

BOROUGH OF BOGOTA
BERGEN COUNTY, NEW JERSEY
REPORT OF AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2022

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BOROUGH OF BOGOTA

BERGEN COUNTY

PART I

REPORT ON AUDIT OF FINANCIAL STATEMENTS

AND SUPPLEMENTARY SCHEDULES

FOR THE YEAR ENDED DECEMBER 31, 2022



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
JULIUS B. CONSONI, CPA, PSA
ANDREW D. PARENTE, CPA, RMA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, RMA, PSA
DEBRA GOLLE, CPA
MARK SACO, CPA
ROBERT LERCH, CPA
CHRISTOPHER M. VINCI, CPA, PSA
CHRISTINA CUIFFO, CPA

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

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, 2022 and 2021, 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, 2022, and the related notes to the financial statements.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the possible effects of the matters discussed in the Basis for Qualified Opinion on Regulatory Basis of Accounting section of our report, the financial statements – regulatory basis referred to above present fairly, in all material respects, the financial position – regulatory basis of the various funds and account group of the Borough of Bogota as of December 31, 2022 and 2021, and the results of operations and changes in fund balance – regulatory basis of such funds for the years then ended and the respective revenues – regulatory basis and expenditures – regulatory basis of the Current Fund for the year ended December 31, 2022 in accordance with the financial accounting and reporting provisions and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the Borough of Bogota as of December 31, 2022 and 2021, or changes in financial position for the years then ended.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Borough of Bogota and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Qualified Opinion on Regulatory Basis of Accounting

As discussed in Note 18 of the financial statements, the financial statements – regulatory basis of the Length of Service Awards Program (LOSAP) Trust Fund have not been audited, and we were not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, to audit nor were we engaged to audit the LOSAP Trust Fund financial statements as part of our audit of the Borough’s financial statements as of and for the years ended December 31, 2022 and 2021. The LOSAP Trust Fund financial activities are included in the Borough’s Trust Funds, and represent 27 and 26 percent of the assets and liabilities, respectively, of the Borough’s Trust Funds as of December 31, 2022 and 2021, respectively.

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

As described in Note 1 of the financial statements, the financial statements are prepared by the Borough of Bogota on the basis of the financial accounting and reporting provisions and practices that demonstrate compliance with the regulatory basis of accounting and budget laws prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the financial reporting requirements of the State of New Jersey for municipal government entities. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial accounting and reporting provisions and practices that demonstrate compliance with the regulatory basis of accounting and budget laws prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Borough of Bogota’s ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor’s Responsibilities for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Borough of Bogota’s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Borough of Bogota's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

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

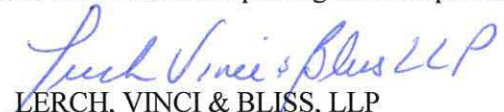
Other Information

Management is responsible for the other information included in the report of audit. The other information comprises the supplementary data and letter of comments and recommendation section but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated August 10, 2023 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 solely 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 effectiveness of the Borough of Bogota's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Borough of Bogota's internal control over financial reporting and compliance.


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


Dieter P. Lerch
Registered Municipal Accountant
RMA Number CR00398

Fair Lawn, New Jersey
August 10, 2023

BOROUGH OF BOGOTA
COMPARATIVE BALANCE SHEETS - STATUTORY BASIS - CURRENT FUND
AS OF DECEMBER 31, 2022 AND 2021

	<u>Reference</u>	<u>2022</u>	<u>2021</u>
ASSETS			
Operating Fund			
Cash	A-4	\$ 3,344,700	\$ 2,946,587
Change Funds	A-5	280	280
Due from State of New Jersey - Senior Citizen and Veteran's Deductions	A-7	<u>29,225</u>	<u>22,397</u>
		<u>3,374,205</u>	<u>2,969,264</u>
Receivables and Other Assets with Full Reserves			
Delinquent Property Taxes	A-8	109,654	11,821
Tax Title Liens	A-9	15,472	15,472
Property Acquired for Taxes	A-10	136,680	136,680
Revenue Accounts Receivable	A-13	8,734	8,680
Interfunds Receivable: Due from Animal Control Fund	B-2	<u>-</u>	<u>1,570</u>
		<u>270,540</u>	<u>174,223</u>
Deferred Charges			
Special Emergency Authorization	A-12	506,000	245,000
Emergency Authorizations	A-11	<u>-</u>	<u>80,500</u>
		<u>506,000</u>	<u>325,500</u>
		<u>4,150,745</u>	<u>3,468,987</u>
Federal and State Grant Fund			
Grants Receivable	A-6	60,201	106,151
Due from Current Fund	A-27	<u>211,154</u>	<u>189,942</u>
		<u>271,355</u>	<u>296,093</u>
		<u>\$ 4,422,100</u>	<u>\$ 3,765,080</u>

BOROUGH OF BOGOTA
COMPARATIVE BALANCE SHEETS - STATUTORY BASIS - CURRENT FUND
AS OF DECEMBER 31, 2022 AND 2021

	<u>Reference</u>	<u>2022</u>	<u>2021</u>
LIABILITIES, RESERVES AND FUND BALANCE			
Operating Fund			
Liabilities:			
Appropriation Reserves	A-3,A-14	\$ 616,487	\$ 586,377
Encumbrances Payable	A-15	64,600	31,786
Accounts Payable	A-16	442,885	11,039
County Taxes Payable	A-17	2,580	-
Local School Taxes Payable	A-18	-	140,708
Prepaid Taxes	A-19	82,059	117,129
Tax Overpayments	A-20	1,884	3,835
Due to State of New Jersey	A-21	1,452	489
Due to Library	A-22	6,997	462
Miscellaneous Reserves	A-23	88,588	277,328
Interfunds Payable			
Due to Federal and State Grant Fund	A-27	211,154	189,942
Due to General Capital Fund	C-11	<u>58,793</u>	<u>18,419</u>
		1,577,479	1,377,514
Reserve for Receivables	A	270,540	174,223
Fund Balance	A-1	<u>2,302,726</u>	<u>1,917,250</u>
		<u>4,150,745</u>	<u>3,468,987</u>
Federal and State Grant Fund			
Encumbrances Payable	A-26	2,454	-
Appropriated Reserves	A-25	229,754	268,016
Unappropriated Reserves	A-24	<u>39,147</u>	<u>28,077</u>
		<u>271,355</u>	<u>296,093</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 4,422,100</u>	<u>\$ 3,765,080</u>

BOROUGH OF BOGOTA
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -
STATUTORY BASIS - CURRENT FUND
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>Reference</u>	<u>2022</u>	<u>2021</u>
REVENUE AND OTHER INCOME REALIZED			
Fund Balance Utilized	A-2	\$ 650,000	\$ 600,000
Miscellaneous Revenue Anticipated	A-2	2,655,933	2,318,268
Receipts from Delinquent Taxes	A-2	9,384	10,364
Receipts from Current Taxes	A-2	27,131,921	26,663,286
Non-Budget Revenue	A-2	74,374	34,433
Other Credits to Income			
Statutory Excess in Animal Control Trust Fund	B-2	3,035	1,570
Unexpended Balance of Appropriation Reserves	A-14	372,996	348,906
Cancellation of Reserve Balance	A-23	1,060	
Prior Year Interfunds Returned	B-2	1,570	2,576
Refund of Prior Year Expenditures	A	<u>-</u>	<u>8,722</u>
 Total Income		 <u>30,900,273</u>	 <u>29,988,125</u>
EXPENDITURES			
Budget Appropriations:			
Operations			
Salaries and Wages	A-3	4,151,175	3,980,974
Other Expenses	A-3	5,470,901	4,922,295
Deferred Charges and Statutory			
Expenditures- Municipal	A-3	1,050,419	926,169
Judgments	A-3	86,506	87,595
Capital Improvements	A-3	100,000	125,500
Municipal Debt Service	A-3	794,610	806,020
Local District School Taxes	A-18	16,183,486	16,042,978
County Taxes Payable	A-17	2,312,132	2,360,413
Due to County for Added and Omitted Taxes	A-17	2,580	3,256
Interfund Advances	B-2	-	1,570
Refund of Prior Year Taxes	A-4	<u>22,988</u>	<u>-</u>
 Total Expenditures		 <u>30,174,797</u>	 <u>29,256,770</u>
 Excess in Revenues		 725,476	 731,355
 Adjustment to Income before Fund Balance:			
Expenditures included above which are by Statute Deferred			
Charges to Budget of Succeeding Year	A-12	<u>310,000</u>	<u>80,500</u>
 Statutory Excess to Fund Balance		 1,035,476	 811,855
 Fund Balance, January 1	A-1	 <u>1,917,250</u>	 <u>1,705,395</u>
		2,952,726	2,517,250
Decreased by:			
Utilized as Anticipated Revenue	A-2	<u>650,000</u>	<u>600,000</u>
 Fund Balance, December 31	A-1	 <u>\$ 2,302,726</u>	 <u>\$ 1,917,250</u>

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF BOGOTA
STATEMENT OF REVENUES - STATUTORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	Reference	2022 Budget	Added by N.J.S. 40A:4-87	2022 Realized	Excess or (Deficit)
FUND BALANCE ANTICIPATED	A-1	\$ 650,000	-	\$ 650,000	-
MISCELLANEOUS REVENUES					
Licenses					
Alcoholic Beverages	A-13	16,000		16,178	\$ 178
Other	A-13	5,600		10,257	4,657
Fees and Permits	A-13	45,000		37,473	(7,527)
Fines and Costs					
Municipal Court	A-13	100,000		132,942	32,942
Interest and Costs on Taxes	A-13	30,000		47,925	17,925
Interest on Investments and Deposits	A-13	1,000		14,162	13,162
Energy Receipts Tax	A-13	677,676		677,676	-
Uniform Construction Code Fees	A-13	125,000		127,051	2,051
State and Federal Revenues Offset with Appropriations					
Vest Donation	A-24	100		100	-
Clean Communities	A-24	12,906		12,906	-
Body Armor	A-24	1,482		1,482	-
Recycling Tonnage	A-24	10,839		10,839	-
Mid Bergen Regional COVID Grant	A-24	2,750		2,750	-
Bogota Community Garden Grant	A-6		\$ 5,000	5,000	-
Fire Prevention-FM Global Foundation	A-6		1,630	1,630	-
Cable Television Franchise Fees	A-13	88,000		87,833	(167)
Bogota BOE - SLEO	A-13	192,000		150,188	(41,812)
Uniform Fire Safety Act	A-13	28,000		43,879	15,879
Swim Club Rent	A-13	6,667		10,066	3,399
Outside Police Employment-Administrative Fees	A-13	89,000		163,411	74,411
PILOT-421 River Road	A-13	192,000		584,235	392,235
PILOT-297 Palisades Ave	A-13	88,000		101,450	13,450
American Rescue Plan Act	A-13	416,500	-	416,500	-
	A-1	<u>2,128,520</u>	<u>6,630</u>	<u>2,655,933</u>	<u>520,783</u>
RECEIPTS FROM DELINQUENT TAXES	A-1,A-2	-	-	9,384	9,384
AMOUNT TO BE RAISED FOR SUPPORT OF MUNICIPAL BUDGET					
Local Tax for Municipal Purposes	A-2	8,430,576	-	8,492,344	61,768
Minimum Library Tax	A-2	316,379	-	316,379	-
Total Amount to be Raised by Taxes for Support of Municipal Budget		<u>8,746,955</u>	<u>-</u>	<u>8,808,723</u>	<u>61,768</u>
Total General Revenues	A-3	<u>\$ 11,525,475</u>	<u>\$ 6,630</u>	12,124,040	<u>\$ 591,935</u>
Non-Budget Revenue	A-1,A-2			<u>74,374</u>	
				<u>\$ 12,198,414</u>	

BOROUGH OF BOGOTA
STATEMENT OF REVENUES - STATUTORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2022
(Continued)

	<u>Reference</u>	
ANALYSIS OF REALIZED REVENUES		
Allocation of Current Tax Collection		
Revenue from Collections	A-8	\$ 27,131,921
Less: Allocated to School and County Taxes	A-17,A-18	<u>18,498,198</u>
Balance for Support of Municipal Budget Appropriations		8,633,723
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	<u>175,000</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 8,808,723</u>
Licenses - Other		
Board of Health	A-13	\$ 8,257
Borough Clerk	A-13	<u>2,000</u>
	A-2	<u>\$ 10,257</u>
Fees and Permits		
Borough Clerk	A-13	\$ 1,672
Board of Health	A-13	40
Property Maintenance	A-13	34,250
Planning/Zoning Boards	A-13	850
Police Department	A-13	<u>661</u>
	A-2	<u>\$ 37,473</u>
Miscellaneous Revenue Not Anticipated:		
Copies		\$ 3,645
NJ DMV Inspection Fees		7,500
Restitution		247
Bus stop ad Commission		321
Refunds and Reimbursements		3,576
Property Maintenance Penalties		1,800
State of NJ - LEA		8,196
State of NJ - SLCHIP		3,183
Miscellaneous		<u>45,906</u>
	A-2,A-4	<u>\$ 74,374</u>

BOROUGH OF BOGOTA
STATEMENT OF EXPENDITURES - STATUTORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>2022 Appropriations</u>		<u>2022 Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
OPERATIONS - WITHIN "CAPS"					
GENERAL GOVERNMENT					
Administrative and Executive					
Salaries and Wages	\$ 163,000	\$ 170,200	\$ 170,122	\$ 78	
Other Expenses	20,000	20,000	19,800	200	
Grantsperson					
Other Expenses	36,000	36,000	36,000	-	
Mayor & Council					
Salaries and Wages	18,300	18,300	18,217	83	
Other Expenses	4,000	4,500	4,224	276	
Municipal Clerk					
Salaries and Wages	139,100	124,100	113,742	10,358	
Other Expenses	47,500	47,500	45,984	1,516	
Financial Administration					
Salaries and Wages	18,000	18,000	17,950	50	
Other Expenses	140,000	144,500	132,854	11,646	
Audit Services					
Annual Audit	60,000	60,000	59,578	422	
Computerized Data Processing					
Other Expenses	50,000	50,000	48,252	1,748	
Revenue Administration (Tax)					
Salaries and Wages	10,650	10,650	10,612	38	
Other Expenses	92,000	92,000	80,101	11,899	
Assessment of Taxes					
Salaries and Wages	17,000	17,000	16,962	38	
Other Expenses	5,000	2,000	2,000	-	
Other Expenses - Emergency - Revaluation		250,000	250,000	-	
Other Expenses - Emergency - Tax Map Prep		60,000	60,000	-	
Legal Services and Costs					
Other Expenses	170,000	215,500	181,782	33,718	
Engineering Services and Costs					
Other Expenses	15,000	35,000	20,117	14,883	
LAND USE ADMINISTRATION					
Municipal Land Use Law (N.J.S.A. 40:55-1):					
Planning Board					
Salaries and Wages	2,650	2,650	2,650	-	
Other Expenses	15,000	15,000	2,618	12,382	
Code Enforcement					
Salaries and Wages	37,000	37,000	35,715	1,285	
Other Expenses	2,500	2,500	2,031	469	
INSURANCE					
Other Insurance Premiums	10,000	10,000	4,056	5,944	
Group Insurance -Other Expenses	780,000	704,481	667,352	37,129	
Liability Insurance	448,815	448,815	448,815	-	
Worker's Compensation Insurance	210,951	205,951	201,160	4,791	
Unemployment Insurance	10,000	2,500	-	2,500	
PUBLIC SAFETY FUNCTIONS					
Department of Police					
Salaries and Wages	2,001,700	1,971,700	1,909,339	62,361	
Other Expenses	135,000	135,000	96,822	38,178	
Police clerical					
Salaries and Wages	40,000	22,500	18,177	4,323	
Crossing Guards					
Salaries and Wages	78,000	78,000	74,767	3,233	

BOROUGH OF BOGOTA
STATEMENT OF EXPENDITURES - STATUTORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>2022 Appropriations</u>		<u>2022 Expended</u>		<u>Cancelled</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)					
Auxiliary Police					
Other Expenses	\$ 6,000	\$ 6,000	\$ 714	\$ 5,286	
Emergency Management					
Other Expenses	10,000	10,000	8,399	1,601	
Fire Department					
Other Expenses	110,000	110,000	104,235	5,765	
Rescue Squad					
Other Expenses	15,000	15,000	11,071	3,929	
First Aid					
Other Expenses	15,000	15,000	-	15,000	
Fire (Uniform Fire Safety Act)					
Salaries and Wages	45,800	46,200	46,177	23	
Other Expenses	75,000	75,000	72,506	2,494	
PUBLIC WORKS FUNCTIONS					
Road Repairs and Maintenance					
Salaries and Wages	694,425	694,425	670,713	23,712	
Other Expenses	130,000	130,000	122,682	7,318	
Shade Tree Commission					
Salaries and Wages	2,775	3,775	3,774	1	
Other Expenses	25,000	25,000	25,000	-	
Garbage and Trash Removal					
Solid Waste Disposal Fees	385,000	403,000	371,067	31,933	
Public Buildings and Grounds					
Other Expenses	130,000	170,000	150,324	19,676	
HEALTH AND HUMAN SERVICES FUNCTIONS					
Board of Health					
Salaries and Wages	2,775	2,775	2,760	15	
Other Expenses	42,500	43,800	43,701	99	
Animal Control Services					
Other Expenses	17,500	17,500	12,444	5,056	
Seniors					
Salaries and Wages	12,000	4,500	2,000	2,500	
Other Expenses	5,000	5,000	2,780	2,220	
PARK AND RECREATION FUNCTIONS					
Recreation Commission RS 40:12-1					
Salaries and Wages	124,600	97,100	57,243	39,857	
Other Expenses	42,000	42,000	31,743	10,257	
OTHER COMMON OPERATING FUNCTIONS					
Celebration of Public Events					
Other Expenses	25,000	25,000	18,590	6,410	

