees	511,961	480,831	480,188	643	
Unemployment Trust Fund		13,000	12,442	558	
<b>PUBLIC SAFETY FUNCTIONS</b>					
Department of Police					
Salaries and Wages	1,886,200	2,036,200	2,036,064	136	
Other Expenses	50,000	55,430	55,259	171	
Reserves	1,500	300	263	37	
Uniforms - Other Expenses	2,000				
Police Cars	39,000	39,400	39,393	7	
Emergency Management Services					
Other Expenses	3,500	2,600	2,545	55	
First Aid Organization					
Salaries and Wages	200	200	200		
Other Expenses	25,000	28,600	28,534	66	
Other Expenses - Uniforms	6,100	6,400	6,400		
Other Expenses - Aid to Volunteers	2,500	2,500	2,500		

The Accompanying Notes are an Integral Part of these Financial Statements

**BOROUGH OF BOGOTA**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Appropriations</u>		<u>Expended</u>		<u>Over Expended</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
OPERATIONS - WITHIN "CAPS" (Cont'd)					
PUBLIC SAFETY FUNCTIONS (Cont'd)					
Rescue Squad					
Salaries and Wages	\$ 100	\$ 100	\$ 100		
Other Expenses	10,000	10,000	9,533	\$ 467	
Other Expenses - Uniforms	3,675	3,675	3,675		
Other Expenses - Aid to Volunteers	2,500	2,500	2,500		
Fire (Volunteer Fire Company)					
Salaries and Wages	2,500	2,500	2,500		
Miscellaneous - Other Expenses	45,000	39,235	38,743	492	
Clothing Allowance - Other Expenses	15,000	12,500	11,900	600	
Aid to Volunteer Fire Companies	10,000	10,000	10,000		
Vehicle Maintenance	10,000	10,000	7,059	2,941	
Fire Official					
Salaries and Wages	28,270	20,270	19,915	355	
Other Expenses	3,000	3,000	2,829	171	
Municipal Prosecutor					
Salaries and Wages	7,135	7,135	6,861	274	
PUBLIC WORKS FUNCTIONS					
Road Repairs and Maintenance					
Salaries and Wages	326,145	383,145	377,786	5,359	
Other Expenses	105,000	105,000	103,165	1,835	
Shade Tree Commission					
Other Expenses	35,000	33,700	32,926	774	
Garbage and Trash Removal					
Solid Waste Disposal Fees	235,000	233,000	215,695	17,305	
Contractual	323,600	323,600	276,184	47,416	
Public Buildings and Grounds					
Other Expenses	80,000	75,600	66,710	8,890	
HEALTH AND HUMAN SERVICES FUNCTIONS					
Board of Health					
Salaries and Wages	4,500	4,685	4,680	5	
Other Expenses	38,070	38,070	37,976	94	
Animal Control Services					
Other Expenses	11,500	9,815	7,667	2,148	

**BOROUGH OF BOGOTA  
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Appropriations</u>		<u>Expended</u>		<u>Over Expended</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
OPERATIONS - WITHIN "CAPS" (Cont'd)					
PARK AND RECREATION FUNCTIONS					
Recreation Commission RS 40:12-1					
Salaries and Wages	\$ 33,000	\$ 33,000	\$ 33,000		
Senior Citizens Committee					
Salaries and Wages		13,400	13,394	\$ 6	
Other Expenses	2,000	675	642	33	
OTHER COMMON OPERATING FUNCTIONS					
Celebration of Public Events					
Other Expenses	14,000	11,240	10,753	487	
Municipal Court					
Salaries and Wages	29,061	34,061	33,508	553	
Other Expenses	3,600	39,850	37,839	2,011	
Public Defender					
Salaries and Wages	2,800	3,550	3,377	173	
Ambulance Squad O.S.H.A. (P.L. 1983, C. 516)					
Other Expenses	3,000	3,000	3,000		
Rescue Squad O.S.H.A. (P.L. 1983, C. 516)					
Other Expenses	3,000	3,000	3,000		
Accrued Sick and Vacation					
		110,000	110,000		
Board of Health					
Hepatitis B.	2,000	2,000	2,000		
UNIFORM CONSTRUCTION CODE - APPROPRIATIONS OFFSET BY DEDICATED REVENUES (N.J.A.C. 5:23-4.17)					
CODE ENFORCEMENT AND ADMINISTRATION					
Construction Code Officials					
Salaries and Wages	56,980	63,180	63,120	60	
Other Expenses	2,500	1,100	980	120	
UNCLASSIFIED					
Electricity and Gas	107,150	107,850	107,788	62	
Street Lighting	106,000	84,050	83,978	72	
Telephone/Communications	38,600	39,130	39,103	27	
Heating Oil	8,500	8,810	8,802	8	
Fire Hydrant Service	66,600	56,600	51,816	4,784	
Gasoline	79,000	85,230	85,220	10	
Water	4,500	5,950	5,684	266	
<b>Total Operations Within "CAPS"</b>	<u>5,207,337</u>	<u>5,534,602</u>	<u>5,350,307</u>	<u>184,295</u>	<u>-</u>
Detail					
Salaries and Wages	2,698,781	2,939,771	2,931,814	7,957	-
Other Expenses (Including Contingent)	<u>2,508,556</u>	<u>2,594,831</u>	<u>2,418,493</u>	<u>176,338</u>	<u>-</u>

**BOROUGH OF BOGOTA**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Appropriations</u>		<u>Expended</u>		<u>Over Expended</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<b>DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"</b>					
Deferred Charges:					
Emergency Authorizations	\$ 50,273	\$ 50,273	\$ 50,273		
Overexpenditure of Appropriation Reserv	8,963	8,963	8,963		
Deficit in Reserve for Police Vests	73	73	73		
Statutory Expenditures:					
Public Employees Retirement System	117,114	117,114	117,114		
Police & Fireman's Retirement System of	399,959	399,959	399,959		
Social Security System (O.A.S.I.)	<u>135,000</u>	<u>135,000</u>	<u>147,373</u>	<u>-</u>	<u>\$ 12,373</u>
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	<u>711,382</u>	<u>711,382</u>	<u>723,755</u>	<u>-</u>	<u>12,373</u>
Total General Appropriations for Municipal Purposes Within "CAPS"	<u>5,918,719</u>	<u>6,245,984</u>	<u>6,074,062</u>	<u>\$ 184,295</u>	<u>12,373</u>
<b>OPERATIONS - EXCLUDED FROM "CAPS"</b>					
Group Insurance Plan for Employees	18,039	18,039	18,039		
Bergen County Utilities Authority					
Service Charges - Contractual	662,200	662,170	662,162	8	
Maintenance of Free Public Library					
Salaries and Wages	106,330	140,330	140,059	271	
Other Expenses	106,330	72,330	65,136	7,194	
Municipal Services	70,940	70,940	70,940		
911 Telecommunication System					
Other Expenses	<u>6,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Operations - Excluded from "C	<u>969,839</u>	<u>963,809</u>	<u>956,336</u>	<u>7,473</u>	<u>-</u>
<b>PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES (N.J.S. 40A:4-45.3(h))</b>					
Municipal Alliance	1,106	1,106	1,106		
Recycling Tonnage Grant	3,281	15,126	15,034	92	
Clean Communities Program	10,500	10,500	10,418	82	
Reserve - Clean Communities Program		9,843	9,800	43	
Reserve - Drunk Driving Enforcement Fund	3,786	3,786	3,786		
Club 200	1,000	1,000		1,000	
Energy Audit		13,966	13,966		
FEMA Grant -Asst. To Firefighter		109,535	79,543	29,992	
FEMA Grant - Local Match Fire Dept		5,765		5,765	
Reserve - Body Armor Replacement Progra	4,647	4,647		4,647	
CDBG Project Success	<u>-</u>	<u>18,000</u>	<u>6,089</u>	<u>11,911</u>	<u>-</u>
Total Public and Private Programs Offset by Revenues (N.J.S. 40A:4-45.3(h))	<u>24,320</u>	<u>193,274</u>	<u>139,742</u>	<u>53,532</u>	<u>-</u>
Total Operations - Excluded from "CAPS"	<u>994,159</u>	<u>1,157,083</u>	<u>1,096,078</u>	<u>61,005</u>	<u>-</u>
<b>Detail</b>					
Salaries and Wages	106,330	140,330	140,059	271	-
Other Expenses	<u>887,829</u>	<u>1,016,753</u>	<u>956,019</u>	<u>60,734</u>	<u>-</u>

The Accompanying Notes are an Integral Part of these Financial Statements

**BOROUGH OF BOGOTA  
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Appropriations</u>		<u>Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Over Expended</u>
<b>CAPITAL IMPROVEMENTS - EXCLUDED</b>					
FROM "CAPS"					
Capital Improvement Fund	\$ 25,000	\$ 25,000	\$ 25,000	-	-
Total Capital Improvements-Excluded from	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	-	-
<b>MUNICIPAL DEBT SERVICE - EXCLUDED</b>					
FROM "CAPS"					
Payment of Bond Principal	430,000	430,000	430,000		
Interest on Bonds	145,000	145,000	145,000		
Interest on Notes	25,000	25,000	25,000		
Payment on Bond Anticipation Notes	20,000	20,000	20,000		
BCIA Pension Refunding					
Principal	45,000	45,000	45,000		
Interest	25,700	25,700	25,700	-	-
Total Municipal Debt Service - Excluded from "CAPS"	<u>690,700</u>	<u>690,700</u>	<u>690,700</u>	-	-
<b>DEFERRED CHARGES - EXCLUDED FROM "CAPS"</b>					
Emergency Authorizations	13,700	13,700	13,700		
Special Emergency Authorizations (NJS 40)	56,480	56,480	56,480	-	-
Total Deferred Charges Excluded from CAPS	<u>70,180</u>	<u>70,180</u>	<u>70,180</u>	-	-
Total General Appropriations to Municipal Purposes Excluded from "CAPS"	<u>1,780,039</u>	<u>1,942,963</u>	<u>1,881,958</u>	\$ 61,005	-
Subtotal General Appropriations	7,698,758	8,188,947	7,956,020	245,300	\$ 12,373
Reserve for Uncollected Taxes	<u>41,000</u>	<u>41,000</u>	<u>41,000</u>	-	-
Total General Appropriations	<u>\$ 7,739,758</u>	<u>\$ 8,229,947</u>	<u>\$ 7,997,020</u>	<u>\$ 245,300</u>	<u>\$ 12,373</u>
<u>Reference</u>	A-2	A-3	A-1	A,A-1	

**BOROUGH OF BOGOTA**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Reference</u>	<u>Appropriations Budget After Modification</u>	<u>Expended Paid or Charged</u>
Budget as Adopted	A-2	\$ 7,739,758	
Added by N.J.S. 40A:4-87	A-2	173,189	
Emergency Authorization	A-11	175,000	
Special Emergency Authorization	A-21	<u>142,000</u>	
	A-2	<u>\$ 8,229,947</u>	
Cash Disbursed	A-4		\$ 7,639,943
Encumbrances Payable	A-14		152,138
Deferred Charges	A-11		72,936
Deferred Charge - Special Emergency Appropriations	A-21		56,480
Due to General Capital Fund	C-4		34,450
Reserve for Uncollected Taxes	A-2		41,000
Deferred Charge - Trust	B-7		<u>73</u>
			<u>\$ 7,997,020</u>

**BOROUGH OF BOGOTA**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS - TRUST FUNDS**  
**AS OF DECEMBER 31, 2011 AND 2010**

	<u>Reference</u>	<u>2011</u>	<u>2010</u>
ASSETS			
ANIMAL CONTROL TRUST FUND			
Cash	B-2	\$ 5,080	\$ 2,916
Due from Other Trust Fund	B-3	<u>26</u>	<u>26</u>
		<u>5,106</u>	<u>2,942</u>
OTHER TRUST FUND			
Cash	B-2	390,944	333,254
Due from Current Fund	B-7	<u>1,928</u>	<u>63,750</u>
		<u>392,872</u>	<u>397,004</u>
RECREATION TRUST FUND			
Cash	B-2	<u>24,577</u>	<u>25,703</u>
		<u>24,577</u>	<u>25,703</u>
LIBRARY TRUST FUND			
Cash	B-2	<u>27,437</u>	<u>83,066</u>
		<u>27,437</u>	<u>83,066</u>
Total Assets		<u>\$ 449,992</u>	<u>\$ 508,715</u>

