

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

NOTE 12. RISK MANAGEMENT, (continued)

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

NOTE 13. TAXES COLLECTED IN ADVANCE

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

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

NOTE 14. CONTINGENT LIABILITIES

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

NOTE 15. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

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

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

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

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

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

NOTE 16. MUNICIPAL EXCESS JOINT INSURANCE FUND LOAN

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

NOTE 17. SUBSEQUENT EVENTS

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

SUPPLEMENTARY DATA

BOROUGH OF BOGOTA

Supplementary Data

Officials in Office and Surety Bonds

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

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

(A) Blanket bond for all Municipal employees

(B) Blanket bond for all Court employees

BOROUGH OF BOGOTA

Supplementary data

Comparative Schedule of Tax Rate Information

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

Assessed Value

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

Comparison of Tax Levies and Collections Currently

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

<u>Year</u>	<u>Tax Levy</u>	<u>Currently</u>	
		<u>Collections</u>	<u>Percentage of Collection</u>
2017	\$ 24,433,460	24,399,023	99.86%
2016	24,302,358	24,255,591	99.81%
2015	24,001,027	23,969,922	99.87%

Delinquent Taxes and Tax Title Liens

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

<u>Dec. 31</u>	<u>Amount of delinquent taxes</u>	<u>Tax title liens</u>	<u>Total delinquent</u>	<u>Percentage of tax levy</u>
2017	\$ 1,273	8,819	10,092	0.04%
2016	783	8,112	8,895	0.04%
2015	34,114	12,446	46,560	0.19%

BOROUGH OF BOGOTA

Supplementary data

Property Acquired by Tax Title Lien Liquidation

No properties have been acquired in 2017 by foreclosure or deed, as a result of liquidation of tax title liens.

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

<u>Year</u>		<u>Amount</u>
2017	\$	136,680
2016		136,680
2015		136,680

Comparative Schedule of Fund Balance

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

BOROUGH OF BOGOYA

Schedule of Expenditure of Federal Awards

Year ended December 31, 2017

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

Total Current Fund

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

BOROUGH OF BOGOTA

Schedule of Expenditures of State Awards and Other Financial Assistance

Year ended December 31, 2017

	Grant Number	Grant Year	Allocation or Grant Award Amount	Cash Received	Expended	MEMO Total Cumulative Expenditures
<u>State & County Programs</u>						
<u>State Programs:</u>						
<u>Environmental Protection Agency:</u>						
Clean Communities Program	4900-765-042-4900-004	2012	9,700 \$			* 9,284
Clean Communities Program	4900-765-042-4900-004	2014	10,663			*
Clean Communities Program	4900-765-042-4900-004	2015	12,962			*
Clean Communities Program	4900-765-042-4900-004	2016	14,818			*
Clean Communities Program	4900-765-042-4900-004	2017	12,589	12,589		*
Recycling Tonnage Grant	4910-100-042-4910-224	2012	11,013			* 7,237
Recycling Tonnage Grant	4910-100-042-4910-224	2014	11,115			*
Recycling Tonnage Grant	4910-100-042-4910-224	2015	10,702			*
Recycling Tonnage Grant	4910-100-042-4910-224	2016	6,538			*
Recycling Tonnage Grant	4910-100-042-4910-224	2017	2,690	2,690		*
				<u>15,279</u>		* <u>16,521</u>
<u>Department of Law and Public Safety:</u>						
Body Armor Replacement Grant	1020-718-066-1020-001	2014	1,850			*
Body Armor Replacement Grant	1020-718-066-1020-001	2015	1,847			*
Body Armor Replacement Grant	1020-718-066-1020-001	2016	1,703			*
Body Armor Replacement Grant	1020-718-066-1020-001	2017	1,785	1,785		*
Alcohol Education Rehabilitation Program	9735-760-098-9735-001	2013	5,526			*
Alcohol Education Rehabilitation Program	9735-760-098-9735-001	2014	1,890			*
Alcohol Education Rehabilitation Program	9735-760-098-9735-001	2015	1,355			*
Alcohol Education Rehabilitation Program	9735-760-098-9735-001	2016	121			*
Alcohol Education Rehabilitation Program	9735-760-098-9735-001	2017	708	708		*
				<u>2,493</u>		* <u>2,493</u>
				<u>17,772</u>		* <u>16,521</u>
Total State Assistance						

BOROUGH OF BOGOTA

Schedule of Expenditures of State Awards and Other Financial Assistance

Year ended December 31, 2017

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

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

BOROUGH OF BOGOTA, N.J.