BOROUGH OF BOGOTA
STATEMENT OF EXPENDITURES - STATUTORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>2022 Appropriations</u>		<u>2022 Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
OPERATIONS - WITHIN "CAPS" (Cont'd)					
STATE UNIFORM CONSTRUCTION CODE					
Construction Official					
Salaries and Wages	\$ 139,750	\$ 139,750	\$ 127,665	\$ 12,085	
Other Expenses	8,000	8,000	7,796	204	
UNCLASSIFIED					
Electricity and Gas	240,000	240,000	215,039	24,961	
Telephone/Communications	62,000	68,000	64,829	3,171	
Gasoline	60,000	85,000	76,348	8,652	-
Water	20,000	20,000	15,242	4,758	-
Solid Waste Disposal Costs					
Dump Fees	375,000	375,000	348,885	26,115	-
Total Operations Within "CAPS"	<u>7,597,291</u>	<u>7,888,172</u>	<u>7,365,526</u>	<u>522,646</u>	-
Detail					
Salaries and Wages	3,547,525	3,458,625	3,298,585	160,040	-
Other Expenses	4,049,766	4,429,547	4,066,941	362,606	-
DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"					
Statutory Expenditures:					
Social Security System (O.A.S.I.)	160,000	160,000	159,087	913	
Public Employees Retirement System	189,215	194,210	194,210	-	
Police & Fireman's Retirement System of NJ	552,585	566,709	566,709	-	-
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	<u>901,800</u>	<u>920,919</u>	<u>920,006</u>	<u>913</u>	-
Total General Appropriations for Municipal Purposes Within "CAPS"	<u>8,499,091</u>	<u>8,809,091</u>	<u>8,285,532</u>	<u>523,559</u>	-

BOROUGH OF BOGOTA
STATEMENT OF EXPENDITURES - STATUTORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	2022 Appropriations		2022 Expended		
	Budget	Budget After Modification	Paid or Charged	Reserved	Cancelled
OPERATIONS - EXCLUDED FROM "CAPS"					
Sewer Processing and Disposal					
Other Expenses - Op and Maintenance	\$ 647,158	\$ 647,158	\$ 647,158	-	
Other Expenses - Debt Service	143,860	143,860	143,860	-	
Maintenance of Free Public Library					
Salaries and Wages	245,000	245,000	226,343	\$ 18,657	
Other Expenses	71,379	71,379	71,379	-	
Police Dispatch/911					
Salaries and Wages	223,250	223,250	218,245	5,005	
Other Expenses	6,250	6,250	-	6,250	
LOSAP Contribution					
Other Expenses	50,500	50,500	50,469	31	-
Total Other Operations - Excluded from "CAPS"	1,387,397	1,387,397	1,357,454	29,943	-
Shared Service Agreements					
Bogota BOE - SLEO					
Salaries and Wages	192,000	192,000	130,137	61,863	
Municipal Court - Borough of Little Ferry					
Salaries and Wages	32,300	32,300	32,203	97	
Other Expenses	87,500	87,500	86,475	1,025	-
Total Shared Services - Excluded from "CAPS"	311,800	311,800	248,815	62,985	-
ADDITIONAL APPROPRIATIONS OFFSET BY REVENUES (N.J.S. 40A:4-45.3(h))					
Recycling Tonnage Grant	10,839	10,839	10,839	-	
Clean Communities	12,906	12,906	12,906	-	
Body Armor Replacement	1,482	1,482	1,482	-	
Vest Donation	100	100	100	-	
Mid Bergen Regional COVID Grant	2,750	2,750	2,750	-	
Community Grant	-	5,000	5,000	-	
Fire Prevention	-	1,630	1,630	-	-
Total Appropriations Offset by Revenues (N.J.S. 40A:4-45.3(h))	28,077	34,707	34,707	-	-
Total Operations - Excluded from "CAPS"	1,727,274	1,733,904	1,640,976	92,928	-
Detail					
Salaries and Wages	692,550	692,550	606,928	85,622	-
Other Expenses	1,034,724	1,041,354	1,034,048	7,306	-

**BOROUGH OF BOGOTA
STATEMENT OF EXPENDITURES - STATUTORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>2022 Appropriations</u>		<u>2022 Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"					
Capital Improvement Fund	\$ 50,000	\$ 50,000	\$ 50,000	-	-
Capital Improvement Fund - Tree Planting	50,000	50,000	50,000	-	-
Total Capital Improvements-Excluded from "CAPS"	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>	<u>-</u>
MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"					
Payment of Bond Principal	620,000	620,000	620,000	-	-
Interest on Bonds	162,875	162,875	162,875	-	-
Interest on Notes	11,735	11,735	11,735	-	-
Total Municipal Debt Service - Excluded from "CAPS"	<u>794,610</u>	<u>794,610</u>	<u>794,610</u>	<u>-</u>	<u>-</u>
DEFERRED CHARGES MUNICIPAL - EXCLUDED FROM "CAPS"					
Emergency Authorizations - Special Emergency	49,000	49,000	49,000	-	-
Emergency Authorizations - Prior Year	80,500	80,500	80,500	-	-
Total Deferred Charges Municipal - Excluded from "CAPS"	<u>129,500</u>	<u>129,500</u>	<u>129,500</u>	<u>-</u>	<u>-</u>
Judgements	<u>100,000</u>	<u>100,000</u>	<u>86,506</u>	<u>-</u>	<u>\$ 13,494</u>
Total General Appropriations to Municipal Purposes Excluded from "CAPS"	<u>2,851,384</u>	<u>2,858,014</u>	<u>2,751,592</u>	<u>\$ 92,928</u>	<u>13,494</u>
Subtotal General Appropriations	11,350,475	11,667,105	11,037,124	616,487	13,494
Reserve for Uncollected Taxes	<u>175,000</u>	<u>175,000</u>	<u>175,000</u>	<u>-</u>	<u>-</u>
Total General Appropriations	<u>\$ 11,525,475</u>	<u>\$ 11,842,105</u>	<u>\$ 11,212,124</u>	<u>\$ 616,487</u>	<u>\$ 13,494</u>
<u>Reference</u>	A-2	A-3	A-1	A,A-1	

BOROUGH OF BOGOTA
STATEMENT OF EXPENDITURES - STATUTORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Reference</u>	Appropriations Budget After <u>Modification</u>	Expended Paid or <u>Charged</u>
Budget as Adopted	A-2	\$ 11,525,475	
Special Emergency Authorizations 40A:4-53	A-12	310,000	
Added by N.J.S. 40A:4-87	A-2	6,630	
Cash Disbursed	A-4		\$ 10,498,317
Encumbrances Payable	A-15		64,600
Due to Grant Fund Appropriated Grant Reserves	A-25		34,707
Deferred Charges			
Emergency Authorization	A-11		80,500
Special Emergency Authorization	A-12		49,000
Reserve for Uncollected Taxes	A-2		175,000
Miscellaneous Reserve			
Emergency Authorization - Tax Map	A-12		250,000
Emergency Authorization - Revaluation	A-12	-	60,000
		-----	-----
		<u>\$ 11,842,105</u>	<u>\$ 11,212,124</u>

BOROUGH OF BOGOTA
COMPARATIVE BALANCE SHEETS - STATUTORY BASIS - TRUST FUNDS
AS OF DECEMBER 31, 2022 AND 2021

	<u>Reference</u>	<u>2022</u>	<u>2021</u>
ASSETS			
ANIMAL CONTROL TRUST FUND			
Cash	B-1	\$ 3,665	\$ 6,983
		<u>3,665</u>	<u>6,983</u>
OTHER TRUST FUND			
Cash	B-1	948,299	1,140,054
Due from Current Fund	B-5	-	18,419
		<u>948,299</u>	<u>1,158,473</u>
RECREATION TRUST FUND			
Cash	B-1	64,223	22,778
		<u>64,223</u>	<u>22,778</u>
LENGTH OF SERVICE AWARDS PROGRAM FUND - (UNAUDITED)			
Investments	B	323,305	356,881
Contributions Receivable	B	46,036	50,469
		<u>369,341</u>	<u>407,350</u>
Total Assets		<u>\$ 1,385,528</u>	<u>\$ 1,595,584</u>

BOROUGH OF BOGOTA
COMPARATIVE BALANCE SHEETS - STATUTORY BASIS - TRUST FUNDS
AS OF DECEMBER 31, 2022 AND 2021

	<u>Reference</u>	<u>2022</u>	<u>2021</u>
LIABILITIES AND RESERVES			
ANIMAL CONTROL FUND			
Due to Current Fund	B-2	\$ 1,570	
Due to State of New Jersey	B-3		11
Reserve for Animal Control Trust Expenditures	B-4	<u>\$ 3,665</u>	<u>5,402</u>
		<u>3,665</u>	<u>6,983</u>
OTHER TRUST FUND			
Payroll Deductions Payable	B-6	16,533	17,074
Miscellaneous Reserves	B-7	<u>931,766</u>	<u>1,141,399</u>
		<u>948,299</u>	<u>1,158,473</u>
RECREATION TRUST FUND			
Reserve for Recreation Expenditures	B-8	<u>64,223</u>	<u>22,778</u>
		<u>64,223</u>	<u>22,778</u>
LENGTH OF SERVICE AWARDS PROGRAM			
FUND - (UNAUDITED)			
Net Assets Available for Benefits	B	<u>369,341</u>	<u>407,350</u>
		<u>369,341</u>	<u>407,350</u>
Total Liabilities and Reserves		<u>\$ 1,385,528</u>	<u>\$ 1,595,584</u>

BOROUGH OF BOGOTA
COMPARATIVE BALANCE SHEETS - STATUTORY BASIS
GENERAL CAPITAL FUND
AS OF DECEMBER 31, 2022 AND 2021

	<u>Reference</u>	<u>2022</u>	<u>2021</u>
ASSETS			
Cash	C-1,C-2	\$ 3,291,128	\$ 1,790,698
Due from Current Fund	C-11	58,793	-
Grants Receivable	C-3	594,963	520,445
Deferred Charges to Future Taxation			
Funded	C-4	5,735,000	6,355,000
Unfunded	C-5	<u>12,840,056</u>	<u>11,117,538</u>
 Total Assets		 <u>\$ 22,519,940</u>	 <u>\$ 19,783,681</u>
 LIABILITIES, RESERVES AND FUND BALANCE			
Improvement Authorizations			
Funded	C-6	\$ 63,338	\$ 26,272
Unfunded	C-6	5,288,568	5,148,761
Encumbrances Payable	C-7	3,334,253	2,909,807
Serial Bonds Payable	C-8	5,735,000	6,355,000
Bond Anticipation Notes Payable	C-9	5,700,000	2,950,000
Down Payment on Improvements	C-13	-	23,100
Capital Improvement Fund	C-14	2,100	-
Reserve for Grants Receivable	C-3	594,963	520,445
Reserve for Developer Contribution	C-10	1,414,090	1,414,090
Reserve for ARP Funds	C-12	<u>387,628</u>	<u>436,206</u>
 Total Liabilities, Reserves and Fund Balance		 <u>\$ 22,519,940</u>	 <u>\$ 19,783,681</u>

There were \$7,419,282 and \$8,167,538 in bonds and notes authorized but not issued at December 31, 2022 and 2021, respectively. (Exhibit C-15)

BOROUGH OF BOGOTA
COMPARATIVE BALANCE SHEETS - STATUTORY BASIS
GENERAL FIXED ASSETS ACCOUNT GROUP
AS OF DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
Land	\$ 5,968,400	\$ 5,968,400
Buildings and Building Improvements	4,635,800	4,635,800
Machinery and Equipment	<u>6,920,997</u>	<u>6,379,518</u>
 Total Assets	 <u>\$ 17,525,197</u>	 <u>\$ 16,983,718</u>
 FUND BALANCE		
Investment in General Fixed Assets	<u>\$ 17,525,197</u>	<u>\$ 16,983,718</u>

NOTES TO FINANCIAL STATEMENTS

**BOROUGH OF BOGOTA
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Borough of Bogota (the "Borough") was incorporated in 1894 and operates under an elected Mayor and Council form of government. The Mayor is elected to a four-year term and the six council members are elected at-large, two each year for terms of three years. The Mayor is the Chief Executive Officer of the Borough and as such presides over all public meetings and makes appointments to various boards. The Borough Council exercises all legislative powers including final adoption of the municipal budget and bond ordinances and confirmation of the Mayor's appointments, and all executive authority which is not specifically provided to the Mayor, by state law. A Borough Administrator is appointed by the Borough Council and is responsible for the implementation of the policies of the Mayor and Council, for the administration of all Borough affairs and for the day to day operations of the Borough. The Borough Administrator is the Chief Administrative Officer for the Borough. 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.

B. Description of Regulatory Basis of Accounting

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

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

**BOROUGH OF BOGOTA
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements

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

The Borough has the following funds and account group:

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

Trust Funds - These 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.

Length of Service Awards Program Fund (LOSAP) – This fund is established to account for the tax-deferred income benefits to active volunteer members of emergency service organizations of the Borough.

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.

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

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

Reclassifications - Certain reclassifications may have been made to the December 31, 2021 balances to conform to the December 31, 2022 presentation.

Financial Statements – Regulatory Basis

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

**BOROUGH OF BOGOTA
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting

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

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

Cash and Investments - Cash includes amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the government. Investments are reported at cost and are limited by N.J.S.A. 40A:5-15.1 et seq. with the exception of LOSAP Trust Fund investments which are reported at fair value and are limited by N.J.A.C. 5:30-14.19. GAAP requires that all investments be reported at fair value.

Inventories - The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various balance sheets. GAAP requires inventories to be recorded as assets in proprietary-type funds.

Property Tax Revenues/Receivables - Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County, and School purposes. The bills are mailed annually in June for that calendar year's levy. Taxes are payable in four quarterly installments on February 1, May 1, August 1, and November 1. The amounts of the first and second installments are determined as one-quarter of the total tax levied against the property for the preceding year. The installment due the third and fourth quarters is determined by taking the current year levy less the amount previously charged for the first and second installments, with the remainder being divided equally. If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of \$1,500. A penalty of up to 6% of the delinquency may be imposed on a taxpayer with a delinquency in excess of \$10,000 who fails to pay that delinquency prior to the end of the fiscal year in which the charges become delinquent. The school levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of December 31, 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 also has the option when unpaid taxes or any municipal lien, or part thereof, on real property remains in arrears on the 11th day of the eleventh month in the fiscal year when the taxes or lien became in arrears, the collector in the municipality shall, subject to the provisions of the New Jersey Statutes, enforce the lien by placing property on an accelerated tax sale, provided that the sale is conducted and completed no earlier than in the last month of the fiscal year. The Borough may institute annual in rem tax foreclosure proceedings to enforce the tax collection or acquisition of title to the property. In accordance with the accounting principles prescribed by the State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the tax receivable and tax title liens that are uncollectible. GAAP requires property tax revenues to be recognized in the accounting period when they become susceptible to accrual (i.e., when they are both levied and available), reduced by an allowance for doubtful accounts.

BOROUGH OF BOGOTA
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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

Grant and Similar Award Revenues/Receivables - Federal and State grants, entitlements or shared revenues received for purposes normally financed through the Current Fund are recognized when anticipated in the Borough's budget. GAAP requires such revenues to be recognized as soon as all eligibility requirements imposed by the grantor or provider have been met.

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

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

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

Funded and unfunded debt authorizations for general capital projects are also recorded as deferred charges and represent permanent long-term debt issues outstanding (funded) and temporary debt issues outstanding or unissued debt authorizations (unfunded), respectively. GAAP does not permit the recording of deferred charges for funded and unfunded debt authorizations.

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

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

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.

**BOROUGH OF BOGOTA
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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

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

Reserve for Uncollected Taxes – Reserve for Uncollected Taxes is a non-spending budget appropriation account required to provide assurance that cash collected for property taxes levied in the current year will provide sufficient cash flow to meet expected budgetary obligations. The minimum amount required to be budgeted in Reserve for Uncollected Taxes is determined utilizing the actual percentage of property taxes collected in the immediate preceding budget year, unless allowable alternative methods are utilized with the approval of the Division. A Reserve for Uncollected Taxes is not established or required under GAAP.

Pensions – The Borough appropriates in its annual budget the amount required to be paid for pension contributions as determined by the State administered pension systems. Under the regulatory basis of accounting the Borough is only required to disclose in the Notes to the Financial Statements its share of the actuarially determined net pension liabilities, deferred outflow of resources, deferred inflow of resources and pension expense (benefit) related to the State administered pension system. GAAP requires these actuarially determined amounts to be reported in the government-wide financial statements.

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

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

General Fixed Assets purchased after December 31, 2015 are stated at cost. Donated fixed assets are recorded at acquisition value at the date of donation.

General Fixed Assets purchased prior to December 31, 2015 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, 2022 AND 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgets and Budgetary Accounting - An annual budget is required to be adopted and integrated into the accounting system to provide budgetary control over revenues and expenditures. Budget amounts presented in the accompanying financial statements represent amounts adopted by the Borough and approved by the State Division of Local Government Services as per N.J.S.A. 40A:4 et seq.

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

Other Trust Fund
General Capital Fund

The Borough must prepare its budget in compliance with applicable laws limiting or capping the amounts by which both the budget appropriations and the municipal tax levy can increase in the annual budget.

1977 Appropriation "CAP": The 1977 Appropriation Cap is calculated using the formulas and provisions of N.J.S.A. 40A:4-45.1 through 4-45.43a. The law was originally adopted in 1976 and was most recently amended in 2003. Under this law, the Borough is permitted to increase its overall appropriations (with certain exceptions) by 2.5% or the "cost of living adjustment" (COLA), whichever is less. The COLA is calculated based on the Implicit Price Deflator for Local Governments computed by the U.S. Department of Commerce. The Borough can, when the COLA is less than or equal to 2.5%, increase its allowable inside-the-cap appropriations to 3.5%, upon adoption of a COLA Rate Ordinance by the governing body and beyond 3.5% upon voter passage of a referendum.