The Accompanying Notes are an Integral Part of these Financial Statements

**BOROUGH OF BOGOTA**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS - TRUST FUNDS**  
**AS OF DECEMBER 31, 2011 AND 2010**

	<u>Reference</u>	<u>2011</u>	<u>2010</u>
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
<b>ANIMAL CONTROL FUND</b>			
Due to Current Fund	B-4	\$ 15	\$ 15
Due to State of New Jersey	B-5	181	196
Reserve for Animal Control Trust Expenditures	B-6	<u>4,910</u>	<u>2,731</u>
		<u>5,106</u>	<u>2,942</u>
<b>OTHER TRUST FUND</b>			
Due to Animal Control Trust Fund	B-3	26	26
Reserve for Unemployment Compensation	B-8	3,662	8,250
Payroll Deductions Payable	B-9	57,637	54,180
Due to State of New Jersey - Unemployment Compensation	B-10	1,401	1,813
Miscellaneous Reserves	B-11	327,902	253,780
Reserve for Terminal Pay	B-15	2,244	62,949
Fund Balance	B-1	<u>-</u>	<u>16,006</u>
		<u>392,872</u>	<u>397,004</u>
<b>RECREATION TRUST FUND</b>			
Due to Current Fund	B-12	18,985	14,073
Reserve for Recreation Expenditures	B-13	<u>5,592</u>	<u>11,630</u>
		<u>24,577</u>	<u>25,703</u>
<b>LIBRARY TRUST FUND</b>			
Reserve for Library Expenditures	B-14	<u>27,437</u>	<u>83,066</u>
		<u>27,437</u>	<u>83,066</u>
<b>Total Liabilities, Reserves and Fund Balance</b>		<u>\$ 449,992</u>	<u>\$ 508,715</u>

The Accompanying Notes are an Integral Part of these Financial Statements

**BOROUGH OF BOGOTA**  
**COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCE - REGULATORY BASIS**  
**OTHER TRUST FUND**  
**FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

	<u>Reference</u>	<u>2011</u>	<u>2010</u>
Balance, January 1	B	\$ 16,006	
Increased by:			
Cancellation of Miscellaneous Reserves	B-11	-	\$ 16,006
		16,006	16,006
Decreased by:			
Anticipated Current Fund Revenue	A-2	16,006	-
Balance, December 31	B	<u>\$ -</u>	<u>\$ 16,006</u>

**BOROUGH OF BOGOTA**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**  
**GENERAL CAPITAL FUND**  
**AS OF DECEMBER 31, 2011 AND 2010**

	<u>Reference</u>	<u>2011</u>	<u>2010</u>
<b>ASSETS</b>			
Cash	C-2,C-3	\$ 960,360	
Due from Current Fund	C-4	34,450	\$ 259,268
Prospective Assessments Raised by Taxation	C-5	2,500	2,500
Deferred Charges to Future Taxation			
Funded	C-6	3,878,000	4,353,000
Unfunded	C-7	3,369,866	2,441,514
Grants Receivable	C-8	<u>979,021</u>	<u>481,269</u>
 Total Assets		 <u>\$ 9,224,197</u>	 <u>\$ 7,537,551</u>
 <b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
Improvement Authorizations			
Funded	C-9	\$ 925	\$ 14,125
Unfunded	C-9	1,732,995	1,468,509
Encumbrances Payable	C-10	281,878	152,970
Capital Improvement Fund	C-11	600	
Serial Bonds Payable	C-12	3,377,000	3,807,000
Capital Leases Payable	C-13	501,000	546,000
Bond Anticipation Notes Payable	C-14	2,539,710	1,256,610
Reserve for Grants Receivable	C-8	783,827	286,075
Reserve for Payment of Debt	C-15	2,406	2,406
Reserve for Prospective Assessments	C-16	2,500	2,500
Fund Balance	C-1	<u>1,356</u>	<u>1,356</u>
 Total Liabilities, Reserves and Fund Balance		 <u>\$ 9,224,197</u>	 <u>\$ 7,537,551</u>

There were \$974,039 and \$1,388,014 in bonds and notes authorized but not issued at December 31, 2011 and 2010, respectively. (Exhibit C-17)

**BOROUGH OF BOGOTA**  
**COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCE - REGULATORY BASIS**  
**GENERAL CAPITAL FUND**  
**FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

	<u>Reference</u>	<u>2011</u>	<u>2010</u>
Balance, January 1	C	\$ 1,356	\$ 1,284
Increased by:			
Cancellation of Funded Improvement Authorizations	C-1	-	95,072
		1,356	96,356
Decreased by:			
Realized as Current Fund Budgeted Revenue	C-1	-	95,000
Balance, December 31	C	<u>\$ 1,356</u>	<u>\$ 1,356</u>

**BOROUGH OF BOGOTA  
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS  
PUBLIC ASSISTANCE FUND  
AS OF DECEMBER 31, 2011 AND 2010**

	<u>Reference</u>	<u>2011</u>	<u>2010</u>
<b>ASSETS</b>			
Cash	D-1	\$ <u>3,017</u>	\$ <u>3,017</u>
Total Assets		\$ <u>3,017</u>	\$ <u>3,017</u>
<b>LIABILITIES AND RESERVES</b>			
Reserve for Expenditures	D-2	\$ <u>3,017</u>	\$ <u>3,017</u>
Total Liabilities, Reserves and Fund Balance		\$ <u>3,017</u>	\$ <u>3,017</u>

**BOROUGH OF BOGOTA**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**  
**GENERAL FIXED ASSETS ACCOUNT GROUP**  
**AS OF DECEMBER 31, 2011 AND 2010**

	<u>2011</u>	<u>2010</u>
<b>ASSETS</b>		
Land	\$ 6,801,300	\$ 6,801,300
Buildings	3,191,567	3,136,518
Vehicles, Machinery & Equipment	<u>5,228,412</u>	<u>5,070,746</u>
 Total Assets	 <u>\$ 15,221,279</u>	 <u>\$ 15,008,564</u>
 <b>FUND BALANCE</b>		
Investment in General Fixed Assets	<u>\$ 15,221,279</u>	<u>\$ 15,008,564</u>

**NOTES TO FINANCIAL STATEMENTS**

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

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB has adopted accounting statements to be used by governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America. (GAAP). The municipalities in the State of New Jersey do not prepare financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements.

**A. Reporting Entity**

The Borough of Bogota (the "Borough") was incorporated in 1894 and operates under an elected Mayor/Council form of government. The Borough's major operations include public safety, road repair and maintenance, sanitation, fire protection, recreation and parks, health services, and general administrative services.

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

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

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

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

The Borough has the following funds and account group:

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

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

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

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

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

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

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

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

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

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

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

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

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

**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. A penalty of up to 6% of the delinquency may be imposed on a taxpayer with a delinquency in excess of \$10,000 who fails to pay that delinquency prior to the end of the fiscal year in which the charges become delinquent. The school levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of June 30, of each fiscal year. County taxes are paid quarterly on February 15, May 15, August 15 and November 15, to the County by the Borough. When unpaid taxes or any municipal lien, or part thereof, on real property, remains in arrears on April first in the year following the calendar year levy when the same became in arrears, the collector in the municipality shall, subject to the provisions of the New Jersey Statutes, enforce the lien by placing the property on a standard tax sale. The Borough may institute annual in rem tax foreclosure proceedings to enforce the tax collection or acquisition of title to the property. In accordance with the accounting principles prescribed by the State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the tax receivable and tax title liens that are uncollectible. GAAP requires property tax revenues to be recognized in the accounting period when they become susceptible to accrual (i.e., when they are both levied and available), reduced by an allowance for doubtful accounts.

**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 (i.e., when they are both measurable and available).

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

**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.

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

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

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

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

General Capital Fund  
Trust Funds  
Public Assistance Fund

The governing body is required to introduce and approve the annual budget no later than February 10, of the fiscal year. The budget is required to be adopted no later than March 20, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. The governing body of the municipality may authorize emergency appropriations and the inclusion of certain special items of revenue to the budget after its adoption and determination of the tax rate. During the last two months of the fiscal year, the governing body may, by a 2/3 vote; amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the Governing Body. Expenditures may not legally exceed budgeted appropriations at the line item level. During 2011 and 2010 the Borough Council increased the original budget by \$490,189 and \$179,329. The increases were funded by additional aid allotted to the Borough and emergency resolutions for police and public works salaries and wages, capital improvement and terminal pay. In addition, the governing body approved several budget transfers during 2011 and 2010.

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

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

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

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

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

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

**Excess Expenditures Over Appropriations**

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

	<u>Modified Budget</u>		<u>Actual</u>		<u>Unfavorable Variance</u>
<u>2011</u>					
Current Fund					
Current Appropriations					
Statutory Expenditures					
Social Security System (O.A.S.I)	\$ 135,000	\$	147,373	\$	12,373
 <u>2010</u>					
Current Fund					
2009 Appropriation Reserves					
Insurance					
Other Insurance Premiums	\$ 72,886	\$	77,249	\$	4,363
Department of Police					
Other Expenses	3,376		7,976		4,600

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

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

**Compensated Absences** - Expenditures relating to obligations for unused vested accumulated vacation and sick leave are not recorded until paid; however, municipalities may establish and budget reserve funds subject to NJSA 40A:4-39 for the future payment of compensated absences. GAAP requires that the amount that would normally be liquidated with expendable available financial resources be recorded as an expenditure in the operating funds and the remaining obligations are recorded as a long-term obligation in the government-wide financial statements.

**Property Acquired for Taxes** – Property acquired for taxes is recorded in the Current Fund at the assessed valuation when such property was acquired, and is fully reserved. GAAP requires such property to be recorded as a capital asset in the government-wide financial statements at fair value on the date of acquisition.

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

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

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

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

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

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

**General Fixed Assets** - In accordance with NJAC 5:30-5.6, Accounting for Governmental Fixed Assets, the Borough of Bogota has developed a fixed assets accounting and reporting system. Fixed assets are defined by the Borough as assets with an initial, individual cost of \$1,000 and an estimated useful life in excess of two years.

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

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

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

Land and Buildings	Assessed Value
Machinery and Equipment	Replacement Cost

No depreciation has been provided for in the financial statements.

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

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

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

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

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

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

**Reclassifications** - Certain reclassifications have been made to the December 31, 2010 balances to conform to the December 31, 2011 presentation.

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

**C. Basic Financial Statements**

The GASB Codification also requires the financial statements of a governmental unit to be presented in the basic financial statements in accordance with GAAP. The Borough presents the 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 reporting requirements under GAAP.

**NOTE 2 DEPOSITS AND INVESTMENTS**

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

**Deposits**

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

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

**NOTE 2 DEPOSITS AND INVESTMENTS (Continued)**

**Deposits (Continued)**

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At December 31, 2011 and 2010, the book value of the Borough's deposits were \$2,751,531 and \$2,527,490 and bank and brokerage firm balances of the Borough's deposits amounted to \$2,878,387 and \$2,534,736, respectively. The Borough's deposits which are displayed on the various fund balance sheets as "cash" are categorized as:

<u>Depository Account</u>	<u>Bank Balance</u>	
	<u>2011</u>	<u>2010</u>
Insured	\$ 2,878,387	\$ 2,534,736

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Borough does not have a formal policy for custodial credit risk. As of December 31, 2011 and 2010, the Borough's bank balances were not exposed to custodial credit risk.

**Investments**

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

As of December 31, 2011 and 2010 the Borough had no outstanding investments.

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

**NOTE 3 TAXES RECEIVABLE**

Receivables at December 31, 2011 and 2010 consisted of the following:

	<u>2011</u>	<u>2010</u>
<u>Current</u>		
Property Taxes	\$ 66	\$ 4,969
Tax Title Liens	<u>5,054</u>	<u>3,950</u>
	<u>\$ 5,120</u>	<u>\$ 8,919</u>

In 2011 and 2010, the Borough collected \$7,425 and \$371,643 from delinquent taxes, which represented 83% and 98% of the prior year delinquent taxes receivable balance.