Schedule of Cash - Collector/Treasurer

Current Fund

Year Ended December 31, 2017

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

BOROUGH OF BOGOTA, N.J.

Schedule of Cash - Change Fund

Current Fund

Year Ended December 31, 2017

Balance - December 31, 2016 \$ 280

Balance - December 31, 2017 \$ 280

Analysis of Balance:

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

BOROUGH OF BOGOTA, N.J.

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

Current Fund

Year Ended December 31, 2017

Increased by:

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

Decreased by:

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

Balance - December 31, 2017		\$ <u><u>8,668</u></u>
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BOROUGH OF BOGOTA, N.J.

Schedule of Taxes Receivable and Analysis of Property Tax Levy

Current Fund

Year Ended December 31, 2017

Year	Balance, Dec. 31, 2016	2017 Levy	Added Taxes	Collected in 2016	Collected in 2017	Senior & Veteran's Deductions	Transferred to Tax Title Liens	Canceled	Balance, Dec. 31, 2017
2016	783				783				
	783				783				
2017		24,413,419	20,041	43,534	24,292,451	63,038	707	32,457	1,273
	\$ 783	24,413,419	20,041	43,534	24,293,234	63,038	707	32,457	1,273

Overpayments Applied 15,772
Interfunds 219,291
Cash Receipts 24,056,171
\$ 24,293,234

Tax Yield:
General Property Tax \$ 24,413,419
Added Tax (R.S. 54:4-63.1 et seq.) 20,041
\$ 24,433,460

Tax Levy:
Local District School Tax \$ 14,897,836
County Tax 1,754,698
County Open Space Taxes 72,934
County Added and Omitted Taxes 1,503
16,726,971

Local Tax for Municipal Purposes 7,442,260
Local Tax for Library 241,015
Local Tax for Library Added and Omitted 200
Add: Additional Taxes Levied 23,014

Local Tax for Municipal Purposes 7,706,489
\$ 24,433,460

Exhibit A-8

BOROUGH OF BOGOTA, N.J.

Schedule of Property Acquired for Taxes

Current Fund

Year Ended December 31, 2017

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

Exhibit A-9

Schedule of Tax Title Liens

Current Fund

Year Ended December 31, 2017

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

BOROUGH OF BOGOTA, N.J.

Schedule of Revenue Accounts Receivable

Current Fund

Year Ended December 31, 2017

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

BOROUGH OF BOGOTA, N.J.

Schedule of Interfunds Due from/(to) Other Funds

Current Fund

Year Ended December 31, 2017

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

BOROUGH OF BOGOTA, N.J.

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

Current Fund

Year Ended December 31, 2017

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

Exhibit A-13

BOROUGH OF BOGOTA, N.J.

Schedule of Deferred Charges

Current Fund

Year Ended December 31, 2017

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

BOROUGH OF BOGOTA, N.J.

Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2017

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

BOROUGH OF BOGOTA, N.J.
Schedule of Appropriation Reserves
Current Fund
Year Ended December 31, 2017

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

BOROUGH OF BOGOTA, N.J.
Schedule of Reserve for Encumbrances
Current Fund
Year Ended December 31, 2017

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

Exhibit A-16

BOROUGH OF BOGOTA, N.J.

Schedule of Prepaid Taxes

Current Fund

Year Ended December 31, 2017

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

Exhibit A-17

Schedule of Tax Overpayments

Current Fund

Year Ended December 31, 2017

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

BOROUGH OF BOGOTA, N.J.