2010 Levy "CAP": The 2010 Levy Cap is calculated using the formulas and provisions of N.J.S.A. 40A:4-45.44 through 45.47. It established limits on the increase in the total amount to be raised by taxation for municipal purposes (municipal tax levy). The core of the levy cap formula is a 2% increase to the previous year's amount to be raised by taxation for municipal purposes, exclusive of certain appropriations and allowable adjustments and extraordinary costs related to a declared emergency. Voter approval may be requested to increase the municipal tax levy by more than the allowable adjusted tax levy.

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 2022 and 2021, the Borough Council increased the original budget by \$316,630 and \$144,446. The increases were attributable to additional aid allocated to the Borough along with emergency resolutions for the revaluation of real property and the preparation of a tax map in 2022, and down payments on improvements in 2021. In addition, the governing body approved several budget transfers during 2022 and 2021.

BOROUGH OF BOGOTA
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 3 CASH DEPOSITS AND INVESTMENTS

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

A. Cash Deposits

The Borough's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC), National Credit Union Share Insurance Fund (NCUSIF), 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 deposits in excess of the FDIC or NCUSIF insured amounts. GUDPA does not protect intermingled trust funds, bail funds, withholdings from an employee's salary or funds which may pass to the local government upon the happening of a future condition.

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At December 31, 2022 and 2021, the book value of the Borough's deposits were \$7,652,295 and \$5,907,380 and bank and brokerage firm balances of the Borough's deposits amounted to \$7,780,482 and \$6,042,782, 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>2022</u>	<u>2021</u>
Insured	\$ 7,155,989	\$ 5,017,126
Uninsured and Collateralized	<u>624,493</u>	<u>1,025,656</u>
	<u>\$ 7,780,482</u>	<u>\$ 6,042,782</u>

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, 2022 and 2021, the Borough's bank balances of \$624,493 and \$1,025,656 were exposed to custodial credit risk as follows:

<u>Depository Account</u>	<u>2022</u>	<u>2021</u>
Uninsured and Collateralized:		
Collateral held by pledging financial institution's trust department but not in the Borough's name	<u>\$ 624,493</u>	<u>\$ 1,025,656</u>

BOROUGH OF BOGOTA
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 3 CASH DEPOSITS AND INVESTMENTS (Continued)

B. 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, any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligations bear a fixed rate of interest not dependent on any index or other external factor; 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, Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school district, municipalities, counties, and entities subject to the “Local Authorities Fiscal Control Law, “ (C.40A:5A-1 et seq.); Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investments in the Department of the Treasury for investment by local units; Local Government investment pools, deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); and agreements for the repurchase of fully collateralized securities, if transacted in accordance with NJSA 40A:5-15.1 (8a-8e). In addition, the Borough is permitted to invest LOSAP Funds with the types of eligible investments authorized in NJAC 5:30-14.19. LOSAP investments include interest bearing accounts or securities, in which savings banks of New Jersey are authorized to invest their funds, New Jersey Cash Management Fund, fixed and variable individual or group annuity contracts, mutual fund shares or fixed and variable life insurance contracts.

As of December 31, 2022 and 2021, the Borough had the following investments:

	<u>Fair Value</u> <u>(LOSAP Unaudited)</u>	
	<u>2022</u>	<u>2021</u>
Investment:		
Lincoln Financial LOSAP Investment Fund	\$ 323,305	\$ 356,881

Custodial Credit Risk – Investments – For an investment, this is the risk, that in the event of the failure of the counterparty, the Borough will not be able to recover the value of its investments or collateral securities that are held by an outside party. The Borough does not have a policy for custodial credit risk. As of December 31, 2022 and 2021, \$323,305 and \$356,881 of the Borough’s investments was exposed to custodial credit risk as follows:

	<u>Fair Value</u> <u>(LOSAP Unaudited)</u>	
	<u>2022</u>	<u>2021</u>
Uninsured and Collateralized:		
Collateral held by pledging financial institution's trust department but not in the Borough's name	\$ 323,305	\$ 356,881

Interest Rate Risk – Interest rate risk is the risk that changes in the market interest rate will adversely affect the fair value of an investment. The Borough does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**BOROUGH OF BOGOTA
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 3 CASH DEPOSITS AND INVESTMENTS (Continued)

B. Investments (Continued)

Credit Risk – Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. State law limits investments as noted above (N.J.S.A. 40A:5-15.1 and NJAC 5:30-14.19). The Borough does not have an investment policy that would further limit its investment choices. As of December 31, 2022 and 2021, the Borough’s investment in Lincoln National Life Insurance Company was rated A1 by Moody’s Investor Service.

Concentration of Credit Risk – The concentration of credit risk is the risk of loss that may be caused by the Borough’s investment in a single issuer. The Borough places no limit in the amount the Borough may invest in any one issuer. More than five (5) percent of the Borough’s investments are in Lincoln Financial LOSAP Investment Fund. These investments are 100% of the Borough’s total investments.

Fair Value of Investments. The Borough of Whatever measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles (GAAP). These guidelines recognize a three-tiered fair value hierarchy as follows:

- *Level 1:* Quoted prices for identical investments in active markets;
- *Level 2:* Observable inputs other than those in Level 1; and
- *Level 3:* Unobservable inputs.

Investments are valued based on price data obtained from observed transactions and market price quotations provided by Lincoln Financial Group. Since the value is not obtained from a quoted price in an active market the investments held by the Borough at December 31, 2022 and 2021 are categorized as Level 2.

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

NOTE 4 TAXES RECEIVABLE

Receivables at December 31, 2022 and 2021 consisted of the following:

	<u>2022</u>	<u>2021</u>
Property Taxes	\$ 109,654	\$ 11,821
Tax Title Liens	<u>15,472</u>	<u>15,472</u>
	<u>\$ 125,126</u>	<u>\$ 27,293</u>

In 2022 and 2021, the Borough collected \$9,384 and \$10,364 from delinquent taxes, which represented 34% and 14%, respectively of the prior year delinquent taxes receivable balance.

**BOROUGH OF BOGOTA
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 5 DUE TO/FROM OTHER FUNDS

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

	<u>2022</u>		<u>2021</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		\$ 269,947	\$ 1,570	\$ 208,361
Grants	\$ 211,154		189,942	
Trust Fund:				
Animal Control				1,570
Other Trust			18,419	
Recreation Trust Fund				
General Capital	<u>58,793</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Total	<u>\$ 269,947</u>	<u>\$ 269,947</u>	<u>\$ 209,931</u>	<u>\$ 209,931</u>

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 6 DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

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

	<u>Balance, December 31,</u>	<u>Subsequent Year Budget Appropriation</u>	<u>Balance to Succeeding Budgets</u>
<u>2022</u>			
Current Fund			
Special Emergency Authorization	\$506,000	\$61,000	\$445,000
<u>2021</u>			
Current Fund			
Emergency Authorization	\$80,500	\$80,500	
Special Emergency Authorization	245,000	49,000	196,000

**BOROUGH OF BOGOTA
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

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 balances at December 31, which were appropriated and included as anticipated revenue in their own respective fund's budget for the succeeding year were as follows:

	<u>2022</u>		<u>2021</u>	
	Fund Balance <u>December 31,</u>	Utilized in Subsequent Year's Budget	Fund Balance <u>December 31,</u>	Utilized in Subsequent Year's Budget
Current Fund				
Cash Surplus	\$ 1,767,501	\$ 662,000	\$ 1,569,353	\$ 650,000
Non-Cash Surplus	<u>535,225</u>	<u>-</u>	<u>347,897</u>	<u>-</u>
	<u>\$ 2,302,726</u>	<u>\$ 662,000</u>	<u>\$ 1,917,250</u>	<u>\$ 650,000</u>

NOTE 8 FIXED ASSETS

A. General Fixed Assets

The following is a summary of changes in the general fixed assets account group for the years ended December 31, 2022 and 2021.

	Balance December 31, <u>2021</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2022</u>
<u>2022</u>				
Land	\$ 5,968,400			\$ 5,968,400
Buildings and Building Improvements	4,635,800			4,635,800
Machinery and Equipment	<u>6,379,518</u>	<u>\$ 686,417</u>	<u>\$ 144,938</u>	<u>6,920,997</u>
	<u>\$ 16,983,718</u>	<u>\$ 686,417</u>	<u>\$ 144,938</u>	<u>\$ 17,525,197</u>
	Balance December 31, <u>2020</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2021</u>
<u>2021</u>				
Land	\$ 5,968,400			\$ 5,968,400
Buildings and Building Improvements	4,635,800			4,635,800
Machinery and Equipment	<u>5,894,528</u>	<u>\$ 484,990</u>	<u>\$ -</u>	<u>6,379,518</u>
	<u>\$ 16,498,728</u>	<u>\$ 484,990</u>	<u>\$ -</u>	<u>\$ 16,983,718</u>

**BOROUGH OF BOGOTA
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 9 MUNICIPAL DEBT

The Local Bond Law (N.J.S.A. 40A:2 et. seq.) governs the issuance of bonds and notes used to finance capital expenditures. General obligation bonds have been issued for general capital fund projects and acquisitions or other purposes permitted by the Local Bond Law. 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>2022</u>	<u>2021</u>
Issued		
General		
Bonds and Notes	\$ 11,435,000	\$ 9,305,000
Less Funds Temporarily Held to Pay Bonds and Notes	<u>279,226</u>	<u>-</u>
Net Debt Issued	11,155,774	9,305,000
Authorized But Not Issued		
General		
Bonds and Notes	<u>7,419,282</u>	<u>8,167,538</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 18,575,056</u>	<u>\$ 17,472,538</u>

**BOROUGH OF BOGOTA
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 9 MUNICIPAL DEBT (Continued)

Statutory Net Debt

The statement of debt condition that follows is in the format of the Borough's Annual Debt Statement and indicates a statutory net debt of 1.88% and 1.95% at December 31, 2021 and 2020, respectively.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2022</u>			
General Debt	\$ 18,854,282	\$ 279,226	\$ 18,575,056
School Debt	<u>515,000</u>	<u>515,000</u>	<u>-</u>
Total	<u>\$ 19,369,282</u>	<u>\$ 794,226</u>	<u>\$ 18,575,056</u>

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2021</u>			
General Debt	\$ 17,472,538	\$ -	\$ 17,472,538
School Debt	<u>1,035,000</u>	<u>1,035,000</u>	<u>-</u>
Total	<u>\$ 18,507,538</u>	<u>\$ 1,035,000</u>	<u>\$ 17,472,538</u>

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>2022</u>	<u>2021</u>
3-1/2% of Equalized Valuation Basis (Municipal)	\$ 33,659,859	\$ 31,342,590
Less: Net Debt	<u>18,575,056</u>	<u>17,472,538</u>
Remaining Borrowing Power	<u>\$ 15,084,803</u>	<u>\$ 13,870,052</u>

**BOROUGH OF BOGOTA
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 9 MUNICIPAL DEBT (Continued)

A. Long-Term Debt

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

General Obligation Bonds

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

	<u>2022</u>	<u>2021</u>
\$3,295,000, 2012 Bonds, due in annual installments of \$320,000 through December 1, 2025, interest at 2.00-3.00%	\$ 960,000	\$ 1,280,000
\$5,675,000, 2019 Bonds, due in annual installments of \$300,000 to \$600,000 through May 1, 2032, interest at 2.00-3.00%	<u>4,775,000</u>	<u>5,075,000</u>
Total	<u>\$ 5,735,000</u>	<u>\$ 6,355,000</u>

The Borough's principal and interest for long-term debt issued and outstanding as of December 31, 2022 is as follows:

Calendar Year	General		Total
	Principal	Interest	
2023	\$ 620,000	\$ 150,475	\$ 770,475
2024	620,000	136,475	756,475
2025	620,000	122,475	742,475
2026	500,000	104,250	604,250
2027	525,000	92,063	617,063
2028-2032	<u>2,850,000</u>	<u>219,750</u>	<u>3,069,750</u>
Total	<u>\$ 5,735,000</u>	<u>\$ 825,488</u>	<u>\$ 6,560,488</u>

**BOROUGH OF BOGOTA
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 9 MUNICIPAL DEBT (Continued)

Changes in Long-Term Municipal Debt

The Borough's long-term capital debt activity for the years ended December 31, 2022 and 2021 were as follows:

	Balance, December 31, <u>2021</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2022</u>	Due Within <u>One Year</u>
<u>2022</u>					
General Capital Fund Bonds Payable	\$ 6,355,000	\$ -	\$ 620,000	\$ 5,735,000	\$ 620,000
General Capital Fund Long-Term Liabilities	<u>\$ 6,355,000</u>	<u>\$ -</u>	<u>\$ 620,000</u>	<u>\$ 5,735,000</u>	<u>\$ 620,000</u>
	Balance, December 31, <u>2020</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2021</u>	Due Within <u>One Year</u>
<u>2021</u>					
General Capital Fund Bonds Payable	\$ 6,975,000	\$ -	\$ 620,000	\$ 6,355,000	\$ 620,000
General Capital Fund Long-Term Liabilities	<u>\$ 6,975,000</u>	<u>\$ -</u>	<u>\$ 620,000</u>	<u>\$ 6,355,000</u>	<u>\$ 620,000</u>

**BOROUGH OF BOGOTA
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 9 MUNICIPAL DEBT (Continued)

B. Short-Term Debt

The Borough's short-term debt activity for the years ended December 31, 2022 and 2021 was as follows:

Bond Anticipation Notes

<u>2022</u>		Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance, December 31, 2021	Increased	Decreased	Balance, December 31, 2022
Ord. No.	Improvement Description								
1522	Improvement to Palisades Ave Phase III	4/4/2020	4/15/2021	4/14/2022	0.400 %	\$ 103,800		\$ 103,800	-
		4/4/2020	4/14/2022	4/14/2023	1.600		\$ 103,800		\$ 103,800
1523	Various Public Improvements	4/4/2020	4/15/2021	4/14/2022	0.400	952,000		952,000	-
		4/4/2020	4/14/2022	4/14/2023	1.600		952,000		952,000
1528	Rehab of Basketball and Tennis Courts	8/15/2021	4/15/2021	4/14/2022	0.400	318,200		318,200	-
		8/15/2021	4/14/2022	4/14/2023	1.600		305,700		305,700
1541	Various Public Improvements	4/16/2021	4/15/2021	4/14/2022	0.400	1,006,000		1,006,000	-
		4/16/2021	4/14/2022	4/14/2023	1.600		1,006,000		1,006,000
1549	Acquisition of Real Property	11/12/2021	4/15/2021	4/14/2022	0.400	570,000		570,000	-
		11/12/2021	4/14/2022	4/14/2023	1.600	-	570,000		570,000
1532	Construction of New Recreation Center	4/14/2022	4/14/2022	4/14/2023	1.600		500,000		500,000
1542	Reconstruction of Pine Street	4/14/2022	4/14/2022	4/14/2023	1.600		260,000		260,000
1544	Resurfacing of Leonia Ave (Phase V)	4/14/2022	4/14/2022	4/14/2023	1.600		165,500		165,500
1547	Resurfacing of Central Ave	4/14/2022	4/14/2022	4/14/2023	1.600		109,500		109,500
1550/1557	Replacement of ADA Curb Ramps	4/14/2022	4/14/2022	4/14/2023	1.600		285,000		285,000
1560	Various Public Improvements	4/14/2022	4/14/2022	4/14/2023	1.600		757,500		757,500
1567	Improvements to Roads and Sanitary and Storm	4/14/2022	4/14/2022	4/14/2023	1.600		285,000		285,000
1568	Reconstruction of Pine St and Larch Ave	4/14/2022	4/14/2022	4/14/2023	1.600	-	400,000		400,000
						<u>\$ 2,950,000</u>	<u>\$ 5,700,000</u>	<u>\$ 2,950,000</u>	<u>\$ 5,700,000</u>
<u>2021</u>		Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance, December 31, 2020	Increased	Decreased	Balance, December 31, 2021
Ord. No.	Improvement Description								
1516	Resurfacing of Leonia Ave (Phase III & IV)	4/18/2019	4/17/2020	4/16/2021	0.075 %	\$ 380,795		\$ 380,795	
1522	Improvement to Palisades Ave Phase III	4/17/2020	4/17/2020	4/16/2021	0.075	103,800		103,800	
		4/17/2020	4/15/2021	4/14/2022	0.400		\$ 103,800		\$ 103,800
1523	Various Public Improvements	4/17/2020	4/17/2020	4/16/2021	0.075	952,000		952,000	-
		4/17/2020	4/15/2021	4/14/2022	0.400		952,000		952,000
1528	Rehab of Basketball and Tennis Courts	4/16/2021	4/15/2021	4/14/2022	0.400		318,200		318,200
1541	Various Public Improvements	4/16/2021	4/15/2021	4/14/2022	0.400		1,006,000		1,006,000
1549	Acquisition of Real Property	4/16/2021	4/15/2021	4/14/2022	0.400	-	570,000		570,000
						<u>\$ 1,436,595</u>	<u>\$ 2,950,000</u>	<u>\$ 1,436,595</u>	<u>\$ 2,950,000</u>

**BOROUGH OF BOGOTA
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 9 MUNICIPAL DEBT (Continued)

B. Short-Term Debt (Continued)

Bond Anticipation Notes (Continued)

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

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

NOTE 10 CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS

As of December 31, the Borough had the following commitments with respect to unfinished capital projects:

<u>Capital Project</u>	<u>Construction Commitment</u>	<u>Estimated Date of Completion</u>
<u>2022</u>		
Purchase of 2 Fire Trucks	\$1,913,730	2023
Borough Revaluation	199,725	2023
<u>2021</u>		
2021 Municipal Roadway	\$848,313	2022
Purchase of 2 Fire Trucks	1,913,730	2023

NOTE 11 OTHER LONG-TERM LIABILITIES

A. Compensated Absences

Under the existing policies and labor agreements of the Borough, employees are allowed to accumulate (with certain restrictions) unused vacation benefits and sick leave 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 \$703,824 and \$687,320 at December 31, 2022 and 2021, respectively. These amounts which is are considered material to the financial statements, are not reported either as an expenditure or liability.