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

**NOTE 4 MUNICIPAL DEBT**

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

The Borough's debt is summarized as follows:

	<u>2011</u>	<u>2010</u>
Issued		
General		
Bonds, Notes and Capital Leases	\$ 6,417,710	\$ 5,609,610
Less Funds Temporarily Held to Pay Bonds and Notes	<u>146,289</u>	<u>205,516</u>
Net Debt Issued	6,271,421	5,404,094
Authorized But Not Issued		
General		
Bonds and Notes	<u>974,039</u>	<u>1,388,014</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 7,245,460</u>	<u>\$ 6,792,108</u>

**Statutory Net Debt**

The statement of debt condition that follows is extracted from the Borough's Annual Debt Statement and indicates a statutory net debt of .79 and .69% at December 31, 2011 and 2010, respectively.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2011</u>			
General Debt	\$ 7,391,749	\$ 647,289	\$ 6,744,460
School Debt	<u>6,185,000</u>	<u>6,185,000</u>	<u>-</u>
Total	<u>\$ 13,576,749</u>	<u>\$ 6,832,289</u>	<u>\$ 6,744,460</u>
	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2010</u>			
General Debt	\$ 6,997,624	\$ 751,516	\$ 6,246,108
School Debt	<u>6,665,000</u>	<u>6,665,000</u>	<u>-</u>
Total	<u>\$ 13,662,624</u>	<u>\$ 7,416,516</u>	<u>\$ 6,246,108</u>

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

**NOTE 4 MUNICIPAL DEBT (Continued)**

**Statutory Borrowing Power**

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

	<u>2011</u>	<u>2010</u>
3-1/2% of Equalized Valuation Basis (Municipal) Net Debt	\$ 29,829,072 <u>6,744,460</u>	\$ 31,575,333 <u>6,246,108</u>
Remaining Borrowing Power	<u>\$ 23,084,612</u>	<u>\$ 25,329,225</u>

**Long-Term Debt**

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

**General Obligation Bonds**

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

	<u>2011</u>	<u>2010</u>
\$1,840,000, 2004 Bonds, due in annual installments of \$180,000 to \$205,000 through March 15, 2017, interest at 3.00% to 4.00%	\$ 1,170,000	\$ 1,350,000
\$2,677,000, 2007 Bonds, due in annual installments of \$250,000 to \$522,000 through July 1, 2018, interest at 4.125% to 4.25%	<u>2,207,000</u>	<u>2,457,000</u>
	<u>\$ 3,377,000</u>	<u>\$ 3,807,000</u>

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

**NOTE 4 MUNICIPAL DEBT (Continued)**

**Long-Term Debt (Continued)**

The Borough's principal and interest for long-term debt issued and outstanding as of December 31, 2011 is as follows:

Calendar Year	General Bonds		Total
	Principal	Interest	
2012	\$ 445,000	\$ 128,456	\$ 573,456
2013	455,000	112,106	567,106
2014	470,000	95,400	565,400
2015	480,000	78,011	558,011
2016	495,000	59,135	554,135
2017-2018	<u>1,032,000</u>	<u>61,051</u>	<u>1,093,051</u>
Total	<u>\$ 3,377,000</u>	<u>\$ 534,159</u>	<u>\$ 3,911,159</u>

**Changes in Long-Term Municipal Debt**

The Borough's long-term capital debt activity for the years 2011 and 2010 were as follows:

	Balance, December 31, <u>2010</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2011</u>	Due Within <u>One Year</u>
<b><u>2011</u></b>					
General Capital Fund					
Bonds Payable	\$ 3,807,000		\$ 430,000	\$ 3,377,000	\$ 445,000
Capital Leases Payable	<u>546,000</u>	<u>-</u>	<u>45,000</u>	<u>501,000</u>	<u>51,000</u>
General Capital Fund Long-Term Liabilities	<u>\$ 4,353,000</u>	<u>\$ -</u>	<u>\$ 475,000</u>	<u>\$ 3,878,000</u>	<u>\$ 496,000</u>
	Balance, December 31, <u>2009</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2010</u>	Due Within <u>One Year</u>
<b><u>2010</u></b>					
General Capital Fund					
Bonds Payable	\$ 4,222,000		\$ 415,000	\$ 3,807,000	\$ 430,000
Capital Leases Payable	<u>586,000</u>	<u>-</u>	<u>40,000</u>	<u>546,000</u>	<u>45,000</u>
General Capital Fund Long-Term Liabilities	<u>\$ 4,808,000</u>	<u>\$ -</u>	<u>\$ 455,000</u>	<u>\$ 4,353,000</u>	<u>\$ 475,000</u>

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

**NOTE 4 MUNICIPAL DEBT (Continued)**

**Short-Term Debt**

The Borough's short-term capital debt activity for the years 2011 and 2010 was as follows:

	Balance, December 31, <u>2010</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2011</u>
<u>2011</u>				
General Capital Fund				
Bond Anticipation Notes	\$ 1,256,610	\$ 2,539,710	\$ 1,256,610	\$ 2,539,710
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
	Balance, December 31, <u>2009</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2010</u>
<u>2010</u>				
General Capital Fund				
Bond Anticipation Notes	\$ 1,316,825	\$ 1,256,610	\$ 1,316,825	\$ 1,256,610
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>

In addition to the debt shown in the above schedule, municipalities may issue debt to finance emergency or special emergency appropriations or to meet cash flow needs (Tax Anticipation Notes) to temporarily finance operating expenditures. This debt which is not included in the Borough's statutory debt limit calculation is reported in the Current Fund for the years 2011 and 2010 as follows:

	Balance, December 31, <u>2010</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2011</u>
<u>2011</u>				
Special Emergency Notes	\$ 201,000	\$ 180,000	\$ 201,000	\$ 180,000
Tax Anticipation Notes	950,000	950,000	950,000	950,000
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
	<u>\$ 1,151,000</u>	<u>\$ 1,130,000</u>	<u>\$ 1,151,000</u>	<u>\$ 1,130,000</u>
	Balance, December 31, <u>2009</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2010</u>
<u>2010</u>				
Special Emergency Notes	\$ 128,000	\$ 201,000	\$ 128,000	\$ 201,000
Tax Anticipation Notes	900,000	950,000	900,000	950,000
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
	<u>\$ 1,028,000</u>	<u>\$ 1,151,000</u>	<u>\$ 1,028,000</u>	<u>\$ 1,151,000</u>

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

**NOTE 5 FIXED ASSETS**

**General Fixed Assets**

The following is a summary of changes in the general fixed assets account group for the years 2011 and 2010.

	Balance December 31, <u>2010</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2011</u>
<u>2011</u>				
Land	\$ 6,801,300			\$ 6,801,300
Buildings and Building Improvements	3,136,518	\$ 55,049		3,191,567
Machinery and Equipment	<u>5,070,746</u>	<u>157,666</u>	<u>-</u>	<u>5,228,412</u>
	<u>\$ 15,008,564</u>	<u>\$ 212,715</u>	<u>\$ -</u>	<u>\$ 15,221,279</u>
	Balance December 31, <u>2009</u> (Restated)	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2010</u>
<u>2010</u>				
Land	\$ 6,801,300			\$ 6,801,300
Buildings and Building Improvements	2,974,275	\$ 162,243		3,136,518
Machinery and Equipment	<u>4,992,694</u>	<u>78,052</u>	<u>-</u>	<u>5,070,746</u>
	<u>\$ 14,768,269</u>	<u>\$ 240,295</u>	<u>\$ -</u>	<u>\$ 15,008,564</u>

**NOTE 6 DUE TO/FROM OTHER FUNDS**

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

	<u>2011</u>		<u>2010</u>	
	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
Current Fund:				
Regular	\$ 19,000	\$ 36,378	\$ 14,088	\$ 323,018
Trust Fund:				
Animal Control	26	15	26	15
Other Trust	1,928	26	63,750	26
Recreation		18,985		14,073
General Capital Fund	<u>34,450</u>	<u>-</u>	<u>259,268</u>	<u>-</u>
 Total	 <u>\$ 55,404</u>	 <u>\$ 55,404</u>	 <u>\$ 337,132</u>	 <u>\$ 337,132</u>

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

**NOTE 6 DUE TO/FROM OTHER FUNDS (Continued)**

The above balances are the result of expenditures being paid by one fund on behalf of another and/or to cover cash balances which were in an overdraft position.

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

**NOTE 7 FUND BALANCES APPROPRIATED**

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

	Fund Balance December 31, <u>2011</u>	Utilized in Subsequent <u>Year's Budget</u>	Fund Balance December 31, <u>2010</u>	Utilized in Subsequent <u>Year's Budget</u>
Current Fund				
Cash Surplus				
Non-Cash Surplus	\$ 186,191	-	\$ 186,191	-
	<u>\$ 186,191</u>	<u>\$ -</u>	<u>\$ 186,191</u>	<u>\$ -</u>

**NOTE 8 DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS**

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

	Balance, <u>December 31,</u>	Subsequent Year Budget <u>Appropriation</u>	Balance to Succeeding <u>Budgets</u>
<b><u>2011</u></b>			
Current Fund			
Special Emergency Authorizations (40A:4-55)	\$296,960	\$84,880	\$212,080
Overexpenditure of Appropriations	12,373	12,373	
Emergency Authorizations	175,000	175,000	
Operating Deficit	41,115	16,115	25,000
<b><u>2010</u></b>			
Current Fund			
Special Emergency Authorizations (40A:4-55)	\$211,440	\$56,480	\$154,960
Overexpenditure of Appropriation Reserves	8,963	8,963	
Emergency Authorization	63,973	63,973	

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

**NOTE 9 COMPENSATED ABSENCES**

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

It is estimated that the current cost of such unpaid compensation and salary related payments would approximate \$476,122 and \$458,060 at December 31, 2011 and 2010, respectively. These amounts which are considered material to the financial statements, are not reported either as an expenditure or liability.

As of December 31, 2011, the Borough has reserved in the Other Trust Fund \$2,244 to fund compensated absences in accordance with N.J.S.A. 40A:4-39.

**NOTE 10 EMPLOYEE RETIREMENT SYSTEMS**

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

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

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

**Other Pension Funds**

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

The cost of living increase for PFRS and PERS are funded directly by each of the respective systems and are considered in the annual actuarial calculation of the required contributions for the system.

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

**NOTE 10 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**Other Pension Funds (Continued)**

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

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

**Basis of Accounting**

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

**Investment Valuation**

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

The State of New Jersey, Department of the Treasury, Division of Investment, issues publicly available financial reports that include the financial statements of the State of New Jersey Cash Management fund, Common Pension Fund A, Common Pension Fund B, Common Pension Fund D and Common Pension Fund E. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Investment, P.O. Box 290, Trenton, New Jersey 08625-0290.

**Significant Legislation**

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

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

**NOTE 10 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**Significant Legislation (Continued)**

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

- New members of PERS hired on or after June 28, 2011 (Tier 5 members), will need 30 years of creditable service and to attain age 65 for receipt of the early retirement benefit without a reduction of  $\frac{1}{4}$  of 1 percent for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the PERS is increased from age 62 to 65 for Tier 5 members.
- The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members), will be 60 percent instead of 65 percent of the member's final compensation plus 1 percent for each year of creditable service over 25 years but not to exceed 30 years.
- Active member contribution rates will increase. PERS active member rates increase from 5.5 percent of annual compensation to 6.5 percent plus an additional 1 percent phased-in over 7 years, PFRS and PERS Prosecutors Part active member rates increase from 8.5 percent to 10 percent. For Fiscal Year 2012, the member contribution rates increase in October 2011. The phase-in of the additional incremental member contributions for PERS members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.

In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

**Funded Status and Funding Progress**

As of July 1, 2010, the most recent actuarial valuation date, the aggregate funded ratio for all the State administered retirement systems, including PERS and PFRS, is 70.5 percent with an unfunded actuarial accrued liability of \$36.3 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded systems is 65.2 percent and \$25.6 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS and PFRS is 78.5 percent and \$10.7 billion.

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

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

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

**NOTE 10 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**Actuarial Methods and Assumptions**

In the July 1, 2010 actuarial valuation, the projected unit credit was used as the actuarial cost method, and the five year average of market value was used as the asset valuation method for the retirement systems. The actuarial assumptions included (1) 8.25 percent for investment rate of return for all the retirement systems; and (2) 5.45 percent for projected salary increases for all the retirement systems except PFRS.

**Employer and Employee Pension Contributions**

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan members and employer contributions may be amended by State of New Jersey legislation, with the amount of contributions by the State of New Jersey contingent upon the annual Appropriations Act. As defined, the various retirement systems require employee contributions based on 6.50% for PERS, 8.50% for PFRS and 5.50% for DCRP of employees' annual compensation.

**Annual Pension Cost (APC)**

Per the requirements of GASB Statement No. 27 for the year ended June 30, 2011 for PFRS and PERS, which are cost sharing multi-employer defined benefit pension plans, annual pension cost equals contributions made.