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

Current Fund

Year Ended December 31, 2017

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

Exhibit A-19

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

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

Exhibit A-20

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

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

Exhibit A-21

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

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

BOROUGH OF BOGOTA, N.J.
Schedule of Grants Receivable
Federal and State Grant Fund
Year Ended December 31, 2017

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

BOROUGH OF BOGOTA, N.J.
Schedule of Due from/(to) Current Fund
Federal and State Grant Fund
Year Ended December 31, 2017

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

BOROUGH OF BOGOTA, N.J.

Schedule of Appropriated Grant Reserves

Federal and State Grant Fund

Year Ended December 31, 2017

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

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

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

BOROUGH OF BOGOTA, N.J.

Schedule of Cash

Trust Funds

Year Ended December 31, 2017

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

BOROUGH OF BOGOTA, N.J.

Reserve for Animal Trust Fund Expenditures

Trust Funds

Year Ended December 31, 2017

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

Animal Licenses Collected

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

BOROUGH OF BOGOTA, N.J.

Schedule of Due to State of New Jersey

Animal License Trust Fund

Year Ended December 31, 2017

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

BOROUGH OF BOGOTA, N.J.

Schedule of Interfund - Current Fund

Trust Funds

Year Ended December 31, 2017

	Due from/(to) Balance <u>Dec. 31, 2016</u>	<u>Increased</u>	<u>Decreased</u>	Due from/(to) Balance <u>Dec. 31, 2017</u>
Animal License Trust				
Current Fund	\$ (5,479)	5	5,197	(10,671)
Total Animal Trust	<u>(5,479)</u>	<u>5</u>	<u>5,197</u>	<u>(10,671)</u>
Other Trust				
Current Fund - Escrow	(19,333)		25,000	(44,333)
Current Fund - Other Trust	(61,800)	10,390	219,577	(270,987)
Current Fund - Payroll Agency			187,620	(187,620)
Total Other Trust	<u>(81,133)</u>	<u>10,390</u>	<u>432,197</u>	<u>(502,940)</u>
Recreation Trust				
Current Fund	(33,115)	162	459	(33,412)
Total Recreation Trust	<u>(33,115)</u>	<u>162</u>	<u>459</u>	<u>(33,412)</u>
	<u>\$ (119,727)</u>	<u>10,557</u>	<u>437,853</u>	<u>(547,023)</u>

Statutory Excess	\$	3,961
Cash Receipts		245,522
Interest on Investments		750
Cash Disbursements	8,167	
Excess Funds Transferred from Current		187,620
Public Defender Fees Deposited in Current	2,390	
	<u>\$</u>	<u>10,557</u>
		<u>437,853</u>

BOROUGH OF BOGOTA, N.J.
Schedule of Payroll Deductions Payable
Other Trust Fund
Year Ended December 31, 2017

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

BOROUGH OF BOGOTA, N.J.

Schedule of Miscellaneous Reserves

Other Trust Fund

Year Ended December 31, 2017

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

BOROUGH OF BOGOTA, N.J.

Schedule of Reserve for Recreation Expenditures

Recreation Trust Fund

Year Ended December 31, 2017

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

BOROUGH OF BOGOTA, N.J.

Schedule of Reserve for Library Expenditures

Library Trust Fund

Year Ended December 31, 2017

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

BOROUGH OF BOGOTA, N.J.

Schedule of Service Award Contributions Receivable

Emergency Services Volunteer Length of Service Award Program

Year Ended December 31, 2017

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

BOROUGH OF BOGOTA, N.J.

Schedule of Net Assets Available for Benefits

Emergency Services Volunteer Length of Service Award Program

Year Ended December 31, 2017

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

BOROUGH OF BOGOTA, N.J.

Schedule of Cash

General Capital Fund

Year Ended December 31, 2017

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

BOROUGH OF BOGOTA, N.J.

Analysis of Cash

General Capital Fund

Year Ended December 31, 2017

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

Improvement Authorizations:

Ordinance

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

BOROUGH OF BOGOTA, N.J.