**BOROUGH OF BOGOTA
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 11 OTHER LONG-TERM LIABILITIES (Continued)

B. Deferred Pension Obligation

During the year ended December 31, 2009 the Borough elected to contribute 50% of its normal and accrued liability components of the PFRS and PERS obligations and deferred the remaining 50% in accordance with P.L. 2009, c.19. The deferred amount totaled \$171,430 and will be paid back with interest over 15 years beginning in the 2012 year. The Borough is permitted to payoff the deferred PFRS and PERS pension obligations at any time. It is estimated that the total deferred liability including accrued interest (7.00% effective July 1, 2017) at December 31, 2022 and 2021 is \$6,732 and \$33,991, respectively.

During the years ended December 31, 2022, 2021 and 2020 the Borough was required to contribute for the deferred pension obligation the following amounts which equaled the required contribution for each year.

<u>Year Ended</u> <u>December 31</u>	<u>PFRS</u>	<u>PERS</u>
2022	\$ 5,293	\$ 21,966
2021	5,189	21,562
2020	5,134	21,432

Changes in Other Long-Term Liabilities

Under the regulatory basis of accounting, certain other long-term liabilities which may be considered material to the financial statements are not reported either as an expenditure or a liability. However, under the regulatory basis of accounting, these other long-term liabilities and related information are required to be disclosed in the notes to the financial statements in conformity with the disclosure requirements of the Governmental Accounting Standards Board.

The Borough's changes in other long-term liabilities for the years ended December 31, 2022 and 2021 were as follows:

	Balance, December 31, <u>2020</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2021</u>	<u>Due</u> <u>Within</u> <u>One Year</u>
<u>2022</u>					
Compensated Absences	\$ 687,320	\$ 16,504		\$ 703,824	
Deferred Pension Obligation	33,991		\$ 27,259	6,732	\$ 6,732
Net Pension Liability - PERS (1)	1,860,474			1,860,474	
Net Pension Liability - PFRS (1)	3,327,751			3,327,751	
Municipal Excess Liability (MEL) Loan	1,050,000	-	75,000	975,000	75,000
Total Other Long-Term Liabilities	<u>\$ 6,959,536</u>	<u>\$ 16,504</u>	<u>\$ 102,259</u>	<u>\$ 6,873,781</u>	<u>\$ 81,732</u>

**BOROUGH OF BOGOTA
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 11 OTHER LONG-TERM LIABILITIES (Continued)

Changes in Other Long-Term Liabilities (Continued)

	Balance, December 31, <u>2020</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2021</u>	Due Within <u>One Year</u>
<u>2021</u>					
Compensated Absences	\$ 634,459	\$ 52,861		\$ 687,320	
Deferred Pension Obligation	51,519	9,223	\$ 26,751	33,991	\$ 27,259
Net Pension Liability - PERS	1,990,085		129,611	1,860,474	
Net Pension Liability - PFRS	5,396,041		2,068,290	3,327,751	
Municipal Excess Liability (MEL) Loan	1,125,000	-	75,000	1,050,000	75,000
 Total Other Long-Term Liabilities	 <u>\$ 9,197,104</u>	 <u>\$ 62,084</u>	 <u>\$ 2,299,652</u>	 <u>\$ 6,959,536</u>	 <u>\$ 102,259</u>

(1) GASB Statement Numbers 68 Pension and 75 OPEB financial information was not provided by the State’s Division of Pensions and Benefits as of the date of audit.

NOTE 12 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 December 31, 1944. Membership is mandatory for such employees. PFRS is a cost-sharing multi-employer defined benefit pension plan with a special funding situation. For additional information about PFRS, please refer to the State Division of Pension and Benefits (Division’s) Annual Comprehensive Financial Report (ACFR) which can be found at www.state.nj.us/treasury/pensions.

The vesting and benefit provisions are set by N.J.S.A. 43:16A. PFRS provides retirement benefits as well as death and disability benefits. All benefits vest after ten years of service, except disability benefits which vest after four years of service.

The following represents the membership tiers for PFRS:

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

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

**BOROUGH OF BOGOTA
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees' Retirement System (PERS) – established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage, 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. PERS is a cost-sharing multi-employer defined benefit pension plan. For additional information about PERS, please refer to the State Division of Pension and Benefits (Division's) Annual Comprehensive Financial Report (ACFR) which can be found at www.state.nj.us/treasury/pensions.

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death, and disability benefits. All benefits vest after ten years of service.

The following represents the membership tiers for PERS:

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

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

The State of New Jersey sponsors and administers the following defined contribution public employee retirement program covering certain state and local government employees which include those Borough employees who are eligible for pension coverage.

Defined Contribution Retirement Program (DCRP) – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected and certain appointed officials, effective July 1, 2007 and employees enrolled in PERS on or after July 1, 2007 who earn in excess of established annual maximum compensation limits (equivalent to annual maximum wage for social security deductions). This provision was extended by Chapter 1, P.L. 2010, effective May 21, 2010, to new employees (Tier 2) of the PERS and new employees who would otherwise be eligible to participate in PERS on or after November 2, 2008 and do not earn the minimum salary required for tier 3 enrollment or do not work the minimum required hours for tier 4 and tier 5 enrollment but earn a base salary of at least \$5,000 are eligible for participation in the DCRP. Membership is mandatory for such individuals with vesting occurring after one (1) year of membership. DCRP is a defined contribution pension plan.

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 PERS and PERS are funded directly by each of the respective systems, but are currently suspended as a result of reform legislation.

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

**BOROUGH OF BOGOTA
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Other Pension Funds (Continued)

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

Measurement Focus and Basis of Accounting

The financial statements of the retirement systems are prepared in accordance with U.S. generally accepted accounting principles as applicable to governmental organizations. In doing so, the Division adheres to reporting requirements established by the Governmental Accounting Standards Board (GASB).

The accrual basis of accounting is used for measuring financial position and changes in net position of the pension trust funds. Under this method, contributions are recorded in the accounting period in which they are legally due from the employer or plan member, and deductions are recorded at the time the liabilities are due and payable in accordance with the terms of each plan. The accounts of the Division are organized and operated on the basis of funds. All funds are accounted for using an economic resources measurement focus.

Investment Valuation

The Division of Investment, Department of the Treasury, State of New Jersey (Division of Investment) manages and invests certain assets of the retirement systems. Prudential retirement is the third-party administrator for the DCRP and provides record keeping, administrative services and investment options. Investment transactions are accounted for on a trade or investment date basis. Interest and dividend income is recorded on the accrual basis, with dividends accruing on the ex-dividend date. The net increase or decrease in the fair value of investments includes the net realized and unrealized gains or losses on investments.

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

Collective Net Pension Liability

The collective net pension liability of the participating employers for local PERS at June 30, 2022 was not available and for June 30, 2021 is \$12.0 billion, and the plan fiduciary net position as a percentage of the total pension liability is 70.33% at June 30, 2021. The collective net pension liability of the participating employers for local PFRS at June 30, 2022 was not available and for June 30, 2021 is \$9.4 billion and the plan fiduciary net position as a percentage of total pension liability is 77.26% at June 30, 2021.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2020 which were rolled forward to June 30, 2021.

Actuarial Methods and Assumptions

In the July 1, 2020 PERS and PFRS actuarial valuations, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The pension systems selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 68. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

**BOROUGH OF BOGOTA
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan members and employer contributions may be amended by State of New Jersey legislation, with the amount of contributions by the State of New Jersey contingent upon the annual Appropriations Act. As defined, the various retirement systems require employee contributions for 2022 and 2021 based on 10.0% for PFRS, 7.50% for PERS and 5.50% for DCRP of employee’s annual compensation.

For the years ended December 31, 2022 and 2021 for PFRS and PERS, which are cost sharing multi-employer defined benefit pension plans, employers’ contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution. All contributions made by the Borough for 2022, 2021 and 2020 were equal to the required contributions.

During the years ended December 31, 2022, 2021 and 2020, the Borough, 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 respective year:

<u>Years Ended</u> <u>December 31,</u>	<u>PFRS</u>	<u>PERS</u>
2022	\$ 530,619	\$ 183,922
2021	466,539	133,501
2020	423,410	136,073

In addition for the years ended December 31, 2022, 2021 and 2020 the Borough contributed for long-term disability insurance premiums (LTDI) \$0, \$-0- and \$685, respectively for PERS.

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

The regulatory basis of accounting requires participating employers in PERS and PFRS to disclose in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions, (GASB No.68)* their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense excluding that attributable to employer-paid member contributions.

Under GASB Statement No. 68 local governmental employers are required to provide certain financial information based on a measurement date no earlier than the end of the employer’s prior fiscal year. The GASB No. 68 financial information from the State’s Division of Pensions and Benefits to be reported for the year ended December 31, 2022 for the measurement date of June 30, 2022 was not available as of the date of audit. Accordingly, the State’s Division of Local Government Services issued Local Finance Notice 2023-10 which authorized and permits New Jersey municipalities to present the most recent available audited GASB No. 68 financial information to be incorporated into the audit and remain in compliance with the regulatory basis of accounting disclosure requirements for notes to the financial statements. As such the GASB No. 68 financial information for the year ended December 31, 2022 is not presented in the notes to the financial statements.

The employer allocation percentages presented are based on the ratio of the contributions made as an individual employer toward the actuarially determined contribution amount to total contributions to the plan during the fiscal years ended June 30, 2021 and 2020. Employer allocation percentages have been rounded for presentation purposes.

**BOROUGH OF BOGOTA
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees Retirement System (PERS)

At December 31, 2021, the Borough reported a liability of \$1,860,474, for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The Borough's proportionate share of the net pension liability was based on the ratio of the Borough's contributions to the pension plan relative to the total contributions of all participating governmental entities during the measurement period. As of the measurement date of June 30, 2021, the Borough's proportionate share was .01570 percent, which was an increase of .00350 percent from its proportionate share measured as of June 30, 2021 of .01220 percent.

For the years ended December 31, 2021, the pension system has determined the Borough's pension expense (benefit) to be \$165,602, for PERS based on the actuarial valuations which is more than the actual contributions reported in the Borough's financial statements of \$133,501. At December 31, 2021, the Borough's deferred outflows of resources and deferred inflows of resources related to PERS pension which are not reported on the Borough's financial statements are from the following sources:

	<u>2021</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 29,342	\$ 13,319
Changes of Assumptions	9,689	662,341
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		490,098
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	<u>781,555</u>	<u>246,172</u>
Total	<u>\$ 820,586</u>	<u>\$ 1,411,930</u>

At December 31, 2021 the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense (benefit) as follows:

<u>Year Ending December 31,</u>	<u>Total</u>
2022	\$ (156,210)
2023	(176,317)
2024	(188,921)
2025	(80,338)
2026	10,442
Thereafter	<u>-</u>
	<u>\$ (591,344)</u>

**BOROUGH OF BOGOTA
 NOTES TO THE FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

The Borough's total pension liability reported for the year ended December 31, 2021 was based on the June 30, 2021 measurement date as determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00-6.00% Based on Years of Service
Thereafter	3.00%-7.00% Based on Years of Service
Investment Rate of Return	7.00%

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

**BOROUGH OF BOGOTA
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2021, as reported for the year ended December 31, 2021, are summarized in the following table:

<u>Asset Class</u>	<u>2021</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	3.35%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Investment Grade Credit	8.00%	1.68%
US Equity	27.00%	8.09%
Non-US Developed Markets Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
High Yield	2.00%	3.75%
Real Assets	3.00%	7.40%
Private Credit	8.00%	7.60%
Real Estate	8.00%	9.15%
Private Equity	13.00%	11.30%

Discount Rate

The discount rate used to measure the total pension liability for PERS was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

**BOROUGH OF BOGOTA
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees Retirement System (PERS) (Continued)

Sensitivity of Net Pension Liability

The following presents the Borough's proportionate share of the PERS net pension liability as of December 31, 2021 calculated using the discount rate of 7.00%, as well as what the Borough's proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower 6.00% or 1-percentage-point higher 8.00% than the current rate:

<u>2021</u>	<u>1% Decrease (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
Borough's Proportionate Share of the PERS Net Pension Liability	<u>\$ 2,533,588</u>	<u>\$ 1,860,474</u>	<u>\$ 1,289,241</u>

The sensitivity analysis was based on the proportionate share of the Borough's net pension liability at December 31, 2021. A sensitivity analysis specific to the Borough's net pension liability was not provided by the pension system.

Pension Plan Fiduciary Net Position

Detailed information about the PERS pension plan's fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial report may be accessed via the New Jersey, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

Police and Firemen's Retirement System (PFRS)

At December 31, 2021, the Borough reported a liability of \$3,327,751, for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The Borough's proportionate share of the net pension liability was based on the ratio of the Borough's contributions to the pension plan relative to the total contributions of all participating governmental entities during the measurement period. As of the measurement date of June 30, 2021, the Borough's proportionate share was .04553 percent, which was an increase of .00377 percent from its proportionate share measured as of June 30, 2020 of .04176 percent.

**BOROUGH OF BOGOTA
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Police and Firemen’s Retirement System (PFRS) (Continued)

For the years ended December 31, 2021, the pension system has determined the Borough pension expense (benefit) to be \$(565,113), for PFRS based on the actuarial valuations which is less than the actual contributions reported in the Borough’s financial statements of \$466,539. At December 31, 2021, the Borough’s deferred outflows of resources and deferred inflows of resources related to PFRS pension which are not reported on the Borough’s financial statements are from the following sources:

	<u>2021</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 37,966	\$ 398,630
Changes of Assumptions	17,707	997,312
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		1,418,063
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	<u>514,410</u>	<u>458,398</u>
Total	<u>\$ 570,083</u>	<u>\$ 3,272,403</u>

At December 31, 2021 the amounts reported as deferred outflows of resources and deferred inflows of resources related to PFRS pension will be recognized in pension expense (benefit) as follows:

<u>Year Ending December 31,</u>	<u>Total</u>
2022	\$ (907,800)
2023	(820,847)
2024	(578,236)
2025	(432,940)
2026	32,059
Thereafter	<u>5,444</u>
	<u>\$ (2,702,320)</u>

**BOROUGH OF BOGOTA
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Police and Firemen’s Retirement System (PFRS) (Continued)

Actuarial Assumptions

The Borough’s total pension liability reported for the year ended December 31, 2021 was based on the June 30, 2021 measurement date as determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

Inflation Rate:	2.75%
Salary Increases	3.25%-15.25% Based on Years of Service
Investment Rate of Return	7.00%

Mortality Rates

Employee mortality rates were based on the PubS-2010 amount-weighted mortality table with a 105.6% adjustment for males and 102.5% adjustment for females. For healthy annuitants, mortality rates were based on the PubS-2010 amount-weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females. Disability rates were based on the PubS-2010 amount-weighted mortality table with a 152.0% adjustment for males and 109.3% adjustment for females. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2013 to June 30, 2018.

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans’ target asset allocation as of June 30, 2021, as reported for the year ended December 31, 2021, are summarized in the following table:

<u>Asset Class</u>	<u>2021</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	3.35%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Investment Grade Credit	8.00%	1.68%
US Equity	27.00%	8.09%
Non-US Developed Markets Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
High Yield	2.00%	3.75%
Real Assets	3.00%	7.40%
Private Credit	8.00%	7.60%
Real Estate	8.00%	9.15%
Private Equity	13.00%	11.30%

**BOROUGH OF BOGOTA
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Police and Firemen’s Retirement System (PFRS) (Continued)

Discount Rate

The discount rate used to measure the total pension liability for PFRS was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

Sensitivity of Net Pension Liability

The following presents the Borough’s proportionate share of the PFRS net pension liability as of December 31, 2021 calculated using the discount rate of 7.00%, as well as what the Borough’s proportionate share of the PFRS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower 6.00% or 1-percentage-point higher 8.00% than the current rate:

<u>2021</u>	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Borough's Proportionate Share of the PFRS Net Pension Liability	<u>\$ 5,053,086</u>	<u>\$ 3,327,751</u>	<u>\$ 1,891,596</u>

The sensitivity analysis was based on the proportionate share of the Borough’s net pension liability at December 31, 2021. A sensitivity analysis specific to the Borough’s net pension liability was not provided by the pension system.

Special Funding Situation – PFRS

Under N.J.S.A. 43:16A-15, the Borough is responsible for their own PFRS contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State to make contributions if certain circumstances occurred. The legislation which legally obligates the State is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the Borough by the State under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Accordingly, the Borough’s proportionate share percentage of the net pension liability, deferred outflows and inflows determined under GASB Statement No. 68 is zero percent and the State’s proportionate share is 100% for PFRS under this legislation.

At December 31, 2021, the State’s proportionate share of the net pension liability attributable to the Borough for the PFRS special funding situation is \$935,929. For the years ended December 31, 2021, the pension system has determined the State’s proportionate share of the pension expense attributable to the Borough for the PFRS special funding situation is \$104,235, which are more than the actual contributions the State made on behalf of the Borough of \$81,304. At December 31, 2021 (measurement date June 30, 2021) the State’s share of the PFRS net pension liability attributable to the Borough was .04553 percent, which was an increase of .00377 percent from its proportionate share measured as of December 31, 2020 (measurement date June 30, 2020) of .04176 percent. The State’s proportionate share attributable to the Borough was developed based on actual contributions made to PFRS allocated to employers based upon covered payroll. These on-behalf contributions have not been reported on the Borough’s financial statements.

Pension Plan Fiduciary Net Position

Detailed information about the PFRS pension plan’s fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

**BOROUGH OF BOGOTA
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS

The State of New Jersey sponsors and administers the post-retirement health benefit program plan for participating municipalities including the Borough.

Plan Description and Benefits Provided

The State of New Jersey sponsors and administers the following post-retirement health benefit program covering substantially all eligible local government employees from local participating employers.

State Health Benefit Program Fund – Local Government Retired (the Plan) (including Prescription Drug Program Fund) – The Plan is a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits' (the Division) Annual Comprehensive Financial Report (ACFR), which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

The Plan provides medical and prescription drug to retirees and their covered dependents of the participants employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees. Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retires with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retires and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.