During the years ended December 31, 2011, 2010 and 2009, the Borough, except for the amounts deferred during the year ended December 31, 2010, was required to contribute for normal cost pension contributions, accrued liability pension contributions and non-contributory life insurance premiums the following amounts which equaled the required contributions for each year:

<u>Year Ended</u> <u>December 31</u>	<u>PFRS</u>	<u>PERS</u>
2011	\$ 399,959	\$ 117,114
2010	336,838	83,969
2009	143,669	40,566

During the year ended December 31, 2009 the Borough elected to contribute 50% of its normal and accrued liability components of the PFRS and PERS obligations and deferred the remaining 50% in accordance with P.L. 2009, c.19. The deferred amount totaled \$171,430 and will be paid back with interest over 15 years beginning in the 2012 year. The Borough is permitted to pay off the deferred PFRS and PERS pension obligations at any time. It is estimated that the total liability including accrued interest (at 8.25%) at December 31, 2011 and 2010 is \$186,752 and \$186,752, respectively.

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

**NOTE 11 RISK MANAGEMENT**

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

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

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

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

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

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

<u>Year Ended December 31</u>	<u>Borough Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2011			\$ 4,588	\$ 3,662
2010		\$ 1,351	24,028	8,250
2009	\$ 5,000	2,647	20,015	30,927

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

**NOTE 12 CONTINGENT LIABILITIES**

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

**Pending Tax Appeals** - Various tax appeal cases were pending in the New Jersey Tax Court at December 31, 2011 and 2010. Amounts claimed have not yet been determined. The Borough is vigorously defending its assessments in each case. Under the accounting principles prescribed by the Division of Local Government Services, Department of community Affairs, State of New Jersey, the Borough does not recognize a liability, if any, until these cases have been adjudicated. The Borough expects such amounts, if any, could be material. Funding of any ultimate liability would be provided for in succeeding years' budget or from fund balance.

**Federal and State Awards** - The Borough participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Borough may be required to reimburse the grantor government. As of December 31, 2011 and 2010, significant amounts of grant expenditure have not been audited by the various grantor agencies but the Borough believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the Borough.

**NOTE 13 FEDERAL ARBITRAGE REGULATIONS**

The Borough is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At December 31, 2011 and 2010, the Borough had no estimated arbitrage earnings due to the IRS.

**NOTE 14 CAPITAL LEASE - EARLY RETIREMENT INCENTIVE LIABILITY**

The Borough has entered into an agreement with the Bergen County Improvement Authority for the financing relating to the Pooled Early Retirement Incentive Liability project. The agreement represents a \$707,000 County Guaranteed Governmental Loan Revenue Bond due in annual installments of \$51,000 to \$95,000 through March, 2018 at variable interest rates. The Borough's principal and interest for the outstanding balance as of December 31, 2011 is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 51,000	\$ 23,235	\$ 74,235
2013	57,000	20,399	77,399
2014	64,000	17,399	81,399
2015	70,000	14,233	84,233
2016	78,000	10,698	88,698
2016-2018	181,000	9,067	190,067
	<u>\$ 501,000</u>	<u>\$ 95,031</u>	<u>\$ 596,031</u>

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

**NOTE 15 SUBSEQUENT EVENTS**

**Tax Anticipation Notes**

On April 4, 2012 the Borough authorized the Chief Financial Officer to issue \$950,000 of Tax Anticipation Notes to temporarily finance the Borough's operating expenditures dated April 25, 2012, payable February 15, 2013, bearing interest from its date at the rate of 0.75% per annum, payable on maturity.

**Debt Authorized**

In March, 2012 the Borough Council adopted a Bond Ordinance authorizing the issuance of \$147,600 in Bonds or Bond Anticipation Notes to fund certain capital projects. As of the date of this report the Borough has not issued nor awarded the sale of said bonds or notes.

**CURRENT FUND**

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

Balance, December 31, 2010		\$ 2,079,254
Increased by Receipts:		
Taxes Receivable	\$ 21,246,168	
Revenue Accounts Receivable	1,369,211	
Miscellaneous Revenue Not Anticipated	52,518	
Due from State of New Jersey - Senior Citizens' and Veterans' Deductions	69,944	
Receipts from Library	16,006	
Receipts from General Capital Fund	10,913	
Receipts from Recreation Trust Fund	262	
Receipts from Animal Control Trust Fund	43	
Other Trust Fund Receipts Deposited in Current Fund	1,048	
Tax Overpayments	9,744	
Miscellaneous Reserves	41,173	
Special Emergency Note Payable	180,000	
Tax Anticipation Note Payable	950,000	
Fees Payable	4,315	
Grants Receivable	183,633	
Prepaid Taxes	48,415	
Unappropriated Grant Reserves	<u>8,578</u>	
		<u>24,191,971</u>
		26,271,225
Decreased by Disbursements:		
2011 Budget Appropriations	7,639,943	
2010 Appropriation Reserves	42,154	
Appropriated Grant Reserves	3,000	
Encumbrances Payable	309,040	
County Taxes Payable	1,778,843	
Local District School Taxes Payable	13,577,832	
Fees Payable	4,738	
Special Emergency Note Payable	201,000	
Tax Anticipation Note Payable	950,000	
Refund of Prior Year Revenue	99,674	
Other Trust Fund Expenditures Paid by Current Fund	60,705	
Payments to General Capital Fund	259,268	
Payments to Recreation Trust Fund	<u>4,912</u>	
		<u>24,931,109</u>
Balance, December 31, 2011		<u>\$ 1,340,116</u>

**BOROUGH OF BOGOTA  
STATEMENT OF CHANGE FUNDS**

Balance, December 31, 2010	\$ <u>280</u>
Balance, December 31, 2011	\$ <u>280</u>
<u>Analysis of Balance</u>	
Borough Clerk	\$ 125
Tax Collector	100
Municipal Court	50
Library	<u>5</u>
	\$ <u>280</u>

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

Balance, December 31, 2010	\$ 24,465
Increased by:	
Senior Citizens' and Veterans' Deductions Per Tax Billings	\$ 69,500
Senior Citizens' and Veterans' Deductions Allowed by Tax Collector	<u>11,166</u>
	<u>80,666</u>
	105,131
Decreased by:	
Cash Received from State of New Jersey	69,944
Senior Citizens' and Veterans' Deductions Disallowed by Tax Collector	677
Senior Citizens' and Veterans' Deductions Disallowed by Tax Collector - PY	<u>2,456</u>
	<u>73,077</u>
Balance, December 31, 2011	\$ <u>32,054</u>

**BOROUGH OF BOGOTA  
STATEMENT OF GRANTS RECEIVABLE**

	Balance, December 31, <u>2010</u>	2011 Revenue <u>Realized</u>	Cash <u>Receipts</u>	<u>Cancelled</u>	Balance, December 31, <u>2011</u>
Municipal Alliance	\$ 2,728				\$ 2,728
FEMA Firefighter Grant	25,000	\$ 109,535	\$ 109,535	\$ (25,000)	
Club 200		1,000	1,000		
Energy Audit		13,966	13,966		
CDBG - Project Success		18,000	18,000		
CDBG Senior Bus Driver	26,262	10,000	12,444		23,818
BCUA Recycling	4,156			(4,156)	
NJ DCA Housing Inspection	1,685				1,685
Clean Communities	192	20,343	9,843		10,692
SBJIF - Municipal Safety Program	3,000			(3,000)	
Over the Limit, Under Arrest	10				10
Forestry Services	7,000		7,000		
Development Rights Feasibility Grant	19,000				19,000
Recycling Tonnage	-	15,126	11,845	(3,281)	-
	<u>\$ 89,033</u>	<u>\$ 187,970</u>	<u>\$ 183,633</u>	<u>\$ (35,437)</u>	<u>\$ 57,933</u>

Analysis

Reserve	\$ 10,437
Operations	<u>25,000</u>
	<u>\$ 35,437</u>

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

Year	Balance, December 31, 2010	Tax Levy	Added Assessments	Senior Citizens' and Veterans' Deductions Disallowed	Collected In 2010	2011	Senior Citizens' and Veterans' and Deductions Allowed	Transferred to Tax Title Liens	Adjusted, Remitted, or Cancelled	Balance, December 31, 2011
2010	\$ 4,969	-	-	\$ 2,456	-	\$ 7,425	-	-	-	-
	4,969	-	-	2,456	-	7,425	-	-	-	-
2011	-	\$ 21,420,860	\$ 3,552	677	\$ 49,910	21,238,743	\$ 80,666	\$ 1,104	54,600	\$ 66
	\$ 4,969	\$ 21,420,860	\$ 3,552	\$ 3,133	\$ 49,910	\$ 21,246,168	\$ 80,666	\$ 1,104	\$ 54,600	\$ 66
<i>Analysis of 2011 Property Tax Levy</i>										
General Purpose Tax						\$ 21,420,860				
Added Taxes (54:4-63.1 et seq.)						<u>3,552</u>				
						<u>\$ 21,424,412</u>				
Tax Levy										
Local District School Tax (Abstract)					\$ 13,315,304					
County Tax (Abstract)					\$ 1,757,179					
Due County for Added and Omitted Taxes					297					
County Open Space Tax					<u>21,495</u>					
Total County Taxes					<u>1,778,971</u>					
Local Tax for Municipal Purposes					6,321,069					
Additional Taxes Levied					<u>9,068</u>					
Total Local Tax for Municipal Purposes					<u>6,330,137</u>					
						<u>\$ 21,424,412</u>				

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

Balance, December 31, 2010	\$ 3,950
Increased by:	
Transfers from Taxes Receivable	1,104
Balance, December 31, 2011	\$ 5,054

EXHIBIT A-10

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

Balance, December 31, 2010	\$ 136,680
Balance, December 31, 2011	\$ 136,680

EXHIBIT A-11

**STATEMENT OF DEFERRED CHARGES**

	Balance, December 31, <u>2010</u>	Amount Resulting from 2011	Raised in <u>2011 Budget</u>	Balance, December 31, <u>2011</u>
Overexpenditure of Appropriations		\$ 12,373		\$ 12,373
Overexpenditure of Appropriation Reserves	\$ 8,963		\$ 8,963	
Operating Deficit		41,115		41,115
Emergency Authorizations	63,973	175,000	63,973	175,000
	\$ 72,936	\$ 228,488	\$ 72,936	\$ 228,488

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

	Balance, December 31, <u>2010</u>	Accrued in <u>2011</u>	<u>Collected</u>	Balance, December 31, <u>2011</u>
Licenses				
Alcoholic Beverages		\$ 7,518	\$ 7,518	
Borough Clerk				
Other Licenses		8,017	8,017	
Board of Health				
Other Licenses		2,420	2,420	
Fees and Permits		200	200	
Planning/Zoning Boards				
Fees and Permits		420	420	
Police Department				
Fees and Permits		2,384	2,384	
Fire Bureau				
Fees and Permits		2,271	2,271	
Tax Collector				
Fees and Permits		325	325	
Construction Code Fees		56,471	56,471	
Municipal Court				
Fines and Costs	\$ 12,860	245,252	258,112	
Interest and Costs on Taxes		32,140	32,140	
Interest on Investments & Deposits		13,519	13,519	
Fire Fees		17,288	17,288	
Cable Television Franchise Fees		87,967	87,967	
Energy Receipts Tax		536,076	536,076	
Consolidated Municipal Purpose Tax Relief Aid		141,600	141,600	
Sewer Charges		42,758	42,758	
Uniform Fire Safety Act		8,047	8,047	
Swim Club Rent		7,500	7,500	
Cell Tower		50,350	50,350	
FEMA Reimbursement		52,501	52,501	
Outside Police Duty Reimbursement		32,695	32,695	
C.C.O. Expenditures	-	8,632	8,632	-
	<u>\$ 12,860</u>	<u>\$ 1,356,351</u>	<u>\$ 1,369,211</u>	<u>\$ -</u>