Schedule of Interfunds

General Capital Fund

Year Ended December 31, 2017

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

BOROUGH OF BOGOTA, N.J.

Schedule of Grants Receivable

General Capital Fund

Year Ended December 31, 2017

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

BOROUGH OF BOGOTA, N.J.

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

General Capital Fund

Year Ended December 31, 2017

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

BOROUGH OF BOGOTA, N.J.

Schedule of Deferred Charges to Future Taxation - Unfunded

General Capital Fund

Year Ended December 31, 2017

Ordinance Number	Improvement Description	Balance		Decreased	2017 Authorizations	Balance Dec. 31, 2017	Analysis of Balance, Dec. 31, 2017	
		Dec. 31, 2016	2017				Financed by Bond Anticipation Notes	Unexpended Improvement Authorization
	General Improvements:							
1424	Refunding of Tax Appeals	\$ 235,000		115,000		120,000		
1442	Acquisition of Passenger Bus	80,000				80,000		
1443	Improvements to Municipal Facilities	95,000				95,000		
1445	2014 Road Improvement Program	190,000				190,000		
1462	Various Public Improvements	1,047,000				1,047,000		
1463	Sanitary Sewer System Improvements	238,000				238,000		
1467	Refunding Bonds ("Pasca")	332,000		108,000		224,000		
1476	Various Public Improvements	1,276,000				1,276,000		
1483	Various Improvements to Buildings	190,000				190,000		
1488	Various Improvements to Buildings	285,000				285,000		
1492	Reconstruction of West Shore Ave		200,000			200,000		
1493	Reconstruction of Leonia Ave (Phase II)		200,000			200,000		
1494	Various Public Improvements		947,000			947,000		
		<u>\$ 3,968,000</u>	<u>1,347,000</u>	<u>223,000</u>		<u>5,092,000</u>		

Improvement Authorizations - Unfunded \$	421,016
Less: Unexpended proceeds of Bond Anticipation Notes	
Ordinance:	
1442	15,550
1492	5,616
1493	19,085
1494	380,765
	<u>\$ 421,016</u>

BOROUGH OF BOGOTA, N.J.

Schedule of General Serial Bonds Payable

General Capital Fund

Year Ended December 31, 2017

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding, December 31, 2017	Interest Rate	Balance Dec. 31, 2016	Decreased	Balance Dec. 31, 2017
2004 General Improvement Bonds	March 15, 2004	1,840,000			205,000	205,000	
2007 General Improvement Bonds	July 1, 2007	2,677,000	522,000	4.25%	827,000	305,000	522,000
2012 General Improvement Bonds	December 1, 2012	3,295,000	190,000	2.00%	2,615,000	185,000	2,430,000
			320,000	2.00%			
			320,000	2.00%			
			320,000	2.00%			
			320,000	2.50%			
320,000	2.50%						
			320,000	3.00%			
					\$ 3,647,000	695,000	2,952,000

BOROUGH OF BOGOTA, N.J.

Schedule of Capital Leases Payable

General Capital Fund

Year Ended December 31, 2017

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

BOROUGH OF BOGOTA, N.J.

Schedule of Bond Anticipation Notes Payable

General Capital Fund

Year Ended December 31, 2017

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

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

BOROUGH OF BOGOTA, N.J.

Schedule of Improvement Authorizations

General Capital Fund

Year Ended December 31, 2017

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

Capital Improvement Fund \$ 48,000

Deferred Charges to Future Taxation - Unfunded 1,347,000

\$ 1,395,000

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

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

BOROUGH OF BOGOTA, N.J.
Schedule of Reserve for Payment of Debt
General Capital Fund
Year Ended December 31, 2017

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

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

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

BOROUGH OF BOGOTA, N.J.

Schedule of Bonds and Notes Authorized But Not Issued

General Capital Fund

Year Ended December 31, 2017

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

BOROUGH OF BOGOTA

PART II

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

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2017

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

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements – regulatory basis of the Borough of Bogota in the County of Bergen as of and for the year ended December 31, 2017 and the related notes to the financial statements, and have issued our report thereon dated August 2, 2018, which was adverse due to being presented in accordance with New Jersey regulatory basis of accounting.