In accordance with Chapter 330, P.L. 1997, which is codified in N.J.S.A. 52:14-17.32i, the State provides medical and prescription coverage to local police officers and firefighters, who retire with 25 years of service or on a disability from an employer who does not provide postretirement medical coverage. Local employers were required to file a resolution with the Division in order for their employees to qualify for State-paid retiree health benefits coverage under Chapter 330. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L. 1989.

Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level coverage.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the above Fund. The financial reports may be assessed via, the New Jersey, Division of Pensions and Benefits website at www.state.nj.us/treasury/pensions.

**BOROUGH OF BOGOTA
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Plan Membership and Contributing Employers

Membership and contributing employers/nonemployers of the defined benefit OPEB plan consisted of the following at June 30, 2021:

Active Plan Members	64,243
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	<u>32,624</u>
Total	<u>96,867</u>
Contributing Employers	585
Contributing Nonemployers	1

Measurement Focus and Basis of Accounting

The financial statements of the OPEB plan are prepared in accordance with U.S. generally accepted accounting principles as applicable to government organizations. In doing so, the Division adheres to reporting requirements established by the Governmental Accounting Standards Board (GASB).

The accrual basis of accounting is used for measuring financial position and changes in net position of the other postemployment benefit plan. Under this method, contributions are recorded in the accounting period in which they are legally due from the employer or plan member, and deductions are recorded at the time the liabilities are due and payable in accordance with the terms of each plan. The accounts of the Division are organized and operated on the basis of funds. All funds are accounted for using an economic resources measurement focus.

Investment Valuation

Investments are reported at fair value. Investments that do not have an established market are reported at estimated fair values.

Collective Net OPEB Liability

The collective net OPEB liability of the participating employers and the State, as the non-employer contributing entity, of the Plan at June 30, 2022 was not available and for 2021 is \$18.0 billion, and the plan fiduciary net position as a percentage of the total OPEB liability is 0.28% at June 30, 2021.

The total OPEB liabilities were determined based on actuarial valuations as of July 1, 2020 which was rolled forward to June 30, 2021.

Actuarial Methods and Assumptions

In the July 1, 2020 OPEB actuarial valuations, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary’s report and are included here in this note to the financial statements. The Plan selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 75. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

BOROUGH OF BOGOTA
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Special Funding Situation

Under N.J.S.A. 43:3C-24 the Borough is responsible for their own OPEB contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State to make contributions if certain circumstances occurred. The legislation which legally obligates the State is as follows: Chapter 330, P.L. 1997 and Chapter 271, P.L., 1989. Under Chapter 330, P.L. 1997, the State pays the premiums or periodic charges for the qualified local police and firefighter retirees and dependents equal to 80 percent of the premium of periodic charge for the category of coverage elected by the qualified retiree under the State managed care plan or a health maintenance organization participating in the program providing the lowest premium or periodic charge. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L. 1989. The amounts contributed on behalf of the Borough by the State under this legislation is considered to be a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. Accordingly, the Borough's proportionate share percentage of the net pension liability, deferred outflows and inflows determined under GASB Statement No. 75 is zero percent and the State's proportionate share is 100% of OPEB under this legislation.

At December 31, 2021, the State's proportionate share of the net OPEB liability attributable to the Borough for the OPEB special funding situation is \$7,366,737. For the years ended December 31, 2021 the plan has determined the State's proportionate share of the OPEB expense attributable to the Borough for the OPEB special funding situation is \$1,005,219. At December 31, 2021, (measurement date June 30, 2021), the State's share of the OPEB liability attributable to the Borough was .19078 percent, which was an increase of .07141 percent from its proportionate share measured as of December 31, 2020 (measurement date June 30, 2020) of .11937 percent. The State's proportionate share attributable to the Borough was developed based on eligible plan members subject to the special funding situation. This data takes into account active members from both participating and non-participating employer locations and retired members currently receiving OPEB benefits.

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

NOTE 14 RISK MANAGEMENT

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

The Borough of Bogota is a member of the South Bergen Municipal Joint Insurance Fund (SBJIF) 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 SBJIF 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.

**BOROUGH OF BOGOTA
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 15 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, 2016 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 must be accompanied by an interest payment on the unpaid principal. Under the terms and conditions of the agreement, if the Borough should resign or fail to renew its membership for any reason and 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, 2022 and 2021 was \$975,000 and \$1,050,000, respectively.

NOTE 16 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, 2022 and 2021. 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 immaterial. 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, 2021 and 2020, 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 17 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, 2022 and 2021, the Borough has not estimated its estimated arbitrage earnings due to the IRS, if any.

**BOROUGH OF BOGOTA
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 18 LENGTH OF SERVICE AWARD PROGRAM (LOSAP)-UNAUDITED

The Borough of Bogota Length of Service Award Program (the Plan) was created by a Borough ordinance adopted on June 19, 2012 pursuant to 457 (e)(11)(13) of the Internal Service Code of 1986, as amended, except for provisions added by reason of the Length of Service Award Program as enacted into federal law in 1997. The voters of the Borough of Bogota approved the adoption of the Plan at the general election held on November 6, 2012.

The first year of eligibility for entrance into the Plan was calendar year 2013. The tax deferred income benefits for emergency services volunteers, consisting of the Volunteer Fire Department and the First Aid Organization, come from contributions made solely by the Borough on behalf of those volunteers who meet the criteria of a plan created by the governing body.

If an active member meets the year of active service requirement, a LOSAP must provide a benefit between the minimum contribution of \$100 and a maximum contribution of \$1,150 per year. While the maximum amount is established by statute, it is subject to periodic increases that are related to the consumer price index (N.J.S.A. 40A:14-185(f)). The Division of Local Government Services issues the permitted maximum increase annually.

The Borough of Bogota has contributed \$1,395 and \$1,294 for 2022 and 2021, respectively, for each eligible volunteer member into the Plan. The total Borough contributions were \$46,036 and \$50,469 for 2022 and 2021, respectively.

In accordance with the amendments to Section 457 of the Internal Revenue Code and the State Deferred Revenue Regulations, the Borough has placed the amounts deferred, including earnings, in a trust for the exclusive benefit of the plan participants and their beneficiaries.

Lincoln Financial is the administrator of the plan. The Borough's practical involvement in administering the plan is essentially limited to verifying the eligibility of each participant and remitting the funds to the plan administrator.

Vesting and Benefits

A volunteer is eligible to receive a distribution of funds upon completing 5 (five) cumulative years as an active member of the volunteer organization. Certain restrictions and tax implications may result in the event of a withdrawal of funds from the Plan.

If a volunteer member does not vest and terminates their association with the emergency service organization, the funds are returned to the sponsoring agency's surplus.

Reporting Requirements

The New Jersey Administrative Code NJAC 5:30-14.49 requires that the Borough perform a separate review report of the plan in accordance with the American Institute of Certified Public Accountants (AICPA) Statements on Standards for Accounting and Auditing Review Services. Since a review does not constitute an audit, the financial statements pertaining to the Plan are presented as unaudited in this report as part of the Borough's Trust Fund.

**BOROUGH OF BOGOTA
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 19 INFECTIOUS DISEASE OUTBREAK – COVID-19 PANDEMIC

The World Health Organization declared a pandemic following the global outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus. On March 13, 2020, the President of the United States declared a national emergency to unlock federal funds and assistance to help states and local governments fight the pandemic. Governor Phil Murphy, of the State of New Jersey, also declared a public health emergency on March 9, 2020 and instituted mandatory measures via various executive orders to contain the spread of the virus, including closing schools and nonessential businesses and limiting social gatherings. These measures, which altered the behaviors of businesses and people, had negative impacts on regional, state and local economies. The Governor, pursuant to various executive orders, then implemented a multi-stage approach to restarting New Jersey’s economy. The declaration of the state of emergency and of a public health emergency was terminated by the Governor, by executive order, on June 4, 2021. Also, on June 4, 2021, the Governor signed into law Assembly Bill No. 5820 which terminates most of the Governor’s pandemic-related executive orders on July 4, 2021. The remaining executive orders (dealing with coronavirus testing and vaccinations, moratoriums on evictions and utility shutoffs and various other matters) terminated on January 1, 2022. On January 11, 2022, the Governor reinstated, via Executive Order No. 280, the state of emergency and declared a new public health emergency in response to a surge in cases tied to new variants of COVID-19, in particular the Omicron variant. Such public health emergency was set to expire 30 days from January 11, 2022, but was later extended, via Executive Order No. 288, for an additional 30 days on February 10, 2022. On March 4, 2022, the Governor declared, via Executive Order No. 292, an end to the reinstated public health emergency, effective March 7, 2022. In the event of substantial increases in COVID-19 hospitalizations, spot positivity or rates of transmission, the Governor is empowered to impose more restrictive measures than currently in place.

In order to provide additional means for local governmental units to address the financial impact of the COVID-19 outbreak, the Governor signed into law P.L. 2020 c. 74 (“Chapter 74”) on August 31, 2020. Chapter 74, which took effect immediately, adds two new purposes to the list of special emergency appropriations which may be raised by municipalities or counties over a five year period (either through the issuance of special emergency notes or raised internally without borrowing): (1) direct COVID-19 response expenses; and (2) deficits in prior year’s operations attributable to COVID-19 (the beginning of the five year repayment schedule is delayed by one year for these new purposes). Upon approval by the Director of the Division of Local Government Services, New Jersey Department of Community Affairs, in cases of significant fiscal distress, the five year period may be extended to up to ten years. In addition, the statute permits school districts and public authorities to issue debt with a maximum five year maturity schedule for direct COVID-19 expenses. Chapter 74 provides for State supervision of all local government unit borrowings. The statute also grants the Director the authority to modify municipal budgeting rules concerning anticipated revenues in order to lessen the impact of revenue reductions due to COVID-19.

The Borough of Bogota’s finances and operations may be materially and adversely affected as a result of the continued spread of COVID-19 through reduced or delayed revenue streams, which include the collection of property taxes, which are the Borough of Bogota’s primary revenue source for supporting its budget. The Borough of Bogota cannot predict costs associated with a potential infectious disease outbreak like COVID-19 such as operational costs to clean, sanitize and maintain its facilities, or costs to operate remotely and support Borough functions and critical government actions during an outbreak or any resulting impact such costs could have on the operations of the Borough. However, as of the date of audit, even though the Borough finances and operations had certain reduced revenue streams due to the COVID-19 outbreak, the overall finances and operations of the Borough have not been materially and adversely affected due to the COVID-19 outbreak.

**BOROUGH OF BOGOTA
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 19 INFECTIOUS DISEASE OUTBREAK – COVID-19 PANDEMIC (Continued)

The degree of any such impact on the operations and finances of the Borough cannot be predicted due to the dynamic nature of the COVID-19 outbreak, including uncertainties relating to its (i) duration, and (ii) severity, as well as with regard to what actions may be taken by governmental and other health care authorities to contain or mitigate its impact. The continued spread of the outbreak could have a material adverse effect on the Borough and its economy. The Borough is monitoring the situation and will take such proactive measures as may be required to maintain its functionality and meet its obligations.

The American Rescue Plan Act of 2021, H.R. 1319 (the “Plan”), signed into law by President Biden on March 11, 2021, comprises \$1.9 trillion in relief designed to provide funding to address the COVID-19 pandemic and alleviate the economic and health effects of the COVID-19 pandemic.

The Plan includes various forms of financial relief including up to a \$1,400 increase in direct stimulus payment to individuals and various other forms of economic relief, including extended unemployment benefits, continued eviction and foreclosure moratoriums, an increase in the child tax credit, an increase in food and housing aid, assistance grants to restaurants and bars, and other small business grants and loans. The Plan provides funding for state and local governments to offset costs to safely reopen schools during the COVID-19 pandemic and to subsidize COVID-19 testing and vaccination programs. In addition, the Plan includes \$350 billion in relief funds to public entities, such as the Borough.

Generally, according to the Plan and implementing regulations, the allowable use of the funds to be provided to the Borough include the following categories:

- Replacing lost public sector revenue;
- Investing in water, sewer, broadband and other infrastructure;
- Providing premium pay for essential workers;
- Supporting public health expenditures;
- Addressing COVID-19 related negative economic impacts; and
- Addressing the disproportionate public health and economic impacts of the crisis on the hardest-hit communities, populations, and households.

However, such funds may not be used to directly or indirectly offset a reduction in net tax revenue resulting from a change in law, regulation or administrative interpretation during the covered period reducing or delaying any tax or tax increase. Additionally, such funds may not be used for deposit in any pension fund. Such funds may be used to offset the amounts required to be raised in budgets for special emergency appropriations for COVID-19 deficits authorized by Chapter 74 discussed above. The Borough will be required to provide periodic reports detailing the accounting of the use of funds.

The Borough will receive \$872,412 from the Plan in two equal payments. The Borough has received the full amount of its relief funds under the plan as of December 31, 2022. The Borough utilized \$68,284 of the funds in 2022 to fund capital improvements and \$416,500 in the 2022 budget to replace lost public sector revenue. The Borough utilized the remaining funds in the amount of \$385,912 in the 2023 budget to replace lost public sector revenue. There remains an unspent balance of \$1,716. The deadline to obligate the funds is December 31, 2024 and to spend them is December 31, 2026.

**BOROUGH OF BOGOTA
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 20 SUBSEQUENT EVENTS

Bond Anticipation Notes

On April 20, 2023 the Borough issued bond anticipation notes in the amount of \$7,360,000 to temporarily finance expenditures related to various capital projects. The Borough has awarded the sale of said notes to Piper Sandler & Co. at an interest rate of 4%. These notes dated April 14, 2023 will mature on April 12, 2024.

Debt Authorized

On April 20, 2023 the Borough adopted a bond ordinance authorizing the issuance \$620,000 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, 2021		\$ 2,946,587
Increased by Receipts:		
Taxes Receivable	\$ 26,979,348	
Revenue Accounts Receivable	2,621,226	
Miscellaneous Revenue Not Anticipated	74,374	
Due from State of New Jersey - Senior Citizens' and Veterans' Deductions	38,000	
Receipts from Animal Control Trust Fund	4,605	
Miscellaneous Reserves	41,204	
Fees Payable	8,271	
Received for Grant Fund - Grants Receivable	52,580	
Reserve for Grant Fund - Unappropriated Grant Reserves	39,147	
Prepaid Taxes	<u>82,059</u>	
		<u>29,940,814</u>
		32,887,401
Decreased by Disbursements:		
2022 Budget Appropriations	10,498,317	
2021 Appropriation Reserves	238,632	
Payments for Grant Fund - Appropriated Grant Reserves	70,515	
Accounts Payable	4,479	
Tax Overpayments	1,951	
County Taxes Payable	2,312,132	
Local District School Taxes Payable	16,324,194	
Miscellaneous Reserves	43,766	
Fees Payable	7,308	
Payments to Other Trust	18,419	
Refund of Prior Year Taxes	<u>22,988</u>	
		<u>29,542,701</u>
Balance, December 31, 2022		<u>\$ 3,344,700</u>

EXHIBIT A-5

STATEMENT OF CHANGE FUNDS
CURRENT FUND

Balance, December 31, 2021		<u>\$ 280</u>
Balance, December 31, 2022		<u>\$ 280</u>

Analysis of Balance

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

**BOROUGH OF BOGOTA
STATEMENT OF GRANTS RECEIVABLE
GRANT FUND**

	Balance, December 31, <u>2021</u>	2022 Budget <u>Revenue</u>	Cash <u>Receipts</u>	Balance, December 31, <u>2022</u>
Municipal Alliance	\$ 8,774			\$ 8,774
Bergen County Confiscated Funds	13,731			13,731
Community Stewardship Incentive Program	10,000			10,000
FEMA - COVID-19	15,185			15,185
Assistance to Firefighters Grant	7,511			7,511
Body Worn Camera Grant	50,950		\$ 50,950	-
Bogota Community Garden Grant		\$ 5,000		5,000
Fire Prevention - FM Global Foundation	<u>-</u>	<u>1,630</u>	<u>1,630</u>	<u>-</u>
	<u>\$ 106,151</u>	<u>\$ 6,630</u>	<u>\$ 52,580</u>	<u>\$ 60,201</u>

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

Balance, December 31, 2021		\$ 22,397
Increased by:		
Senior Citizens' and Veterans' Deductions Per Tax Billings	\$ 40,500	
Senior Citizens' and Veterans' Deductions Allowed by Tax Collector	<u>4,328</u>	
		<u>44,828</u>
		67,225
Decreased by:		
Cash Received from State of New Jersey		<u>38,000</u>
Balance, December 31, 2022		<u>\$ 29,225</u>

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

<u>Year</u>	<u>Balance, December 31, 2021</u>	<u>Tax Levy</u>	<u>Added Assessments</u>	<u>Senior Citizens' and Veterans' Deductions Disallowed</u>	<u>Collected In</u>		<u>Senior Citizens' and Veterans' Deductions Allowed</u>	<u>Transferred to Tax Title Liens</u>	<u>Adjusted, Remitted, or Cancelled</u>	<u>Balance, December 31, 2022</u>
					<u>2021</u>	<u>2022</u>				
2021	\$ 11,821	-	-	-	-	\$ 9,384	-	-	\$ 2,197	\$ 240
	11,821	-	-	-	-	9,384	-	-	2,197	240
2022	-	\$ 27,243,075	\$ 30,271	\$ -	\$ 117,129	26,969,964	\$ 44,828	\$ -	32,011	109,414
	<u>\$ 11,821</u>	<u>\$ 27,243,075</u>	<u>\$ 30,271</u>	<u>\$ -</u>	<u>\$ 117,129</u>	<u>\$ 26,979,348</u>	<u>\$ 44,828</u>	<u>\$ -</u>	<u>\$ 34,208</u>	<u>\$ 109,654</u>