**BOROUGH OF BOGOTA**  
**STATEMENT OF 2010 APPROPRIATION RESERVES**

	Balance December 31, 2010	Encumbrances Cancelled	Transfers	Balance After Modification	Paid or Charged	Balance Lapsed
<b>GENERAL GOVERNMENT FUNCTIONS</b>						
Department of Administration						
Salaries and Wages	\$ 143			\$ 143		\$ 143
Other Expenses	815		\$ 225	1,040	\$ 1,037	3
Financial Administration						
Salaries and Wages	285		(200)	85		85
Other Expenses	1,065		1,250	2,315	2,315	
Collection of Taxes						
Salaries and Wages	56			56		56
Other Expenses	9			9		9
Assessment of Taxes						
Salaries and Wages	67			67		67
Other Expenses	76			76		76
Legal Services and Costs						
Other Expenses	3,541		420	3,961	3,959	2
<b>LAND USE ADMINISTRATION</b>						
Municipal Land Use Law (N.J.S.A. 40:55-1):						
Planning Board						
Salaries and Wages	660		(600)	60		60
Other Expenses	250			250		250
Master Plan						
	450		(5)	445		445
<b>INSURANCE</b>						
Other Insurance Premiums	107			107		107
Group Insurance Plan for Employees	844		(500)	344	321	23
<b>PUBLIC SAFETY FUNCTIONS</b>						
Department of Police						
Salaries and Wages	1,523	\$ 274		1,797		1,797
Other Expenses			5,451	5,451	4,754	697
Reserves	66			66		66
Police Cars	166		(150)	16		16
Emergency Management Services						
Other Expenses	62			62		62
First Aid Organization						
Other Expenses	676		143	819	814	5
Rescue Squad						
Other Expenses	164		850	1,014	1,010	4
Equipment Replacement	13	1,400	(1,000)	413		413
Ambulance Squad OSHA						
Other Expenses	604			604		604
Fire Department						
Salaries and Wages	158			158	152	6
Other Expenses	1,976		(1,875)	101	101	
Vehicle Maintenance	1			1		1
Fire Official						
Salaries and Wages	18			18		18
Other Expenses	673		(400)	273	273	
Fire Alarms						
Other Expenses	500		(500)			

**BOROUGH OF BOGOTA**  
**STATEMENT OF 2010 APPROPRIATION RESERVES**

	Balance December 31, 2010	Encumbrances Cancelled	Transfers	Balance After Modification	Paid or Charged	Balance Lapsed
<b>PARK AND RECREATION FUNCTIONS</b>						
Recreation Commission						
Salaries and Wages	\$ 114			\$ 114		\$ 114
Senior Citizens Program						
Salaries and Wages	844		\$ 394	1,238	\$ 268	970
Other Expenses	10			10		10
<b>PUBLIC WORKS FUNCTIONS</b>						
Streets and Roads						
Salaries and Wages	275			275		275
Other Expenses	3,114		1,375	4,489	4,449	40
Garbage and Trash Removal						
Solid Waste Disposal	3,984		(428)	3,556	3,550	6
Contractual	2,954	\$ 1,173	(2,955)	1,172		1,172
Recycling						
Other Expenses	1			1		1
Public Building & Grounds						
Other Expenses	5,085		3,985	9,070	8,831	239
Shade Tree Commission						
Other Expenses	4,689		(4,470)	219		219
<b>HEALTH AND HUMAN SERVICES FUNCTIONS</b>						
Board of Health						
Salaries and Wages	183			183		183
Animal Control Services						
Other Expenses	7			7		7
<b>OTHER COMMON OPERATING FUNCTIONS</b>						
Celebration of Public Events						
Other Expenses	1,434			1,434		1,434
Municipal Court						
Salaries and Wages	1,245			1,245		1,245
Other Expenses	256			256	196	60
<b>UTILITY EXPENSES AND BULK PURCHASES</b>						
Utilities						
Electricity and Gas	852		910	1,762	1,759	3
Street Lighting	90		140	230	228	2
Telephone	195	117		312		312
Gasoline	1,443			1,443		1,443
Heating Oil	2,004			2,004	1,405	599
Fire Hydrant Service	190			190	3	187
Water	73			73	73	
<b>UNIFORM CONSTRUCTION CODE - APPROPRIATIONS OFFSET BY DEDICATED REVENUES (N.J.A.C. 5:23-4.17)</b>						
State Uniform Construction Construction Code Officials						
Salaries and Wages	2,307		(2,100)	207		207
Other Expenses	48		40	88	85	3

**BOROUGH OF BOGOTA**  
**STATEMENT OF 2010 APPROPRIATION RESERVES**

	Balance December 31, <u>2010</u>	Encumbrances <u>Cancelled</u>	<u>Transfers</u>	Balance After <u>Modification</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
DEFERRED CHARGES AND STATUTORY EXPENDITURES - Municipal WITHIN "CAPS"						
Statutory Expenditures:						
Social Security System (O.A.S.I.)	\$ 27			\$ 27		\$ 27
OPERATIONS - EXCLUDED FROM "CAPS"						
Bergen County Utilities Authority						
Service Charges - Contractual	38			38		38
Maintenance of Free Public Library						
Salaries and Wages	1,903			1,903		1,903
Other Expenses	12,478			12,478	\$ 5,398	7,080
911 Telecommunication System	38			38		38
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES (N.J.S. 40A:4-45.3(h))						
Municipal Alliance						
Local Housing	3,354			3,354	3,354	
Municipal Alliance - Alcoholism & Drug Abuse	4,893	\$ 10		4,903	4,903	
Municipal Alliance - Alcoholism & Drug Abuse- Match	395			395	10	385
CDBG - Project Success	697	-	-	697	697	-
	<u>\$ 70,188</u>	<u>\$ 2,974</u>	<u>\$ -</u>	<u>\$ 73,162</u>	<u>\$ 49,945</u>	<u>\$ 23,217</u>
				Cash Disbursements	\$ 42,154	
				Transferred to Appropriated Grant Reserves	<u>7,791</u>	
					<u>\$ 49,945</u>	

**BOROUGH OF BOGOTA  
STATEMENT OF ENCUMBRANCES PAYABLE**

Balance, December 31, 2010		\$ 319,898
Increased by:		
Charges to 2011 Budget Appropriations		<u>152,138</u>
		472,036
Decreased by:		
Cash Disbursements	\$ 309,040	
Transferred to Accounts Payable	7,884	
Cancelled to Appropriation Reserves	<u>2,974</u>	
		<u>319,898</u>
Balance, December 31, 2011		<u>\$ 152,138</u>

**STATEMENT OF COUNTY TAXES PAYABLE**

Balance, December 31, 2010		\$ 169
Increased by:		
2011 Tax Levy		
County Tax (Abstract)	\$ 1,757,179	
County Open Space Preservation	21,495	
County Tax for Added Taxes (54:4-63.1)	<u>297</u>	
		<u>1,778,971</u>
		1,779,140
Decreased by:		
Cash Disbursements		<u>1,778,843</u>
Balance, December 31, 2011		<u>\$ 297</u>

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

Balance, December 31, 2010 (Due To)	\$	242,937
Increased by:		
Levy - Calendar Year 2011		13,315,304
		13,558,241
Decreased by:		
Cash Disbursements		13,577,832
Balance, December 31, 2011 (Prepaid)	\$	19,591

**STATEMENT OF PREPAID TAXES**

Balance, December 31, 2010	\$	49,910
Increased by:		
Collection of 2012 Taxes		48,415
		98,325
Decreased by:		
Applied to 2011 Taxes Receivable		49,910
Balance, December 31, 2011	\$	48,415

**STATEMENT OF FEES PAYABLE**

Balance, December 31, 2010	\$	466
Increased by:		
Cash Receipts		4,315
		4,781
Decreased by:		
Cash Disbursements		4,738
Balance, December 31, 2011	\$	43

**BOROUGH OF BOGOTA  
STATEMENT OF MISCELLANEOUS RESERVES**

	Balance, December 31, <u>2010</u>	Cash <u>Receipts</u>	Anticipated <u>Revenue</u>	Balance, December 31, <u>2011</u>
Reserve for:				
Codification	\$ 1,388			\$ 1,388
Police Vests	675			675
Tax Sale Premiums	600			600
Master Plan	1,800			1,800
Police Fines	6,278			6,278
Revaluation	3,387			3,387
Recycling	<u>28,756</u>	\$ 41,173	\$ 28,756	<u>41,173</u>
	<u>\$ 42,884</u>	<u>\$ 41,173</u>	<u>\$ 28,756</u>	<u>\$ 55,301</u>

**STATEMENT OF UNAPPROPRIATED GRANT RESERVES**

<u>Grant</u>	Balance, December 31, <u>2010</u>	Cash <u>Receipts</u>	Realized as <u>Budget Revenue</u>	Balance, December 31, <u>2011</u>
CDBG - Project Success	\$ 916	\$ 1,245		\$ 2,161
Drunk Driving Enforcement	3,786		\$ 3,786	
Alcohol Rehabilitation	1,106	1,618	1,106	1,618
Body Armor	4,647	1,863	4,647	1,863
Safety Council		3,852		3,852
Recycling Tonnage Grant	<u>3,281</u>	<u>-</u>	<u>-</u>	<u>3,281</u>
	<u>\$ 13,736</u>	<u>\$ 8,578</u>	<u>\$ 9,539</u>	<u>\$ 12,775</u>

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

<u>Date</u> <u>Authorized</u>	<u>Net Amount</u> <u>Authorized</u>	<u>1/5 of</u> <u>Net Amount</u> <u>Authorized</u>	<u>Balance,</u> <u>December 31,</u> <u>2010</u>	<u>Added in</u> <u>2011</u>	<u>Raised</u> <u>in 2011</u>	<u>Balance,</u> <u>December 31,</u> <u>2011</u>
4/17/2008 Revaluation of Real Property	\$ 160,000	\$ 32,000	\$ 96,000		\$ 32,000	\$ 64,000
10/2/2008 Master Plan	17,400	3,480	10,440		3,480	6,960
10/21/2010 Terminal Pay	105,000	21,000	105,000		21,000	84,000
1/20/2011 Terminal Pay	32,000	6,400		\$ 32,000		32,000
11/10/2011 Terminal Pay	110,000	22,000	-	110,000	-	110,000
			<u>\$ 211,440</u>	<u>\$ 142,000</u>	<u>\$ 56,480</u>	<u>\$ 296,960</u>

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

<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance, December 31, 2010</u>	<u>Increased by Notes Issued</u>	<u>Decreased by Note Redemptions</u>	<u>Balance, December 31, 2011</u>
4/20/2010	2/18/2011	1.25%	\$ 950,000		\$ 950,000	
4/15/2011	2/15/2012	1.45%	-	\$ 950,000	-	\$ 950,000
			<u>\$ 950,000</u>	<u>\$ 950,000</u>	<u>\$ 950,000</u>	<u>\$ 950,000</u>

EXHIBIT A-23

**STATEMENT OF SPECIAL EMERGENCY NOTES PAYABLE**

<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance, December 31, 2010</u>	<u>Increased by Notes Issued</u>	<u>Decreased by Note Redemptions</u>	<u>Balance, December 31, 2011</u>
6/17/2010	6/17/2011	1.30%	\$ 96,000		\$ 96,000	
12/17/2010	6/17/2011	1.30%	105,000		105,000	
6/17/2011	6/15/2012	1.25%	-	\$ 180,000	-	\$ 180,000
			<u>\$ 201,000</u>	<u>\$ 180,000</u>	<u>\$ 201,000</u>	<u>\$ 180,000</u>

EXHIBIT A-24

**STATEMENT OF TAX OVERPAYMENTS**

Increased by:	
Cash Receipts	<u>\$ 9,744</u>
Balance, December 31, 2011	<u>\$ 9,744</u>

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

	Balance, December 31, <u>2010</u>	Transferred from Budget <u>Appropriations</u>	Cash <u>Disbursed</u>	<u>Adjustments</u>	Balance, December 31, <u>2011</u>
Municipal Alliance Grant		\$ 7,791			\$ 7,791
Body Armor	\$ 7,290				7,290
CDBG - Senior Bus	12,749				12,749
Clean Communities					
DCA Housing	6,603				6,603
Drunk Driving Enforcement Fund	15,062				15,062
Emergency Management Grant	847				847
Hepatitis B	1,860				1,860
Recycling Tonnage	7,500			\$ (7,437)	63
Development Rights Feasibility Grant	19,000		\$ 3,000		16,000
2006 Green Communities Grant	3,000			(3,000)	
Bergen County 200 Club	3,100	-	-	-	3,100
	<u>\$ 77,011</u>	<u>\$ 7,791</u>	<u>\$ 3,000</u>	<u>\$ (10,437)</u>	<u>\$ 71,365</u>

EXHIBIT A-26

**STATEMENT OF ACCOUNTS PAYABLE**

Increased by:	
Transferred from Encumbrances Payable	<u>\$ 7,884</u>
Balance, December 31, 2011	<u>\$ 7,884</u>