Internal Control Over Financial Reporting

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

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



Honorable Mayor and
Members of the Borough Council
Page 2.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Compliance and Other Matters

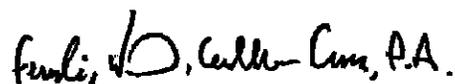
As part of obtaining reasonable assurance about whether the Borough of Bogota's financial statements-regulatory basis are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2017-001.

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

Purpose of this Report

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


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


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

August 2, 2018



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

Section I – Financial Statement Findings

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

Finding 2017-001

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

Criteria or Specific Requirement:

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

Condition:

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

Questioned Costs:

Unknown

Context:

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

Effect:

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

Cause:

Internal control policies in place are not being adhered to.

Recommendation:

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

Management's Response:

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

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

STATUS OF PRIOR YEAR FINDINGS

Finding 2016-001

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

Condition:

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

Recommendation:

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

Current Status:

Corrective action has been taken.

Finding 2016-002

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

Condition:

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

Recommendation:

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

Current Status:

Corrective action has been taken.

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

Section I – Financial Statement Findings

STATUS OF PRIOR YEAR FINDINGS, CONTINUED

Finding 2016-003

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

Condition:

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

Recommendation:

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

Current Status:

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

Finding 2016-004

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

Condition:

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

Recommendation:

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

Current Status:

Corrective action has been taken.

BOROUGH OF BOGOTA

GENERAL COMMENTS

Contracts and Agreements

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

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

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

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

BOROUGH OF BOGOTA

GENERAL COMMENTS (CONTINUED)

Effective July 1, 2010, the bid threshold, in accordance with N.J.S.A. 40A:11-3 and 40A:11-4 (as amended) is \$17,500 and with a qualified purchasing agent the threshold may be up to \$36,000. On July 1, 2015, the threshold was increased to \$40,000 with a qualified purchasing agent.

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

The governing body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed the bid threshold within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Borough Counsel's opinion should be sought before a commitment is made.

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

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

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

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any material or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear cut violation existed. No violations were disclosed.

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

Collection of Interest on Delinquent Taxes and Assessments

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

The governing body, on January 5, 2017, adopted the following amended resolution authorizing interest to be charged on delinquent taxes:

BOROUGH OF BOGOTA

**GENERAL COMMENTS
(CONTINUED)**

“NOW THEREFORE BE IT RESOLVED by the Mayor and Council of the Borough of Bogota, that taxes due to the Borough shall be payable February 1st, May 1st, August 1st, and November 1st each year, after which dates, if unpaid, shall become delinquent and from and after the respective dates herein before provided for taxes to become delinquent, the tax payer or property assessed shall be subject to interest at 8% per annum on the first \$1,500 and 18% thereafter.

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

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

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

Delinquent Taxes and Tax Title Liens

A tax sale was held on December 19, 2017, and was complete.

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

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

<u>Year</u>	<u>Number of liens</u>
2017	1
2016	1
2015	2

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

COMMENTS:

Finance:

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

Borough Administrator:

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

Board of Health:

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

Municipal Court:

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

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

COMMENTS, Continued:

Building Department:

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

Payroll:

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

Purchasing:

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

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

RECOMMENDATIONS:

Finance:

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

Borough Administrator:

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

Board of Health:

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

Municipal Court:

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

Building Department:

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

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

RECOMMENDATIONS, Continued:

Payroll:

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

Purchasing:

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

BOROUGH OF BOGOTA

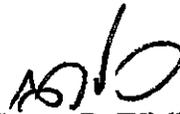
STATUS OF PRIOR YEAR AUDIT FINDINGS/RECOMMENDATIONS

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

ACKNOWLEDGMENT

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

Respectfully submitted,



Steven D. Wielkocz
Registered Municipal Accountant
No. CR00413



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

August 2, 2018