Analysis of 2022 Property Tax Levy

General Purpose Tax	\$ 27,243,075
Added Taxes (54:4-63.1 et seq.)	30,271
	<u>\$ 27,273,346</u>
Tax Levy	
Local District School Tax (Abstract)	\$ 16,183,486
County Tax (Abstract)	\$ 2,220,436
Due County for Added and Omitted Taxes	2,580
County Open Space Tax	91,696
Total County Taxes	<u>2,314,712</u>
	18,498,198
Local Tax for Municipal Purposes	8,430,576
Minimum Library Tax	316,379
Additional Taxes Levied	<u>28,193</u>
Total Local Tax for Municipal Purposes	<u>8,775,148</u>
	<u>\$ 27,273,346</u>

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

Balance, December 31, 2021	\$ <u>15,472</u>
Balance, December 31, 2022	\$ <u>15,472</u>

EXHIBIT A-10

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

Balance, December 31, 2021	\$ <u>136,680</u>
Balance, December 31, 2022	\$ <u>136,680</u>

EXHIBIT A-11

**STATEMENT OF DEFERRED CHARGES
CURRENT FUND**

	Balance, December 31, <u>2021</u>	Raised in 2022 <u>Budget</u>	Amount Resulting <u>from 2022</u>	Balance, December 31, <u>2022</u>
Emergency Authorization	\$ <u>80,500</u>	\$ <u>80,500</u>	\$ -	\$ -
	\$ <u>80,500</u>	\$ <u>80,500</u>	\$ -	\$ -

EXHIBIT A-12

**STATEMENT OF DEFERRED CHARGES N.J.S.A. 40A:4-55 - SPECIAL EMERGENCY
CURRENT FUND**

<u>Date</u>	<u>Purpose</u>	<u>Amount</u> <u>Authorized</u>	<u>1/5 of Net</u> <u>Amount</u> <u>Authorized</u>	<u>Balance,</u> <u>December 31,</u> <u>2021</u>	<u>Reduced By</u> <u>2022 Budget</u>	<u>Amount</u> <u>Resulting</u> <u>from 2022</u>	<u>Balance,</u> <u>December 31,</u> <u>2022</u>
12/3/2020	COVID-19 Affected Revenue Losses	\$ 245,000	\$ 49,000	\$ 245,000	\$ 49,000		\$ 196,000
4/21/2022	Revaluation	250,000	50,000			\$ 250,000	250,000
9/1/2022	Tax Map	60,000	12,000	-	-	60,000	60,000
				\$ <u>245,000</u>	\$ <u>49,000</u>	\$ <u>310,000</u>	\$ <u>506,000</u>

BOROUGH OF BOGOTA
STATEMENT OF REVENUE ACCOUNTS RECEIVABLE
CURRENT FUND

	Balance, December 31, <u>2021</u>	Accrued in <u>2022</u>	<u>Collected</u>	Balance, December 31, <u>2022</u>
Board of Health				
Alcoholic Beverages/Licenses		\$ 16,178	\$ 16,178	
Other Licenses		8,257	8,257	
Fees and Permits		40	40	
Borough Clerk				
Other Licenses		2,000	2,000	
Fees and Permits		1,672	1,672	
Property Maintenance				
Fees and Permits		34,250	34,250	
Planning/Zoning Boards				
Fees and Permits		850	850	
Police Department				
Fees and Permits		661	661	
Construction Code Fees		127,051	127,051	
Municipal Court				
Fines and Costs	\$ 8,680	132,996	132,942	\$ 8,734
Interest and Costs on Taxes		47,925	47,925	
Interest on Investments & Deposits		14,162	14,162	
Cable Television Franchise Fees		87,833	87,833	
Energy Receipts Tax		677,676	677,676	
Uniform Fire Safety Act		43,879	43,879	
Swim Club Rent		10,066	10,066	
Outside Police Employment- Administrative Fees		163,411	163,411	
Bogota BOE - SLEO		150,188	150,188	
PILOT - 421 River Road		584,235	584,235	
PILOT- 297 Palisades Avenue		101,450	101,450	
American Rescue Plan Act	-	416,500	416,500	-
	<u>\$ 8,680</u>	<u>\$ 2,621,280</u>	<u>\$ 2,621,226</u>	<u>\$ 8,734</u>

BOROUGH OF BOGOTA
STATEMENT OF 2021 APPROPRIATION RESERVES
CURRENT FUND

	Balance December 31, <u>2021</u>	Encumbrances <u>Cancelled</u>	Balance After <u>Modification</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
GENERAL GOVERNMENT FUNCTIONS					
General Administration					
Salaries and Wages	\$ 914		\$ 914		\$ 914
Other Expenses	6,630	\$ 543	7,173	\$ 2,403	4,770
Mayor and Council					
Salaries and Wages	140		140	-	140
Other Expenses	552		552	-	552
Municipal Clerk					
Salaries and Wages	8,203		8,203		8,203
Other Expenses	908	40	2,448	2,408	40
Financial Administration					
Salaries and Wages	67		67	-	67
Other Expenses	249	508	757	-	757
Annual audit					
Other Expenses	10,308		10,308	1,138	9,170
Computerized Data Processing					
Other Expenses	1,787	29	1,816	1,760	56
Revenue Administration					
Other Expenses	1,479		1,479	927	552
Assessment of Taxes					
Salaries and Wages	51		51	-	51
Other Expenses	1,654		1,654	-	1,654
Engineering Services					
Other Expenses	75	6,965	11,540	11,285	255
Legal Services and Costs					
Other Expenses	5,543		6,043	5,984	59
LAND USE ADMINISTRATION					
Municipal Land Use Law (N.J.S.A. 40:55-1):					
Planning Board					
Salaries and Wages	1,203		1,203	-	1,203
Other Expenses	84	629	713	110	603
Code Enforcement					
Salaries and Wages	720		720	-	720
Other Expenses	828		828	-	828
Construction Code					
Salaries and Wages	35		1,535	-	1,535
Other Expenses	83		1,083	900	183
INSURANCE					
Other Insurance Premiums	4,084		4,084	-	4,084
Group Insurance- Other Expenses	63,245		42,745	-	42,745
Worker's Compensation Insurance	2,655		2,655	-	2,655
Unemployment Insurance	6,999		6,999	-	6,999

BOROUGH OF BOGOTA
STATEMENT OF 2021 APPROPRIATION RESERVES
CURRENT FUND

	Balance December 31, <u>2021</u>	Encumbrances <u>Cancelled</u>	Balance After <u>Modification</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
PUBLIC SAFETY FUNCTIONS					
Department of Police					
Salaries and Wages	\$ 95,529		\$ 95,529	\$ 45,000	\$ 50,529
Other Expenses	16,957	\$ 6,864	23,821	11,807	12,014
Police Clerical					
Salaries and Wages	285		285	-	285
Crossing Guards					
Salaries and Wages	6,025		6,025	-	6,025
Auxiliary Police					
Other Expenses	1,509		1,509	-	1,509
Police Dispatch 911					
Salaries and Wages	38	-	38	-	38
Other Expenses			-		
Maintenance of Free Public Library					
Salaries and Wages	6,535		6,535	6,535	-
First Aid					-
Salaries and Wages	20,000		20,000	3,299	16,701
OEM					
Other Expenses	670	107	2,277	2,190	87
Fire					
Other Expenses	5,785	4,896	13,681	12,880	801
Rescue Squad					
Other Expenses	1,079	70	1,149	499	650
Uniform Fire Safety					
Salaries and Wages	2,212	-	2,212		2,212
Other Expenses	8,922	142	9,064	150	8,914
Project Success					
Salaries and Wages	5,750		5,750	-	5,750
Other Expenses	6,000		6,000	-	6,000
PUBLIC WORKS FUNCTIONS					
DPW					
Salaries and Wages	81,166		81,166	40,000	41,166
Other Expenses	8,394		8,394	243	8,151
PARK AND RECREATION FUNCTIONS					
Shade Tree	261		261	-	261
Salaries and Wages	595		595	-	595
SANITATION					
Solid Waste Collection					
Other Expenses	42,333		42,333	42,333	-
Celebrating of Public Event	171	6,653	6,824	6,654	170
Free Public Library			-		
Public Building & Grounds					
Other Expenses	8,774		8,774	1,050	7,724

BOROUGH OF BOGOTA
STATEMENT OF 2021 APPROPRIATION RESERVES
CURRENT FUND

	Balance December 31, <u>2021</u>	Encumbrances <u>Cancelled</u>	Balance After <u>Modification</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
UTILITY EXPENSES AND BULK PURCHASES					
Utilities					
Gasoline	\$ 28		\$ 28	-	\$ 28
Electricity	8,032		15,032	\$ 14,715	317
Telephone	184		184	-	184
Water	14,831		14,831	1,036	13,795
Sewer Processing	39,789		39,789	25,143	14,646
Seniors					
Salaries and Wages	11,137		11,137	-	11,137
Other Expenses	2,696		2,696	-	2,696
Board of Health OSHA					
Salaries and Wages	1,896		1,896	-	1,896
Other Expenses	122	\$ 4,040	4,162	4,040	122
Animal Control					
Other Expenses	2,927		2,927	-	2,927
RECREATION SERVICES					-
Salaries and Wages	44,227		44,227	-	44,227
Other Expenses	6,916		6,916	678	6,238
Statutory Expenditures					
Contribution to Social Security	632		632		632
Other Operations - Excluded from "CAPS"					-
Insurance					-
Bogota BOE- SLEO					-
Salaries and Wages	3,357		3,357	-	3,357
Interlocal Municipal Service Agreements					-
Bogota BOE- SLEO					-
Salaries and Wages	11,764		11,764	-	11,764
Municipal Court - Borough of Little Ferry					-
Salaries and Wages	53		53		53
Other Expenses	300	300	600	-	600
	<u>\$ 586,377</u>	<u>\$ 31,786</u>	<u>\$ 618,163</u>	<u>\$ 245,167</u>	<u>\$ 372,996</u>
Cash Disbursements				\$ 238,632	
Transfer to Due to Library				6,535	
				<u>\$ 245,167</u>	

**BOROUGH OF BOGOTA
STATEMENT OF ENCUMBRANCES PAYABLE/ACCOUNTS PAYABLE
CURRENT FUND**

Balance, December 31, 2021	\$	31,786
Increased by:		
Charges to 2022 Budget Appropriations		64,600
		96,386
Decreased by:		
Cancelled to Appropriation Reserves		31,786
Balance, December 31, 2022	\$	64,600

EXHIBIT A-16

**STATEMENT OF ACCOUNTS PAYABLE
CURRENT FUND**

Balance, December 31, 2021	\$	11,039
Increased by:		
Charges to Miscellaneous Reserves		436,325
		447,364
Decreased by:		
Cash Disbursements		4,479
Balance, December 31, 2022	\$	442,885

EXHIBIT A-17

**STATEMENT OF COUNTY TAXES PAYABLE
CURRENT FUND**

Increased by:		
2022 Tax Levy		
County Tax (Abstract)	\$ 2,220,436	
County Open Space Preservation	91,696	
County Tax for Added Taxes (54:4-63.1)	2,580	
		\$ 2,314,712
		2,314,712
Decreased by:		
Cash Disbursements		2,312,132
Balance, December 31, 2022	\$	2,580

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

Balance, December 31, 2021	\$	140,708
Increased by:		
Levy - Calendar Year 2022		16,183,486
		16,324,194
Decreased by:		
Cash Disbursements	\$	16,324,194

**STATEMENT OF PREPAID TAXES
CURRENT FUND**

Balance, December 31, 2021	\$	117,129
Increased by:		
Collection of 2023 Taxes		82,059
		199,188
Decreased by:		
Applied to 2022 Taxes Receivable		117,129
Balance, December 31, 2022	\$	82,059

**STATEMENT OF TAX OVERPAYMENTS
CURRENT FUND**

Balance, December 31, 2021	\$	3,835
Decreased by:		
Overpayments Refunded		1,951
Balance, December 31, 2022	\$	1,884

**BOROUGH OF BOGOTA
STATEMENT OF FEES PAYABLE TO STATE OF NJ
CURRENT FUND**

	Marriage License Fee	Construction Training Fee	Total
Balance, December 31, 2021	\$ 275	\$ 214	\$ 489
Increased by:			
Collections	<u>900</u>	<u>7,371</u>	<u>8,271</u>
	1,175	7,585	8,760
Decreased by:			
Payments	<u>1,175</u>	<u>6,133</u>	<u>7,308</u>
Balance, December 31, 2022	<u>\$ -</u>	<u>\$ 1,452</u>	<u>\$ 1,452</u>

EXHIBIT A-22

**STATEMENT OF DUE TO LIBRARY
CURRENT FUND**

Balance, December 31, 2021	\$ 462
Increased by:	
Transfer from 2021 Appropriation Reserves	<u>6,535</u>
Balance, December 31, 2022	<u>\$ 6,997</u>

**BOROUGH OF BOGOTA
STATEMENT OF MISCELLANEOUS RESERVES
CURRENT FUND**

	Balance, December 31, <u>2021</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2022</u>
Reserve for:				
Credit Card Fees	\$ 638	\$ 5,854	\$ 6,492	
Emergency Roof Repairs	1,060		1,060	
Emergency Sanitary Sewer/Catch Basin Repairs	32,393		32,393	
Municipal Relief Fund	-	35,350		\$ 35,350
Emergency Authorization - Tax Map	-	60,000	58,793	1,207
Emergency Authorization - Revaluation	-	250,000	199,725	50,275
Emergency Storm Damage - Insurance	<u>243,237</u>	<u>-</u>	<u>241,481</u>	<u>1,756</u>
	<u>\$ 277,328</u>	<u>\$ 351,204</u>	<u>\$ 539,944</u>	<u>\$ 88,588</u>
Deferred Charges		\$ 310,000		
Cash Receipts		<u>41,204</u>		
		<u>\$ 351,204</u>		
		Accounts Payable	\$ 436,325	
		Cancelled Balance	1,060	
		Due To General Capital	58,793	
		Cash Disbursements	<u>43,766</u>	
			<u>\$ 539,944</u>	

EXHIBIT A-24

**STATEMENT OF UNAPPROPRIATED GRANT RESERVES
GRANT FUND**

<u>Grant</u>	Balance, December 31, <u>2021</u>	Budgeted <u>Revenue</u>	Cash <u>Receipts</u>	Balance, December 31, <u>2022</u>
Clean Communities	\$ 12,906	\$ 12,906	\$ 13,279	\$ 13,279
Recycling Tonnage	10,839	10,839	11,206	11,206
Body Armor	1,482	1,482	2,494	2,494
Bergen County BASCA Grant	-		1,000	1,000
Click It or Ticket	-		6,148	6,148
Vest Donation	100	100		-
Municipal Alliance	-		3,055	3,055
Mid Bergen Regional COVID Grant	<u>2,750</u>	<u>2,750</u>	<u>1,965</u>	<u>1,965</u>
	<u>\$ 28,077</u>	<u>\$ 28,077</u>	<u>\$ 39,147</u>	<u>\$ 39,147</u>

BOROUGH OF BOGOTA
STATEMENT OF APPROPRIATED GRANT RESERVES
GRANT FUND

	Balance, December 31, <u>2021</u>	Transferred from Budget <u>Appropriations</u>	<u>Expended</u>	Balance, December 31, <u>2022</u>
Recycling Tonnage Grant	\$ 56,159	\$ 10,839		\$ 66,998
Clean Communities	88,767	12,906	\$ 6,500	95,173
Alcohol Education and Rehabilitation Program	10,828			10,828
Body Armor Replacement Fund	3,472	1,482	4,954	-
Bergen County Confiscated Funds	13,731			13,731
Municipal Alliance - State Share	10,531		10,296	235
Municipal Alliance - Local Share	2,469			2,469
Community Stewardship Investment Program	10,000			10,000
Forest Management	2,150			2,150
Bergen County CARES Reimbursement	3,794			3,794
Drunk Driving Enforcement Fund	1,000			1,000
Click It or Ticket	5,557			5,557
Drive Sober or Get Pulled Over	5,439			5,439
Mid Bergen Regional COVID Grant	-	2,750		2,750
Body Worn Camera Grant	50,950		50,950	-
BCUA Recycling Enhancement Grant	3,000			3,000
Bulletproof Vest Grant	69		69	-
Vest Donation	100	100	200	-
Bogota Community Garden Grant		5,000		5,000
Fire Prevention - FM Global Foundation	-	1,630	-	1,630
	<u>\$ 268,016</u>	<u>\$ 34,707</u>	<u>\$ 72,969</u>	<u>\$ 229,754</u>
		Cash Disbursements	\$ 70,515	
		Encumbrances	2,454	
			<u>\$ 72,969</u>	

EXHIBIT A-26

STATEMENT OF ENCUMBRANCES
GRANT FUND

Increased by	
Charges to Appropriated Grant Reserves	<u>\$ 2,454</u>
Balance, December 31, 2022	<u>\$ 2,454</u>

BOROUGH OF BOGOTA
STATEMENT OF DUE FROM CURRENT FUND
GRANT FUND

Balance, December 31, 2021		\$	189,942
Increased by			
2022 Budget Appropriation for Grants:			
Appropriated Grants		\$	34,707
Grants Receivable Received in Current Fund			52,580
Unappropriated Reserves Received in Current Fund			39,147
			126,434
		\$	316,376
Decreased by			
2022 Grants Receivable Anticipated as Revenue		\$	6,630
Unappropriated Grants Anticipated as Revenue			28,077
Grant Fund Expenditures Paid by Current Fund			70,515
			105,222
Balance, December 31, 2022		\$	211,154