**TRUST FUND**

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

	<u>Animal Control Fund</u>	<u>Other Trust Fund</u>	<u>Recreation Trust Fund</u>	<u>Library Trust Fund</u>
Balance, December 31, 2010	\$ 2,916	\$ 333,254	\$ 25,703	\$ 83,066
Increased by Receipts:				
Animal Control Licenses	\$ 2,179			
State Fees Collected	518			
Miscellaneous Reserves		\$ 396,132		
Interest on Deposits	43		\$ 262	\$ 595
Employee Contributions - Unemployment				
Payroll Deposits		4,315,723		
Recreation Fees			245,863	
Receipts from Current Fund			4,912	
Library Collections	-	-	-	12,429
	<u>2,740</u>	<u>4,714,093</u>	<u>251,037</u>	<u>13,024</u>
	5,656	5,047,347	276,740	96,090
Decreased by Disbursements:				
Unemployment Claims		5,000		
Miscellaneous Reserves		323,131		
Library Expenditures				68,653
Payments to Current Fund	43		262	
Anticipated Revenue - Current Fund		16,006		
Expenditures Under R.S. 4:19-15.1			251,901	
Recreation Expenditures		4,312,266		
Payroll Deductions Payable		-	-	
Payments to State of New Jersey	533	-	-	68,653
	<u>576</u>	<u>4,656,403</u>	<u>252,163</u>	<u>68,653</u>
Balance, December 31, 2011	<u>\$ 5,080</u>	<u>\$ 390,944</u>	<u>\$ 24,577</u>	<u>\$ 27,437</u>

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

Balance, December 31, 2010	\$	<u>26</u>
Balance, December 31, 2011	\$	<u><u>26</u></u>

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

Balance, December 31, 2010	\$	15
Increased by:		
Interest Earned		<u>43</u>
		58
Decreased by:		
Payments to Current Fund		<u>43</u>
Balance, December 31, 2011	\$	<u><u>15</u></u>

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

Balance, December 31, 2010	\$	196
Increased by:		
State Fees Collected		<u>518</u>
		714
Decreased by:		
Payments to State of New Jersey		<u>533</u>
Balance, December 31, 2011	\$	<u><u>181</u></u>

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

Balance, December 31, 2010		\$ 2,731
Increased by:		
Dog License Fees Collected	\$ 2,094	
Late Fees	<u>85</u>	
		<u>2,179</u>
Balance, December 31, 2011		<u>\$ 4,910</u>

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

Balance, December 31, 2010		\$ 63,750
Increased by:		
Current Fund Budget Appropriation:		
Police Vests Deficit	\$ 73	
Other Trust Fund Receipts Deposited in Current Fund	<u>1,048</u>	
		<u>1,121</u>
		64,871
Decreased by:		
Interest Earned	2,238	
Other Trust Expenditures Paid by Current Fund	<u>60,705</u>	
		<u>62,943</u>
Balance, December 31, 2011		<u>\$ 1,928</u>

**BOROUGH OF BOGOTA  
STATEMENT OF RESERVE FOR UNEMPLOYMENT EXPENDITURES**

Balance, December 31, 2010	\$	8,250
Decreased by:		
Unemployment Claims		<u>4,588</u>
Balance, December 31, 2011	\$	<u>3,662</u>

**STATEMENT OF PAYROLL DEDUCTIONS PAYABLE**

Balance, December 31, 2010	\$	54,180
Increased by:		
Payroll Deposits		<u>4,315,723</u>
		4,369,903
Decreased by:		
Payroll Disbursements		<u>4,312,266</u>
Balance, December 31, 2011	\$	<u>57,637</u>

**STATEMENT OF DUE TO STATE OF NEW JERSEY  
UNEMPLOYMENT COMPENSATION**

Balance, December 31, 2010	\$	1,813
Increased by:		
Unemployment Claims		<u>4,588</u>
		6,401
Decreased by:		
Payments to State of New Jersey		<u>5,000</u>
Balance, December 31, 2011	\$	<u>1,401</u>

**BOROUGH OF BOGOTA**  
**STATEMENT OF MISCELLANEOUS RESERVES**

	Balance, December 31, <u>2010</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2011</u>
Reserved for:				
Escrow Deposits	\$ 55,561	\$ 7,762	\$ 8,703	\$ 54,620
Street Opening Deposits	12,675			12,675
Municipal Court - POAA	28,536	1,048		29,584
Municipal Court - Public Defender	3,344	281		3,625
Police Vests	(73)	173	2,340	(2,240)
Uniform Fire Safety	8,493	1,417	1,301	8,609
D.A.R.E.	1,554			1,554
Tax Title Liens	126,045	262,072	187,575	200,542
Medical Contributions		34,110	32,822	1,288
Outside Police Duty	17,645	90,390	90,390	17,645
	<u>\$ 253,780</u>	<u>\$ 397,253</u>	<u>\$ 323,131</u>	<u>\$ 327,902</u>
Cash Receipts		\$ 396,132		
Due from Current Fund		<u>1,121</u>		
		<u>\$ 397,253</u>		
		Cash Disbursements	<u>\$ 323,131</u>	

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

Balance, December 31, 2010		\$ 14,073
Increased by:		
Receipts from Current Fund	\$ 4,912	
Interest Earned	<u>262</u>	
		<u>5,174</u>
		19,247
Decreased by:		
Payments to Current Fund		<u>262</u>
Balance, December 31, 2011		<u>\$ 18,985</u>

**STATEMENT OF RESERVE FOR RECREATION EXPENDITURES**

Balance, December 31, 2010		\$ 11,630
Increased by:		
Recreation Fees Collected		<u>245,863</u>
		257,493
Decreased by:		
Cash Disbursements		<u>251,901</u>
Balance, December 31, 2011		<u>\$ 5,592</u>

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

Balance, December 31, 2010		\$ 83,066
Increased by:		
Library Collections	\$ 12,429	
Interest Earned	<u>595</u>	
		<u>13,024</u>
		96,090
Decreased by:		
Library Disbursements		<u>68,653</u>
Balance, December 31, 2011		<u>\$ 27,437</u>

**STATEMENT OF RESERVE FOR TERMINAL PAY**

Balance, December 31, 2010		\$ 62,949
Decreased by:		
Other Trust Expenditures Paid by Current Fund		<u>60,705</u>
Balance, December 31, 2011		<u>\$ 2,244</u>

**GENERAL CAPITAL FUND**

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

Increased by Receipts:			
Bond Anticipation Note Proceeds		\$ 1,428,100	
Budget Appropriation - Capital Improvement Fund		25,000	
Grant Proceeds		62,248	
Receipts from Current Fund		259,268	
Interest Earned		<u>10,913</u>	
			\$ 1,785,529
Decreased by Disbursements:			
Improvement Authorizations		501,836	
Bond Anticipation Paydown		125,000	
Contracts Payable		152,970	
Current Fund Expenditures Paid by General Capital Fund		34,450	
Payments to Current Fund		<u>10,913</u>	
			<u>825,169</u>
Balance, December 31, 2011			<u><u>\$ 960,360</u></u>

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

		Balance, December 31, <u>2011</u>
	Reserve for Payment of Debt	\$ 2,406
	Encumbrances Payable	281,878
	Grants Receivable	(195,194)
	Due from Current Fund	(34,450)
	Capital Improvement Fund	600
	Fund Balance	1,356
	Excess Proceeds	143,883
Ord.		
<u>No.</u>	<u>Improvement Authorizations</u>	
924	Construction of Recreation Building	(2,314)
991/1019	Oakland Avenue Improvements	(5,073)
1089/1140	Improvement of Palisade Avenue	(5)
1090	Various Improvements	(531)
1183	Various Public Improvements	(977)
1204	Acq. Of New, Additional or Replacement Equipment or Machinery	(814)
1259	Various Improvements	925
1261	Refunding of Pension Liabilities	(1,500)
1311/1358	Various Public Improvements	3,809
1325/1336	Various Public Improvements	(215)
1337	Various Public Improvements and Acquisition of New Communication and Signal Equipment	8,879
1359	Stormwater Sewer Improvements	22
1366	Municipal Complex Roof Repairs	8,491
1369/1390	Various Public Improvements and Acquisitions	89,679
1372	Stormwater Inlet Improvements	312,483
1388	Various Public Improvements and Acquisitions	67,411
1397	Resurfacing of Various Roads	61,528
1398	Various Improvements	453,619
1404	Various Public Improvements and Acquisitions	<u>(235,536)</u>
		<u>\$ 960,360</u>

**BOROUGH OF BOGOTA  
STATEMENT OF DUE FROM CURRENT FUND**

Balance, December 31, 2010		\$ 259,268
Increased by:		
Budget Appropriation - Bond Anticipation Note Principal	\$ 20,000	
Cash Disbursements	10,913	
Current Fund Expenditures Paid by General Capital	<u>14,450</u>	
		<u>45,363</u>
		304,631
Decreased by:		
Cash Receipts	259,268	
Interest Earned	<u>10,913</u>	
		<u>270,181</u>
Balance, December 31, 2011		<u>\$ 34,450</u>

EXHIBIT C-5

**STATEMENT OF PROSPECTIVE ASSESSMENTS RAISED BY TAXATION**

Balance, December 31, 2010		<u>\$ 2,500</u>
Balance, December 31, 2011		<u>\$ 2,500</u>

EXHIBIT C-6

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

Balance, December 31, 2010		\$ 4,353,000
Decreased by:		
Current Fund Budget Appropriations		
Serial Bond Principal	\$ 430,000	
Capital Lease Principal	<u>45,000</u>	
		<u>475,000</u>
Balance, December 31, 2011		<u>\$ 3,878,000</u>



**BOROUGH OF BOGOTA  
STATEMENT OF GRANTS RECEIVABLE**

Balance, December 31, 2010		\$	481,269
Increased by:			
Grant Awards			
Community Development Block Grant - Ord. 1397	\$		100,000
Community Development Block Grant - Ord. 1398			100,000
Department of Transportation - Ord. 1398			210,000
Department of Transportation - Ord. 1398			150,000
			560,000
			1,041,269
Decreased by:			
Cash Receipts			62,248
Balance, December 31, 2011		\$	979,021

Analysis of Balance

Department of Transportation			
Ord. 1230 - Larch Avenue	\$		31,086
Ord. 1259 - Resurface Larch & Elm Ave.			73,207
Ord. 1311 - Improvements to Queen Anne Road			30,887
Ord. 1325 - Resurfacing of Palisade Avenue			15,010
Ord. 1337 - Resurfacing of Palisade Avenue (Reserve)			39,364
Ord. 1398 - Resurfacing of Palisade Avenue (Reserve)			210,000
Ord. 1398 - Intersection Improvements (Reserve)			150,000
			549,554
Bergen County Open Space Trust			
Ord. 1252 - Acquisition of Property			25,000
Ord. 1388 - Olsen Park (Reserve)			16,153
			41,153
Community Development Block Grant			
Prior Year Unallocated			19,903
Ord. 1369 - Bogert Lane / Olsen Park (Reserve)			168,310
Ord. 1397 - Resurfacing of Various Streets (Reserve)			100,000
Ord. 1398 - Resurfacing of Palisade Avenue (Reserve)			100,000
			388,213
Department of Community Affairs			
Ord. 1285 - Public Library/Municipal Court Improvements			101
			979,021
			Pledged to Ordinances \$ 195,194
			Pledged to Reserve 783,827
			979,021



**BOROUGH OF BOGOTA  
STATEMENT OF ENCUMBRANCES PAYABLE**

Balance, December 31, 2010	\$	152,970
Increased by:		
Charges to Improvement Authorizations		281,878
		434,848
Decreased by:		
Cash Disbursements		152,970
Balance, December 31, 2011	\$	281,878

**STATEMENT OF CAPITAL IMPROVEMENT FUND**

Increased by:		
Budget Appropriation - Due from Current Fund	\$	25,000
Decreased by:		
Appropriated to Finance Improvement Authorizations		24,400
Balance, December 31, 2011	\$	600

**BOROUGH OF BOGOTA  
STATEMENT OF GENERAL SERIAL BONDS**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Maturities of Bonds Outstanding</u>		<u>Interest Rate</u>	<u>Balance, December 31, 2010</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, December 31, 2011</u>
			<u>Date</u>	<u>Amount</u>					
2004 General Improvement Bonds	3/15/2004	\$ 1,840,000	3/15/2012	\$ 185,000	3.00%				
			3/15/2013	190,000	3.00%				
			3/15/2014	195,000	3.00%				
			3/15/2015	195,000	3.20%				
			3/15/2016	200,000	4.00%				
			3/15/2017	205,000	4.00%	\$ 1,350,000		\$ 180,000	\$ 1,170,000
2007 General Improvement Bonds	7/1/2007	2,677,000	7/1/2012	260,000	4.125%				
			7/1/2013	265,000	4.125%				
			7/1/2014	275,000	4.125%				
			7/1/2015	285,000	4.125%				
			7/1/2016	295,000	4.125%				
			7/1/2017	305,000	4.125%				
			7/1/2018	522,000	4.25%	2,457,000	-	250,000	2,207,000
						<u>\$ 3,807,000</u>	<u>\$ -</u>	<u>\$ 430,000</u>	<u>\$ 3,377,000</u>
						Paid by Budget Appropriation			
								<u>\$ 430,000</u>	

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

<u>Purpose</u>	<u>Issue Date</u>	<u>Original Issue</u>	<u>Maturities Outstanding December 31, 2011</u>	<u>Interest Rate</u>	<u>Balance, December 31, 2010</u>	<u>Decreased</u>	<u>Balance, December 31, 2011</u>
Refund of Unfunded Pension Liabilities	3/31//2003	\$ 707,000	\$ 51,000	5.25%	\$ 546,000	\$ 45,000	\$ 501,000
			57,000	5.25%			
			64,000	4.70%			
			70,000	4.75%			
			78,000	4.80%			
			86,000	4.85%			
			95,000	4.90%			
					<u>\$ 546,000</u>	<u>\$ 45,000</u>	<u>\$ 501,000</u>
					<u>\$ 546,000</u>	<u>\$ 45,000</u>	<u>\$ 501,000</u>
						<u>\$ 45,000</u>	

Paid by Budget Appropriation

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

Ord. No.	<u>Improvement Description</u>	<u>Date of Original Issue</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance, December 31, 2010</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, December 31, 2011</u>
1325/1336	Various Capital Improvements	6/17/2008	6/17/2010 6/17/2011	6/17/2011 6/15/2012	1.15 % 1.25	\$ 114,700	\$ 45,985	\$ 114,700	\$ 45,985
1337	Various Capital Improvements & Acq. of New Communication & Signal Equip.	6/17/2008	6/17/2010 6/17/2011	6/17/2011 6/15/2012	1.15 % 1.25	156,785	205,500	156,785	205,500
1311/1358	Various Public Improvements	6/17/2009	6/17/2010 6/17/2011	6/17/2011 6/15/2012	1.15 % 1.25	28,500	28,500	28,500	28,500
1359	Stormwater Sewer Improvements	6/17/2009	6/17/2010 6/17/2011	6/17/2011 6/15/2012	1.15 % 1.25	16,625	16,625	16,625	16,625
1366	Municipal Complex Roof Repairs	9/30/2009	6/17/2010 6/17/2011	6/17/2011 6/15/2012	1.15 % 1.25	19,000	19,000	19,000	19,000
1369	Various Public Improvements and Acquisitions	9/30/2009	6/17/2010 6/17/2011	6/17/2011 6/15/2012	1.15 % 1.25	921,000	796,000	921,000	796,000
1372	Stormwater Inlet Improvements	6/17/2011	6/17/2011	6/15/2012	1.25 %	-	500,000	-	500,000
1388	Various Public Improvements and Acquisitions	6/17/2011	6/17/2011	6/15/2012	1.25 %	-	260,300	-	260,300
1397	Resurfacing of Various Roads	6/17/2011	6/17/2011	6/15/2012	1.25 %	-	142,800	-	142,800
1398	Various Improvements	6/17/2011	6/17/2011	6/15/2012	1.25 %	-	525,000	-	525,000
						<u>\$ 1,256,610</u>	<u>\$ 2,539,710</u>	<u>\$ 1,256,610</u>	<u>\$ 2,539,710</u>
					Renewals		\$ 1,111,610	\$ 1,111,610	
					New Issues		1,428,100		
					Due from Current Fund		-	20,000	
					Paid with Excess Proceeds		-	125,000	
						<u>\$ 2,539,710</u>	<u>\$ 2,539,710</u>	<u>\$ 1,256,610</u>	<u>\$ 1,256,610</u>

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

Balance, December 31, 2010	\$ <u>2,406</u>
Balance, December 31, 2011	\$ <u>2,406</u>

**STATEMENT OF RESERVE FOR PROSPECTIVE ASSESSMENTS**

Balance, December 31, 2010	\$ <u>2,500</u>
Balance, December 31, 2011	\$ <u>2,500</u>

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

<u>Ord. No.</u>	<u>Description</u>	Balance, December 31, 2010	2011 <u>Authorizations</u>	Notes <u>Not Renewed</u>	Notes <u>Issued</u>	Balance, December 31, 2011
924	Construction of Recreation Building	\$ 2,314				\$ 2,314
991/1019	Oakland Avenue Improvements	5,073				5,073
1089/1140	Improvement of Palisade Avenue	5				5
1090	Various Improvements	531				531
1183	Various Public Improvements	977				977
1204	Acq. Of New, Additional or Replacement Equipment or Machinery	814				814
1261	Refunding of Pension Liabilities	18,000				18,000
1325/1336	Various Public Improvements			\$ 215		215
1369/1390	Various Public Improvements and Acquisitions			3,310		3,310
1372	Stormwater Inlet Improvements	1,100,000			\$ 500,000	600,000
1388	Various Public Improvements and Acquisitions	260,300			260,300	
1397	Resurfacing of Various Roads		\$ 142,800		142,800	
1398	Various Improvements		525,000		525,000	
1404	Various Public Improvements and Acquisitions	-	342,800	-	-	342,800
		<u>\$ 1,388,014</u>	<u>\$ 1,010,600</u>	<u>\$ 3,525</u>	<u>\$ 1,428,100</u>	<u>\$ 974,039</u>

**PUBLIC ASSISTANCE FUND**

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

	<u>Total</u>	Account #1 <u>(75%)</u>	Account #2 <u>(100%)</u>
Balance, December 31, 2010	\$ 3,017	\$ 3,017	\$ -
Balance, December 31, 2011	<u>\$ 3,017</u>	<u>\$ 3,017</u>	<u>\$ -</u>

**STATEMENT OF RESERVE FOR PUBLIC ASSISTANCE EXPENDITURES**

	<u>Total</u>	Account #1 <u>(75%)</u>	Account #2 <u>(100%)</u>
Balance, December 31, 2010	\$ 3,017	\$ 3,017	\$ -
Balance, December 31, 2011	<u>\$ 3,017</u>	<u>\$ 3,017</u>	<u>\$ -</u>

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

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**PART II**

**GOVERNMENT AUDITING STANDARDS**

**YEAR ENDED DECEMBER 31, 2011**

# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

17 - 17 ROUTE 208

FAIR LAWN, NJ 07410

TELEPHONE (201) 791-7100

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DEBRA GOLLE, CPA  
CINDY JANACEK, CPA, RMA  
RALPH M. PICONE, CPA, RMA, PSA  
EDWARD N. KERE, CPA

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

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

We have audited the financial statements – regulatory basis of the Borough of Bogota as of and for the year ended December 31, 2011, and have issued our report thereon dated April 26, 2012 which indicated that the financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America but rather prepared using the regulatory basis of accounting prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

### Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Borough's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

**Compliance and Other Matters**

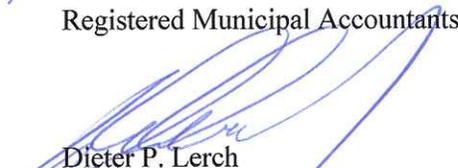
As part of obtaining reasonable assurance about whether the Borough of Bogota's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that is required to be reported under Government Auditing Standards and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

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

This report is intended solely for the information and use of management, the governing body, others within the Borough, New Jersey Department of Community Affairs and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



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



Dieter P. Lerch  
Registered Municipal Accountant  
RMA Number CR00398

Fair Lawn, New Jersey  
April 26, 2012

**BOROUGH OF BOGOTA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2011**

Grant Year	Federal CFDA Number	Current Year Receipts	Grant Award Amount	Balance, December 31, 2010	Revenue Realized	Expenditures	Cancelled/ Adjustments	Balance, December 31, 2011	Cumulative Expenditures
U.S. Department of Housing and Urban Development (Passed through County Dept. of Community Development)									
Community Development Block Grants									
2006	14.218		\$ 14,500	\$ 442				\$ 442	\$ 14,058
2007			14,500	2,307				2,307	12,193
2009		\$ 2,444	10,000	10,000				10,000	-
2011		10,000	10,000		\$ 10,000	\$ 10,000		10,000	10,000
2010			17,000	697		697			17,000
2011		18,000	18,000		18,000	6,089		11,911	6,089
2011			100,000		100,000	81,272		18,728	81,272
2011			100,000		100,000	71,381		28,619	71,381
2011		109,535	109,535		109,535	79,543		29,992	79,543
FEMA - Assistance to Firefighter Grant									
U.S. Department of Transportation Highway Planning and Construction (Pass through N.J. Department of Transportation)									
2011	20.205		210,000		210,000			210,000	-
2011			150,000		150,000			150,000	-
									\$ 461,999
									\$ 248,982
									\$ 697,535
									\$ 13,446
									\$ 2,307

Note: This schedule was not subject to Single Audit requirements of OMB A-133.

**BOROUGH OF BOGOTA  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED DECEMBER 31, 2011**

<u>State Grant Program</u>	<u>Grant Number</u>	<u>Grant Year</u>	<u>Grant Award</u>	<u>Current Year Receipts</u>	<u>Balance, December 31, 2010</u>	<u>2011 Revenue Realized</u>	<u>Expended</u>	<u>Adjustment</u>	<u>Balance, December 31, 2011</u>	<u>Cumulative Expenditures</u>
Environmental Protection Agency Clean Communities	4900-765-042-4900-004	2011	\$ 20,343	\$ 9,843	\$	\$ 20,343	\$ 20,218		\$ 125	\$ 20,218
Green Communities - State Forestry Services	4870-100-038-2010-2004	2009	3,000		3,000				3,000	-
Green Communities - State Forestry Services	4870-100-038-2010-2004	2009	7,000	7,000					7,500	7,000
Recycling Tonnage	4030-752-050550-50	2009	18,005		7,500				7,500	10,505
Recycling Tonnage	4030-752-050550-50	2011	15,126			15,126	15,034		92	15,034
Highlands Protection Act										
Development Rights Feasibility Study	2078-100-032-2010-2010	2010	38,000		19,000		3,000		16,000	22,000
Department of Community Affairs										
Housing Grant	100-022-8020-074-022710	2007	1,000		50				50	950
Housing Grant	100-022-8020-074-022710	2008	1,709		1,709				1,709	-
Housing Grant	100-022-8020-074-022710	2009	4,844		4,844				4,844	-
Housing Grant	100-022-8020-074-022710	2010	4,500		3,354		3,354			4,500
Department of Health and Human Services										
Hepatitis B Program	N/A	2002	936		936				936	-
Hepatitis B Program	N/A	2003	468		240				240	228
Hepatitis B Program	N/A	2004	684		684				684	-
Department of Law and Public Safety										
Drunk Driving Enforcement Fund	1110-101-030000-129040	2008	15,062		15,062				15,062	-
Body Armor Replacement Fund	1020-718-066-1020-001	2004	2,352		880				880	1,472
Body Armor Replacement Fund	1020-718-066-1020-001	2005	3,417		3,417				3,417	-
Body Armor Replacement Fund	1020-718-066-1020-001	2007	1,431		1,431				1,431	-
Body Armor Replacement Fund	1020-718-066-1020-001	2008	1,562		1,562				1,562	-
Body Armor Replacement Fund	1020-718-066-1020-001	2011	4,647			4,647			4,647	-
Emergency Management Grant	N/A	2004	2,406		847				847	1,559
Energy Audit										
Municipal Alliance on Alcoholism and Drug Abuse										
		2011	13,966	13,966		13,966	13,966			13,966
		2010	10,356					\$ 2,898	7,791	2,565
<b>Total State Financial Assistance</b>			<b>\$ 69,409</b>	<b>\$ 54,082</b>	<b>\$ 55,572</b>	<b>\$ 2,898</b>	<b>\$ 70,817</b>			