TRUST FUND

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

	<u>Animal Control Fund</u>	<u>Other Trust Fund</u>	<u>Recreation Trust Fund</u>
Balance, December 31, 2021	\$ 6,983	\$ 1,140,054	\$ 22,778
Increased by Receipts:			
Animal Control Licenses	\$ 1,298		
State Fees Collected	342		
Miscellaneous Reserves		\$ 1,141,491	
Receipts from Current Fund		18,419	
Payroll Deposits		7,864,007	
Recreation Fees	<u>-</u>	<u>-</u>	<u>\$ 98,722</u>
	<u>1,640</u>	<u>9,023,917</u>	<u>98,722</u>
	8,623	10,163,971	121,500
Decreased by Disbursements:			
Miscellaneous Reserves		1,351,124	
Payments to Current Fund	4,605		
Payments to State of New Jersey	353		
Expenditures Under R.S. 4:19-15.1			
Recreation Expenditures			57,277
Payroll Deductions Payable	<u>-</u>	<u>7,864,548</u>	<u>-</u>
	<u>4,958</u>	<u>9,215,672</u>	<u>57,277</u>
Balance, December 31, 2022	<u>\$ 3,665</u>	<u>\$ 948,299</u>	<u>\$ 64,223</u>

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

Balance, December 31, 2021	\$ 1,570
Increased by:	
Statutory Excess	<u>3,035</u>
	4,605
Decreased by:	
Payments to Current Fund	<u>\$ 4,605</u>

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

Balance, December 31, 2021	\$ 11
Increased by:	
State Fees Collected	<u>342</u>
	353
Decreased by:	
Payments to State of New Jersey	<u>\$ 353</u>

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

Balance, December 31, 2021	\$	5,402
Increased by:		
Dog License Fees Collected		1,298
		6,700
Decreased by:		
Statutory Excess - Due to Current Fund		3,035
Balance, December 31, 2022	\$	3,665

License Fees Collected

2021	\$	1,679
2020		1,986
	\$	3,665

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

Balance, December 31, 2021	\$	18,419
Decreased by:		
Receipts from Current Fund		18,419

**BOROUGH OF BOGOTA
STATEMENT OF PAYROLL DEDUCTIONS PAYABLE**

Balance, December 31, 2021	\$ 17,074
Increased by:	
Payroll Deposits	<u>7,864,007</u>
	7,881,081
Decreased by:	
Payroll Disbursements	<u>7,864,548</u>
Balance, December 31, 2022	<u>\$ 16,533</u>

**BOROUGH OF BOGOTA
STATEMENT OF MISCELLANEOUS RESERVES**

	Balance, December 31, <u>2021</u>	<u>Increased</u>	<u>Decreased</u>	Balance, December 31, <u>2022</u>
Reserved for:				
Escrow Deposits	\$ 93,300	\$ 95,398	\$ 80,651	\$ 108,047
POAA- Municipal Court	39,816	1,332		41,148
Public Defender	13,386			13,386
Police Vests	600			600
Uniform Fire Safety	8,209			8,209
Tax Title Lien Redemption/Premiums	794,263	146,602	449,511	491,354
Community Garden	1,765	400		2,165
Recycling	63,917	14,746	27,203	51,460
Outside TTL	-	336,326	335,187	1,139
COAH Trust	105,968	5,936	2,439	109,465
Reserve for Unemployment	5,175	6,811	7,193	4,793
Reserve for Storm Recovery	15,000	15,000		30,000
Reserve for Accumulated Absences		70,000		70,000
Police Outside Duty	-	448,940	448,940	-
	<u>\$ 1,141,399</u>	<u>\$ 1,141,491</u>	<u>\$ 1,351,124</u>	<u>\$ 931,766</u>
		Cash Receipts \$ 1,141,491		
		Cash Disbursements -	\$ 1,351,124	
		<u>\$ 1,141,491</u>	<u>\$ 1,351,124</u>	

BOROUGH OF BOGOTA
STATEMENT OF RESERVE FOR RECREATION EXPENDITURES

Balance, December 31, 2021	\$ 22,778
Increased by:	
Recreation Fees Collected	<u>98,722</u>
	121,500
Decreased by:	
Cash Disbursements	<u>57,277</u>
Balance, December 31, 2022	<u>\$ 64,223</u>

GENERAL CAPITAL FUND

BOROUGH OF BOGOTA
STATEMENT OF GENERAL CAPITAL CASH - TREASURER

Balance, December 31, 2021		\$ 1,790,698
Increased by Receipts:		
Bond Anticipation Notes	\$ 5,700,000	
Grants Receivable	201,482	
Reserve for ARP Funds	436,206	
Current Fund Budget Appropriation		
Capital Improvement Fund	<u>100,000</u>	
		<u>6,437,688</u>
		8,228,386
Decreased by Disbursements:		
Improvement Authorizations	1,020,432	
Encumbrances Payable	491,533	
Bond Anticipation Note Payable	2,950,000	
Payments Made for Current Fund	58,793	
Payments to Current Fund	<u>416,500</u>	
		<u>4,937,258</u>
Balance, December 31, 2022		<u>\$ 3,291,128</u>

BOROUGH OF BOGOTA
ANALYSIS OF GENERAL CAPITAL CASH

		Balance, December 31, <u>2022</u>
	Capital Improvement Fund	\$ 2,100
	Encumbrances Payable	3,334,253
	Reserve for Developer Contributions	1,414,090
	Reserve for ARP Funds	387,628
	Due from Current Fund	(58,793)
	Excess Note Proceeds	279,226
Ord.		
No.	<u>Improvement Authorizations</u>	
1442	Acquisition of Passenger Bus	(1,111)
1443	Improvements to Municipal Facilities	(1,724)
1492	Reconstruction of West Shore Ave	(149,000)
1511	Various Public Improvements	8,501
1516	Resurfacing of Leonia Ave (Phase III & IV)	17,771
1522	Improvements to Palisade Avenue (Phase III)	10,698
1523	Various Public Improvements	179
1528	Rehab of Basketball & Tennis Courts Olsen Park	262,534
1532	Construction New Recreation Center Olsen Park	252,411
1541	Various Public Improvements	17,483
1544	Resurfacing of Leonia Ave (Phase V)	1,369
1547	Resurfacing of Central Avenue	959
1549	Acquisition of Real Property	44
1560	Various Public Improvements	273,848
1567	Road & Sanitary Sewer	30,249
1568	Reconstruction of Pine Street (Phase II)	22,242
1569	Acquisition of Pumper Truck & Equipment	(1,315,324)
1578	Various Public Improvements	(1,126,109)
1589	Reconstruction of Palisade Avenue	(409,462)
1592	Tree Planting	<u>37,066</u>
		<u>\$ 3,291,128</u>

**BOROUGH OF BOGOTA
STATEMENT OF GRANTS RECEIVABLE**

Balance, December 31, 2021		\$ 520,445
Increased by:		
Grant Awards		
Community Development Block Grant - Ord. 1578	\$ 80,000	
Department of Transportation - Ord. 1579	196,000	
		276,000
		796,445
Decreased by:		
Cash Receipts		201,482
Balance, December 31, 2022		\$ 594,963

Analysis of Balance

Reserve for Receivable:		
Department of Transportation		
Ord. 1516	\$ 93,189	
Ord. 1542	3,518	
Ord. 1568	200,000	
Ord. 1579	196,000	
Community Development Block Grant		
Ord. 1547	22,256	
Ord. 1578	80,000	
		\$ 594,963

BOROUGH OF BOGOTA
STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

Balance, December 31, 2021	\$ 6,355,000
Decreased by:	
Current Fund Budget Appropriations	
Serial Bond Principal	<u>620,000</u>
Balance, December 31, 2022	<u>\$ 5,735,000</u>

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

Ord. No.	Description	Analysis of Balance						
		Balance, December 31, 2021	2022 Authorizations	Grant Receipts	Balance, December 31, 2022	Bond Anticipation Notes	Unexpended Improvement Authorizations	
1442	Acquisition of Passenger Bus	\$ 1,111			\$ 1,111	\$ 1,111		
1443	Improvements to Municipal Facilities	1,724			1,724	1,724		
1492	Reconstruction of West Shore Ave	149,000			149,000	149,000		
1516	Resurfacing Leonia Ave (Phase III & IV)	93,357			93,357		\$ 93,357	
1522	Improvements to Palisade Avenue (Phase III)	103,800			103,800	\$ 103,800		
1523	Various Public Improvements	952,000			952,000	952,000		
1528	Rehabilitation of Basketball and Tennis Courts at Olsen Park	319,000			319,000	305,700	13,300	
1532	Construction of New Recreation Center at Olsen Park	4,332,290			4,332,290	500,000	3,832,290	
1541	Various Public Improvements	1,006,000			1,006,000	1,006,000		
1542	Reconstruction of Pine Street	260,000		\$ 201,482	58,518	58,518		
1544	Resurfacing of Leonia Ave (Phase V)	178,000			178,000	165,500	12,500	
1547	Resurfacing of Central Avenue	31,756			31,756	31,756		
1549	Acquisition of Real Property	570,000			570,000	570,000		
1550	Replacement of ADA Curb Ramps on Main St	285,000			285,000	285,000		
1560	Various Public Improvements, Acquisition of Equipment	807,500			807,500	757,500	50,000	
1567	Road & Sanitary Sewer	285,000			285,000	285,000		
1568	Reconstruction of Pine Street (Phase II)	400,000			400,000	400,000		
1569	Acquisition of Pumper Truck & Equipment	1,342,000			1,342,000	1,315,324	26,676	
1578	Various Public Improvements		\$ 1,414,000		1,414,000	1,126,109	287,891	
1589	Reconstruction of Palisade Avenue	-	510,000	-	510,000	409,462	100,538	
		<u>\$ 11,117,538</u>	<u>\$ 1,924,000</u>	<u>\$ 201,482</u>	<u>\$ 12,840,056</u>	<u>\$ 5,420,774</u>	<u>\$ 3,002,730</u>	<u>\$ 4,416,552</u>
					Bond Anticipation Notes	\$ 5,700,000		
					Less: Excess Note Proceeds			
				Ord. 1542	\$ 201,482			
				Ord. 1547	77,744			
					<u>279,226</u>			
					<u>\$ 5,420,774</u>			
					Improvement Authorizations- Unfunded		\$ 5,288,568	
					Less: Excess Note Proceeds			
					Ord. 1522	\$ 10,698		
					Ord. 1523	179		
					Ord. 1528	262,534		
					Ord. 1532	252,411		
					Ord. 1541	17,483		
					Ord. 1544	1,369		
					Ord. 1547	959		
					Ord. 1549	44		
					Ord. 1560	273,848		
					Ord. 1567	30,249		
					Ord. 1568	<u>22,242</u>		
							872,016	
							<u>\$ 4,416,552</u>	

**BOROUGH OF BOGOTA
STATEMENT OF IMPROVEMENT AUTHORIZATIONS**

Ord. No.	Description	Ordinance Date	Amount	Balance, December 31, 2021		2022 Authorizations		Cancelled Encumbrances Payable	Expended	Balance, December 31, 2022	
				Funded	Unfunded	Down Payments	Unfunded			Funded	Unfunded
1511	Various Public Improvements	4/19/2018	\$ 1,265,000	\$ 8,501						\$ 8,501	
1516	Resurfacing of Leonia Ave (Phase III & IV)	8/16/2018	500,000	17,771	\$ 93,357					17,771	\$ 93,357
1522	Improvements to Palisade Avenue (Phase III)	4/4/2019	109,000	-	10,698					-	10,698
1523	Various Public Improvements	4/4/2019	1,000,000		179						179
1528	Rehab of Basketball & Tennis Courts Olsen Park	8/15/2019	335,000		276,928				\$ 1,094		275,834
1532	Construction New Recreation Center Olsen Park	10/3/2019	4,600,000		4,162,482				77,781		4,084,701
1541	Various Public Improvements	4/16/2020	1,057,000		53,360				35,877		17,483
1544	Resurfacing of Leonia Ave (Phase V)	6/4/2020	380,000		12,664			\$ 1,205			13,869
1547	Resurfacing of Central Avenue	10/1/2020	115,000		959				-		959
1549	Acquisition of Real Property	11/12/2020	600,000		44				-		44
1560	Various Public Improvements, Acquisition of Equipment	5/20/2021	850,000		413,264				89,416		323,848
1567	Road & Sanitary Sewer	9/16/2021	300,000		48,026				17,777		30,249
1568	Reconstruction of Pine Street (Phase II)	9/16/2021	400,000		50,124				27,882		22,242
1569	Acquisition of Pumper Truck & Equipment	9/16/2021	1,410,000	-	26,676				-	-	26,676
1578	Various Public Improvements	8/11/2022	1,485,000			\$ 71,000	\$ 1,414,000		1,197,109		287,891
1579	Reconstruction of Palisade Avenue	8/11/2022	510,000	-	-	-	510,000		409,462		100,538
1592	Tree Planting	11/10/2022	50,000	-	-	50,000	-		12,934		-
				<u>\$ 26,272</u>	<u>\$ 5,148,761</u>	<u>\$ 121,000</u>	<u>\$ 1,924,000</u>	<u>\$ 1,205</u>	<u>\$ 1,869,332</u>	<u>\$ 63,338</u>	<u>\$ 5,288,568</u>
				Down Payments on Improvements		\$ 23,100					
				Capital Improvement Fund		<u>97,900</u>					
						<u>\$ 121,000</u>					
						Cash Disbursements		\$ 1,020,432			
						Encumbrances Payable		<u>848,900</u>			
								<u>\$ 1,869,332</u>			

BOROUGH OF BOGOTA
STATEMENT OF ENCUMBRANCES PAYABLE

Balance, December 31, 2021		\$ 2,909,807
Increased by:		
Charges to ARP Fund Reserve	\$ 68,284	
Charges to Improvement Authorizations	<u>848,900</u>	
		<u>917,184</u>
		3,826,991
Decreased by:		
Cash Disbursements	\$ 491,533	
Cancelled	<u>1,205</u>	
		<u>492,738</u>
Balance, December 31, 2022		<u>\$ 3,334,253</u>

**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 December 31, 2022</u>		<u>Interest Rate</u>	<u>Balance, December 31, 2021</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, December 31, 2022</u>
			<u>Date</u>	<u>Amount</u>					
2012 General Improvement Bonds	12/1/2002	\$ 3,295,000	12/1/2023	\$ 320,000	2.00%	\$ 1,280,000		\$ 320,000	\$ 960,000
			12/1/2024	320,000	2.50%				
			12/1/2025	320,000	3.00%				
2019 General Improvement Bonds	5/1/2019	5,675,000	5/1/2023-2025	300,000	2.00%	<u>5,075,000</u>	<u>-</u>	<u>300,000</u>	<u>4,775,000</u>
			5/1/2026	500,000	2.25%				
			5/1/2027	525,000	2.50%				
			5/1/2028	525,000	3.00%				
			5/1/2029	550,000	3.00%				
			5/1/2030	575,000	3.000%				
			5/1/2031-2032	600,000	3.000%				
						<u>\$ 6,355,000</u>	<u>\$ -</u>	<u>\$ 620,000</u>	<u>\$ 5,735,000</u>
Paid by Budget Appropriation								<u>\$ 620,000</u>	

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

Ord. No.	Improvement Description	Date of	Date of	Date of	Interest Rate	Balance,		Balance,	
		Original Issue	Date of Issue	Date of Maturity		December 31, 2021	Increased	Decreased	December 31, 2022
1522	Improvement to Palisades Ave Phase III	4/4/2020	4/15/2020	4/14/2022	0.400 %	\$ 103,800		\$ 103,800	-
		4/4/2020	4/14/2020	4/14/2023	1.600		\$ 103,800		\$ 103,800
1523	Various Public Improvements	4/4/2020	4/15/2020	4/14/2022	0.400	952,000		952,000	-
		4/4/2020	4/14/2020	4/14/2023	1.600		952,000		952,000
1528	Rehab of Basketball and Tennis Courts	8/15/2021	4/15/2021	4/14/2022	0.400	318,200		318,200	-
		8/15/2021	4/14/2022	4/14/2023	1.600		305,700		305,700
1541	Various Public Improvements	4/16/2021	4/15/2021	4/14/2022	0.400	1,006,000		1,006,000	-
		4/16/2021	4/14/2022	4/14/2023	1.600		1,006,000		1,006,000
1549	Acquisition of Real Property	11/12/2021	4/15/2021	4/14/2022	0.400	570,000		570,000	-
		11/12/2021	4/14/2022	4/14/2023	1.600	-	570,000	-	570,000
1532	Construction of New Recreation Center	4/14/2022	4/14/2022	4/14/2023	1.600		500,000		500,000
1542	Reconstruction of Pine Street	4/14/2022	4/14/2022	4/14/2023	1.600		260,000		260,000
1544	Resurfacing of Leonia Ave (Phase V)	4/14/2022	4/14/2022	4/14/2023	1.600		165,500		165,500
1547	Resurfacing of Central Ave	4/14/2022	4/14/2022	4/14/2023	1.600		109,500		109,500
1550/1557	Replacement of ADA Curb Ramps	4/14/2022	4/14/2022	4/14/2023	1.600		285,000		285,000
1560	Various Public Improvements	4/14/2022	4/14/2022	4/14/2023	1.600		757,500		757,500
1567	Improvements to Roads and Sanitary and Storm Sewers	4/14/2022	4/14/2022	4/14/2023	1.600		285,000		285,000
1568	Reconstruction of Pine St and Larch Ave	4/14/2022	4/14/2022	4/14/2023	1.600	-	400,000	-	400,000
						<u>\$ 2,950,000</u>	<u>\$ 5,700,000</u>	<u>\$ 2,950,000</u>	<u>\$ 5,700,000</u>
							\$ 2,762,500		
							2,937,500	\$ 2,937,500	
							-	12,500	
							<u>\$ 5,700,000</u>	<u>\$ 2,950,000</u>	

Issued for Cash	\$ 2,762,500	
Renewals	2,937,500	\$ 2,937,500
Paid with Capital Cash	-	12,500
	<u>\$ 5,700,000</u>	<u>\$ 2,950,000</u>

**BOROUGH OF BOGOTA
STATEMENT OF RESERVE FOR DEVELOPER CONTRUBUTION**

Balance, December 31, 2021	<u>\$ 1,414,090</u>
Balance, December 31, 2022	<u>\$ 1,414,090</u>

STATEMENT OF DUE FROM CURRENT FUND

Increased by:	
Payments Made for Current Fund	<u>\$ 58,793</u>
Balance, December 31, 2022	<u>\$ 58,793</u>