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

**NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE FINANCIAL ASSISTANCE**

**BOROUGH OF BOGOTA  
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED DECEMBER 31, 2011**

**NOTE 1 GENERAL**

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

**NOTE 2 BASIS OF ACCOUNTING**

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

**NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS**

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

	<u>Federal</u>	<u>State</u>	<u>Total</u>
Current Fund	\$ 137,535	\$ 54,082	\$ 191,617
General Capital	<u>560,000</u>	<u>-</u>	<u>560,000</u>
 Total Financial Awards	 <u>\$ 697,535</u>	 <u>\$ 54,082</u>	 <u>\$ 751,617</u>

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

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

**BOROUGH OF BOGOTA  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED DECEMBER 31, 2011**

*Part I – Summary of Auditor's Results*

**Financial Statements**

Type of auditors' report issued on financial statements Unqualified

Internal control over financial reporting:

1) Material weakness(es) identified            yes   X   no

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

Noncompliance material to the financial statements noted?            yes   X   no

**Federal Awards Section**

**NOT APPLICABLE**

**State Awards Section**

**NOT APPLICABLE**

**BOROUGH OF BOGOTA**

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**PART III**

**SUPPORTING DATA**

**LETTER OF COMMENTS AND RECOMMENDATIONS**

**YEAR ENDED DECEMBER 31, 2011**

**BOROUGH OF BOGOTA  
SUPPORTING DATA**

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

	<u>Year 2011</u>		<u>Year 2010</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
<b>REVENUE AND OTHER INCOME REALIZED</b>				
Miscellaneous - From Other Than Local				
Property Tax Levies	\$ 1,677,456	7.27%	\$ 1,473,869	6.39%
Collection of Delinquent Taxes and Tax Title Liens	7,425	0.03%	371,643	1.61%
Collection of Current Tax Levy	21,368,642	92.60%	21,156,555	91.70%
Other Credits	<u>23,217</u>	<u>0.10%</u>	<u>68,625</u>	<u>0.30%</u>
 Total Income	 <u>23,076,740</u>	 <u>100.00%</u>	 <u>23,070,692</u>	 <u>100.00%</u>
 <b>EXPENDITURES</b>				
Budget Expenditures				
Municipal Purposes	8,201,320	34.98%	7,845,195	33.83%
County Taxes	1,778,971	7.59%	1,789,335	7.72%
Local School Taxes	13,315,304	56.79%	13,513,758	58.27%
Other Expenditures	<u>151,633</u>	<u>0.65%</u>	<u>42,454</u>	<u>0.18%</u>
 Total Expenditures	 <u>23,447,228</u>	 <u>100.00%</u>	 <u>23,190,742</u>	 <u>100.00%</u>
 Less: Expenditures to be Raised by Future Revenue	 <u>329,373</u>		 <u>168,973</u>	
 Total Adjusted Expenditures	 <u>23,117,855</u>		 <u>23,021,769</u>	
 Deficit in Operations	 <u>\$ 41,115</u>			
 Excess in Revenue			 48,923	
 Fund Balance, January 1	 <u>\$ 186,191</u>		 <u>137,268</u>	
	186,191		186,191	
 Less Utilization as Anticipated Revenue	 <u>-</u>		 <u>-</u>	
 Fund Balance, December 31	 <u>\$ 186,191</u>		 <u>\$ 186,191</u>	

**BOROUGH OF BOGOTA  
SUPPORTING DATA**

**Comparative Schedule Of Tax Rate Information**

	<u>2011</u>	<u>2010</u>	<u>2009(1)</u>
<u>Tax Rate</u>	<u>\$2.574</u>	<u>\$2.549</u>	<u>\$2.421</u>
<u>Apportionment of Tax Rate</u>			
Municipal	.759	.714	.665
County	.212	.212	.212
County Open Space	.003	.003	.012
Local School	1.600	1.620	1.532
<u>Assessed Valuation</u>			
2011	<u>\$832,201,254</u>		
2010		<u>\$834,055,263</u>	
2009 (1)			<u>\$834,267,481</u>

(1) The Borough underwent a revaluation of all properties which became effective in 2009.

**Comparison Of Tax Levies And Collection Currently**

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

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collection</u>
2011	\$ 21,424,412	\$ 21,368,642	99.73%
2010	21,262,077	21,156,555	99.49%
2009	20,204,508	19,811,811	98.05%

**Delinquent Taxes And Tax Title Liens**

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

<u>December 31 Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2011	\$ 5,054	\$ 66	\$ 5,120	0.02%
2010	3,950	4,969	8,919	0.04%
2009	5,522	374,466	379,988	1.88%

**BOROUGH OF BOGOTA  
SUPPORTING DATA**

**Property Acquired By Tax Title Lien Liquidation**

No properties have been acquired in 2011 by foreclosure or deed, as a result of liquidation of tax title liens. The value of property acquired by liquidation of tax title liens at December 31, on the basis of the last assessed valuation of such properties, was as follows:

<u>Year</u>	<u>Amount</u>
2011	\$136,680
2010	136,680
2009	136,680

**Comparative Schedule Of Fund Balances**

	<u>Year</u>	<u>Balance, December 31</u>	<u>Utilized In Budget of Succeeding Year</u>
<u>Current Fund</u>	2011	\$186,191	\$ -0-
	2010	186,191	-0-
	2009	137,268	-0-

**BOROUGH OF BOGOTA  
SUPPORTING DATA**

**OFFICIALS IN OFFICE AND SURETY BONDS**

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

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>	
Patrick McHale	Mayor		
Tito Jackson	Council President		
Joseph Noto	Councilman (1/1/11-9/15/11)		
Evaristo Burdiez, Jr.	Councilman		
Jorge Nunez	Councilman		
Wanda Uceta	Councilwoman (9/10/11-12/31/11)		
Tara M. Sharp	Councilwoman (1/1/11-7/21/11)		
Arthur Konigsberg	Councilman		
Leonard Nicolosi	Administrator/Chief Financial Officer	\$1,000,000	(A)
Frances Garlicki	Borough Clerk		
Helen Hegel	Treasurer	1,000,000	(A)
Elizabeth Wiemer	Tax Collector	1,000,000	(A)
Daniel Howell	Construction Code Official		
William Muro	Plumbing Subcode Official		
Giuseppe Randazzo	Municipal Court Judge	50,000	(B)
Pat Wilkens	Tax Assessor		
John Burke	Chief of Police		
Harry Tuvel	Borough Engineer		
Joseph Monaghan	Borough Attorney		

(A) Blanket bond for all Municipal employees

(B) Blanket bond for all Court employees

**BOROUGH OF BOGOTA  
SUPPLEMENTARY DATA**

**GENERAL COMMENTS**

**Current Year Findings**

Our audit of the Recreation Commission revealed the following:

- The Recreation Commission maintained a two-part, pre-numbered carbon copy receipt book, from which a receipt was issued for all monies collected. We were informed that these receipts books are missing for 2011 and, as such, were unavailable for audit.
- The Commission accepted cash and checks for program fees. Internal controls would be enhanced if credit cards were accepted as a form of payment.
- Recreation program fees are not formally approved by the Commission.
- Stipends are being paid to program directors and/or coaches, yet the amount of the stipend is not formally approved by the Commission.
- Certain directors and/or coaches received Christmas stipends.
- The audit revealed expenditures were made to the Classic Promotional Group in excess of \$5,400, yet no formal quotations were obtained from other vendors.
- The audit revealed certain expenditures were not supported by a vendor invoice.
- Payments to vendors were made on an interim basis, prior to formal bill list approval.

It is recommended that:

- Individual cash receipt ledgers were not available for audit.
- Consideration be taken to accept credit cards as a form of payment.
- All recreation fees be formally approved by the Commission.
- All stipends be formally approved by the Commission.
- Payment of Christmas stipends be discontinued.
- Formal written quotations be obtained for all purchases in excess of \$5,400.
- All expenditures be supported by a vendor invoice.
- Payments to vendors only be made after approval of bill list.

Our audit of the construction code department revealed that monies collected were not turned over to the Treasurer within forty-eight hours of receipt. It is recommended that all monies collected by the Construction Code Official be turned over to the Treasurer within forty-eight hours of receipt.

Our audit of the municipal court revealed the following:

- Numerous reconciling items on both the fines and bail accounts.
- Tickets assigned but not issued report revealed 144 tickets over six months old.

With regards to the Municipal Court, it is recommended that:

- Reconciling items on the fines and bail accounts be removed and cleared of record.
- Tickets assigned but not issued for a period greater than six months be recalled in accordance with Administrative Office of the Courts (AOC) requirements.

Our audit of payroll revealed that new police department hires were not always paid on the correct step of the contract. Additionally all manual checks issued be reflected in the payroll register. It is recommended that new police hires be paid in accordance with the salary ordinance and all manual checks issued be reflected in the payroll register.

**BOROUGH OF BOGOTA  
SUPPLEMENTARY DATA**

**GENERAL COMMENTS**

**Prior Year Findings Unresolved**

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

The Borough's third party payroll service provider, Ameripay, failed to remit \$47,630 in payroll taxes to the Internal Revenue Service on the Borough's behalf during 2010. Ameripay has now filed for bankruptcy. It is recommended that the Borough continue to take action to fund the amounts due, if any, pending the IRS actions against the Ameripay bankruptcy.

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

NJS 40A:11-4 states "Every contract or agreement, for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate \$21,000, except by contract or agreement."

The Governing Body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed \$36,000 within the fiscal year. Where a question arises as to whether any contract agreement might result in violation of the statute, the Borough Counsel's opinion should be sought before a commitment is made.

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

Olsen Field Improvements	Solid Waste/Recyclables
Disposal/Recycling of Leaves	2011 Road Improvements
	Acquisition of DPW Vehicle

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

Our examination of expenditures revealed instances where individual payments exceeded of \$36,000 "for the performance of any work, or the furnishing or hiring of any materials or supplies," where bids had not been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of NJS 40A:11-6.

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

**BOROUGH OF BOGOTA  
SUPPLEMENTARY DATA**

**GENERAL COMMENTS (Continued)**

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

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

The Governing Body on January 1, 2011 adopted the following resolution authorizing interest to be charged on delinquent taxes:

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

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

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

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

**Delinquent Taxes and Tax Title Liens**

There was a tax sale held on December 30, 2011.

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

<u>Year</u>	<u>Number of Liens</u>
2011	1
2010	1
2009	1

**BOROUGH OF BOGOTA  
SUPPLEMENTARY DATA**

**RECOMMENDATIONS**

It is recommended that:

- \* 1. The deferred charges in the General Capital Fund that remain unfunded for a period greater than five years be funded.
- \* 2. Continued action be taken to fund the amounts due, if any, pending the Internal Revenue Service actions against the Ameripay bankruptcy.
- 3. With respect to the Recreation Commission it is recommended that:
  - Individual cash receipt ledgers were not available for audit.
  - Consideration be taken to accept credit cards as a form of payment.
  - All recreation fees be formally approved by the Commission.
  - All stipends be formally approved by the Commission.
  - Payment of Christmas stipends be discontinued.
  - Formal written quotation be obtained for all purchases in excess of \$5,400.
  - All expenditures be supported by a vendor invoice.
  - Payments to vendors only be made after approval of bill list.
- 4. All monies collected by the Construction Official be turned over to the Treasurer within 48 hours of receipt.
- 5. With respect to the Municipal Court:
  - Reconciling items on the fines and bail accounts be reviewed and cleared of record.
  - Tickets assigned but not issued for a period greater than six months be recalled in accordance with Administrative Office of the Courts (AOC) requirements.
- 6. New police hires be paid in accordance with the salary ordinance and all manual checks issued be reflected in the payroll register.
- 7. With respect to the municipal library:
  - a) Written quotations be obtained for purchases in excess of \$5,400.
  - b) All expenditures be supported by a vendor invoice.
- 8. The General Capital Fund Improvement Authorization ledger be adjusted to reflect the audit balances.

**BOROUGH OF BOGOTA  
SUPPLEMENTARY DATA**

**RECOMMENDATIONS**

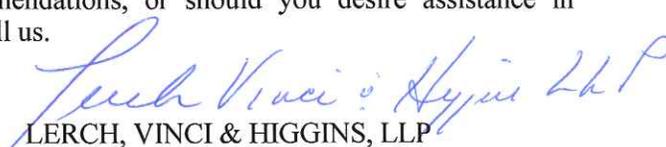
Status of Prior Year's Audit Findings/Recommendations

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

\*\*\*\*\*

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

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



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