**BOROUGH OF BOGOTA
STATEMENT OF RESERVE FOR ARP FUNDS**

Balance, December 31, 2021		\$ 436,206
Increased by:		
Cash Receipts - American Rescue Plan		436,206
		872,412
Decreased by:		
Encumbrance - Improvements to Audio/Visual	\$ 68,284	
Anticipated Revenue - Current Fund	416,500	
		484,784
Balance, December 31, 2022		\$ 387,628

EXHIBIT C-13

STATEMENT OF DOWN PAYMENT ON IMPROVEMENTS

Balance, December 31, 2021		\$ 23,100
Decreased by:		
Appropriated to Finance Improvement Authorizations		\$ 23,100

EXHIBIT C-14

STATEMENT OF CAPITAL IMPROVEMENT FUND

Increased by:		
Cash Receipts - Budget Appropriation		\$ 100,000
Decreased by:		
Appropriated to Finance Improvement Authorizations		97,900
Balance, December 31, 2022		\$ 2,100

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

<u>Ord. No.</u>	<u>Description</u>	Balance, December 31, <u>2021</u>	2022 <u>Authorizations</u>	Notes <u>Issued</u>	Notes not <u>Renewed</u>	Grants <u>Proceeds</u>	Balance, December 31, <u>2022</u>
1442	Acquisition of Passenger Bus	\$ 1,111					\$ 1,111
1443	Improvements to Municipal Facilities	1,724					1,724
1492	Reconstruction of West Shore Ave	149,000					149,000
1516	Resurfacing	93,357					93,357
1528	Rehabilitation of Basketball and Tennis Courts at Olsen Park	800			\$ 12,500		13,300
1532	Construction of New Recreation Center at Olsen Park	4,332,290		\$ 500,000			3,832,290
1542	Reconstruction of Pine Street	260,000		58,518		\$ 201,482	-
1544	Resurfacing of Leonia Ave (Phase V)	178,000		165,500			12,500
1547	Resurfacing of Central Avenue	31,756		31,756			-
1550	Replacement of ADA Curb Ramps on Main St	285,000		285,000			-
1560	Various Public Improvements	807,500		757,500			50,000
1567	Road & Sanitary Sewer	285,000		285,000			-
1568	Reconstruction of Pine Street (Phase II)	400,000		400,000			-
1569	Acquisition of Pumper Truck & Equipment	1,342,000					1,342,000
1578	Various Public Improvements		\$ 1,414,000				1,414,000
1589	Reconstruction of Palisade Avenue	-	510,000	-	-	-	510,000
		<u>\$ 8,167,538</u>	<u>\$ 1,924,000</u>	<u>\$ 2,483,274</u>	<u>\$ 12,500</u>	<u>\$ 201,482</u>	<u>\$ 7,419,282</u>

BOROUGH OF BOGOTA
PART II
GOVERNMENT AUDITING STANDARDS



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
JULIUS B. CONSONI, CPA, PSA
ANDREW D. PARENTE, CPA, RMA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, RMA, PSA
DEBRA GOLLE, CPA
MARK SACO, CPA
ROBERT LERCH, CPA
CHRISTOPHER M. VINCI, CPA, PSA
CHRISTINA CUIFFO, CPA

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements – regulatory basis of the Borough of Bogota as of and for the year ended December 31, 2022, and the related notes to the financial statements, and have issued our report thereon dated August 10, 2023. Our report on the financial statements – regulatory basis was modified to indicate that the financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America but rather prepared in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States, to meet the financial reporting requirements of the State of New Jersey for municipal government entities as described in Note 1. In addition, our report on the financial statements – regulatory basis was modified on the regulatory basis of accounting because of the presentation of the unaudited LOSAP Trust Fund financial statements.

Report on Internal Control over Financial Reporting

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

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. 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.

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2022-001 that we consider to be a significant deficiency.

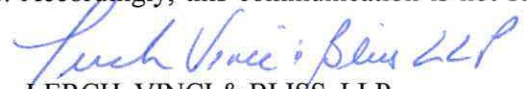
Report on Compliance and Other Matters


As part of obtaining reasonable assurance about whether the Borough's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 an instance of noncompliance or other matter 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 and which is described in the accompanying schedule of findings and responses as item 2022-001.

However, we noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Borough of Bogota in Part III of this report of audit entitled, "Letter of Comments and Recommendations".

Purpose of this Report

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


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


Dieter P. Lerch
Registered Municipal Accountant
RMA Number CR00398

Fair Lawn, New Jersey
August 10, 2023

BOROUGH OF BOGOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Grant Year	Federal A.L. Number	Grant Award Amount	Grant Receipts	Balance, January 1, 2022	Revenue Realized	Expenditures	Cancelled/ Adjustments	Balance, December 31, 2022
<u>U.S. Department of Homeland Security</u>									
(Pass through NJ State Police)									
Coronavirus Pandemic	2020	97.036	\$ 15,185		\$ (15,185)			15,185	
Assistance to Firefighters	2020	97.044	7,511		(7,511)			7,511	
<u>U.S. Department of Treasury</u>									
(Pass through County of Bergen)									
CARES Act	2020	21.019	34,681		3,794				\$ 3,794
American Rescue Plan	2021	21.027	872,412	\$ 436,206		\$ 484,784	\$ 484,784		-
<u>U.S. Department of Justice</u>									
Bulletproof Vest Partnership Program	2020	16.607	1,750		69	-	69		
Click it or Tick it		20.616	5,557	6,148				5,557	5,557
Drunk Driving Prevention (Drive Sober)		20.616	5,439					5,439	5,439
U.S. Department of Housing and Urban Development									
Community Development Block Grant									
Linwood Avenue Reconstruction	2022	14.218	80,000		-	80,000	80,000	-	-
					<u>\$ (18,833)</u>	<u>\$ 564,784</u>	<u>\$ 564,853</u>	<u>\$ 33,692</u>	<u>\$ 14,790</u>

Note: This schedule was not subject to Single Audit requirements of U.S. Uniform Guidance.

BOROUGH OF BOGOTA
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2022

<u>State Grant Program</u>	<u>Grant Number</u>	<u>Grant Year</u>	<u>Grant Award</u>	<u>Grant Receipts</u>	<u>Balance, December 31, 2021</u>	<u>2022 Revenue Realized</u>	<u>Expended</u>	<u>Adjustment</u>	<u>Balance, December 31, 2022</u>	<u>MEMO Cumulative Expenditures</u>
<u>NJ Department of Environmental Protection</u>										
Clean Communities	4900-765-004	2012	\$ 9,700		\$ 119		\$ 119		-	\$ 9,700
		2014	10,663		10,663		6,381		4,282	6,381
		2015	12,962		12,962				12,962	
		2016	14,818		14,818				14,818	
		2017	12,589		12,589				12,589	
		2018	12,048		12,048				12,048	
		2019	13,445		13,445				13,445	
		2020	12,123		12,123				12,123	
		2021	12,906		-	\$ 12,906			12,906	
		2022	13,279	\$ 13,279	-	-	-	-	-	
					<u>88,767</u>	<u>12,906</u>	<u>6,500</u>	<u>-</u>	<u>95,173</u>	
Recycling Tonnage	4910-100-224	2012	11,013		3,776				3,776	7,237
		2014	11,115		11,115				11,115	
		2015	10,702		10,702				10,702	
		2016	6,538		6,538				6,538	
		2018	2,690		2,690				2,690	
		2019	10,669		10,669				10,669	
		2020	10,669		10,669				10,669	
		2021	10,839		-	10,839			10,839	
		2022	11,206	11,206	-	-	-	-	-	
					<u>56,159</u>	<u>10,839</u>	<u>-</u>	<u>-</u>	<u>66,998</u>	
<u>NJ Department of Law and Public Safety</u>										
Body Armor Replacement	066-1020-718-001	2019	1,956		1,629		1,629		-	1,956
		2020	1,843		1,843		1,843		-	1,843
		2021	1,482		-	1,482	1,482		-	1,482
		2022	2,494	2,494	-	-	-	-	-	
					<u>3,472</u>	<u>1,482</u>	<u>4,954</u>	<u>-</u>	<u>-</u>	
Body Worn Camera Grant		2021	50,950		50,950		50,950		-	
<u>NJ Department of Health</u>										
Alcohol Education Rehabilitation Program	9735-760-001	2013	5,526		5,526				5,526	
		2014	1,890		1,890				1,890	
		2015	1,355		1,355				1,355	
		2016	121		121				121	
		2017	708		708				708	
		2018	659		659				659	
		2019	402		402				402	
		2020	167		167				167	
					<u>10,828</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,828</u>	

BOROUGH OF BOGOTA
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2022

<u>State Grant Program</u>	<u>Grant Number</u>	<u>Grant Year</u>	<u>Grant Award</u>	<u>Grant Receipts</u>	<u>Balance, December 31, 2021</u>	<u>2022 Revenue Realized</u>	<u>Expended</u>	<u>Adjustment</u>	<u>Balance, December 31, 2022</u>	<u>MEMO Cumulative Expenditures</u>
Council on Alcoholism and Drug Abuse Pass through County of Bergen Municipal Alliance Grant Fund	100-082-2000-044	2018	\$ 9,876		\$ 1,102		\$ 1,102		-	\$ 9,876
		2020	1,300		1,300		1,065		235	1,065
		2022	3,055	\$ 3,055	-	-	-	-	-	
					<u>2,402</u>	<u>-</u>	<u>2,167</u>	<u>-</u>	<u>235</u>	
NJ Division of Highway Traffic Safety Drunk Driving Enforcement Fund	6400-100-078	2020	1,000		199	-	-	801	1,000	
Total State Awards - Grant Fund					<u>\$ 212,777</u>	<u>\$ 25,227</u>	<u>\$ 64,571</u>	<u>\$ 801</u>	<u>\$ 174,234</u>	
NJ Department of Transportation Highway Planning and Construction - Ord 1516 Ord. 1542	078-6320-480	2018	380,627		\$ 93,189				\$ 93,189	287,438
		2020	205,000	201,482	3,518				3,518	201,482
		2021	200,000		200,000		\$ 200,000	-	-	200,000
		2022	196,000		-	\$ 196,000	196,000	-	-	196,000
Total State Awards - Capital Fund					<u>296,707</u>	<u>196,000</u>	<u>396,000</u>	<u>-</u>	<u>96,707</u>	
Total State Awards					<u>\$ 509,484</u>	<u>\$ 221,227</u>	<u>\$ 460,571</u>	<u>\$ 801</u>	<u>\$ 270,941</u>	

Note: This schedule was not subject to Single Audit requirements of NJ OMB 15-08.

**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
YEAR ENDED DECEMBER 31, 2022**

NOTE 1 REPORTING ENTITY

The Borough of Bogota (the “Borough”) received and participated in numerous Federal Award and State Financial Assistance programs in the form of cost reimbursement grants and revenue sharing entitlements. The Borough is the reporting entity for these programs. The Borough is defined in Note 1 (A) to the Borough’s Financial Statements.

NOTE 2 BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal awards and state financial assistance (the “Schedules”) present the activity of all federal and state programs of the Borough. All federal awards received directly from federal agencies or passed through other government agencies are included on the schedule of expenditures of federal awards. All state awards received directly from state agencies or passed through other government agencies are included in the schedule of expenditures of state financial assistance. The information in these Schedules are presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principals, and audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB Circular Letter 15-08 *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*.

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Borough conform to the accounting principles and practices prescribed 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 federal awards and state financial assistances through separate funds and accounts which differ from those required by accounting principles generally accepted in the United States of America. The Borough’s summary of significant accounting policies are described in Note 1 to the Borough’s Financial Statements.

NOTE 4 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	\$ 416,500	\$ 25,227	\$ 441,727
General Capital Fund	<u>148,284</u>	<u>196,000</u>	<u>344,284</u>
Total Financial Awards	<u>\$ 564,784</u>	<u>\$ 221,227</u>	<u>\$ 786,011</u>

**BOROUGH OF BOGOTA
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2022**

NOTE 5 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.

NOTE 6 DE MINIMIS INDIRECT COST RATE

The Borough has not elected to use the 10 percent de minimis indirect cost rate allowed under the U.S. Uniform Guidance.

**BOROUGH OF BOGOTA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2022**

Part I – Summary of Auditor’s Results

Financial Statements

Type of auditors' report issued on financial statements Modified - Unaudited LOSAP Fund

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
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2022**

Part II – Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with Chapter 5.18.5.20 of *Government Auditing Standards*.

Finding 2022-001

Our audit of taxes revealed that in multiple instances, there were taxpayer checks that bounced, but were not posted to the taxpayer's history by the Tax Collector to reflect the delinquent balance. Additionally, interest was not charged upon the subsequent repayment of the delinquent balances.

Criteria or Specific Requirements:

Internal Controls of Tax Collections

Conditions:

Certain taxpayer accounts were not adjusted to reflect (non-sufficient fund NSF) bounced checks that were received by the Borough.

Context:

NSF checks in the amount of \$22,950 were not properly adjusted to certain individual taxpayer accounts.

Effect:

Delinquent tax balances for certain taxpayers were not accurately reported in the Borough's tax records.

Cause:

See Condition

Recommendation:

The Tax Collector adjust the taxpayer's history for bounced checks and interest be charged on the applicable delinquent accounts.

Views of Responsible Officials and Planned Corrective Action Plan:

Management has reviewed the recommendation and corrective action will be taken.

**BOROUGH OF BOGOTA
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2022**

This section identifies the status of prior-year findings related to the financial statements are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*.

STATUS OF PRIOR YEAR FINDINGS

There were none.

BOROUGH OF BOGOTA
BERGEN COUNTY, NEW JERSEY

PART III

SUPPLEMENTARY DATA

LETTER OF COMMENTS AND RECOMMENDATIONS

FOR THE YEAR ENDED DECEMBER 31, 2022

**BOROUGH OF BOGOTA
SUPPLEMENTARY DATA**

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

	<u>Year 2022</u>		<u>Year 2021</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
REVENUE AND OTHER INCOME REALIZED				
Fund Balance Utilized	\$ 650,000	2.10 %	\$ 600,000	2.00 %
Miscellaneous - From Other Than Local				
Property Tax Levies	2,730,307	8.84	2,352,701	7.85
Collection of Delinquent Taxes and Tax Title Liens	9,384	0.03	10,364	0.03
Collection of Current Tax Levy	27,131,921	87.80	26,663,286	88.91
Other Credits	<u>378,661</u>	<u>1.23</u>	<u>361,774</u>	<u>1.21</u>
Total Income	<u>30,900,273</u>	<u>100.00 %</u>	<u>29,988,125</u>	<u>100.00 %</u>
EXPENDITURES				
Budget Expenditures				
Municipal Purposes	11,653,611	38.62	10,848,553	37.08
County Taxes	2,314,712	7.67	2,363,669	8.08
Local District School Taxes	16,183,486	53.63	16,042,978	54.83
Other Expenditures	<u>22,988</u>	<u>0.08</u>	<u>1,570</u>	<u>0.01</u>
Total Expenditures	<u>30,174,797</u>	<u>100.00 %</u>	<u>29,256,770</u>	<u>100.00 %</u>
Less: Expenditures to be Raised by Future Revenue	<u>310,000</u>		<u>80,500</u>	
Total Adjusted Expenditures	<u>29,864,797</u>		<u>29,176,270</u>	
Statutory Excess to Fund Balance	1,035,476		811,855	
Fund Balance, January 1	<u>1,917,250</u>		<u>1,705,395</u>	
	2,952,726		2,517,250	
Less Utilization as Anticipated Revenue	<u>650,000</u>		<u>600,000</u>	
Fund Balance, December 31	<u>\$ 2,302,726</u>		<u>\$ 1,917,250</u>	

**BOROUGH OF BOGOTA
SUPPLEMENTARY DATA**

Comparative Schedule of Tax Rate Information

	<u>2022</u>	<u>2021</u>	<u>2020</u>
<u>Tax Rate</u>	<u>\$4.225</u>	<u>\$4.138</u>	<u>\$4.073</u>
<u>Apportionment of Tax Rate</u>			
Municipal	1.356	1.280	1.280
County	.345	.352	0.308
County Open Space	.015	.015	0.013
Local School	2.509	2.491	2.472

Assessed Valuation

2022	<u>\$644,806,400</u>	
2021		<u>\$644,085,500</u>
2020		<u>\$643,425,600</u>

Comparison of 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>
2022	\$ 27,273,346	\$ 27,131,921	99.48%
2021	26,689,606	26,623,286	99.75%
2020	26,217,250	26,145,293	99.73%

**BOROUGH OF BOGOTA
SUPPLEMENTARY DATA**

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 Delinquent Taxes</u>	<u>Tax Title Liens</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2022	\$ 109,654	\$ 15,472	\$ 125,126	0.46%
2021	11,821	15,472	27,293	0.10%
2020	61,308	12,499	73,807	0.28%

Property Acquired by Tax Title Lien Liquidation

No properties have been acquired in 2022 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>
2022	\$136,680
2021	136,680
2020	136,680

Comparative Schedule of Fund Balances

	<u>Year</u>	<u>Balance, December 31</u>	<u>Utilized In Budget of Succeeding Year</u>
Current Fund	2022	\$2,302,726	\$662,000
	2021	1,917,250	650,000
	2020	1,705,395	600,000
	2019	1,871,880	508,684
	2018	1,034,600	135,000

**BOROUGH OF BOGOTA
SUPPLEMENTARY DATA**

OFFICIALS IN OFFICE AND SURETY BONDS

<u>Name</u>	<u>Title</u>
Christopher Kelemen	Mayor
Mary Ellen Murphy	Council President
Consuelo Carpenter	Councilwoman
Michael Connors	Councilman
Daniele Fede	Councilwoman
Jo-Ellen Granquist	Councilwoman
Robert Robbins	Councilman
Edward Hynes	Borough Administrator
Gregory Bock	Chief Financial Officer
Yenlys Flores-Bolivard	Acting Borough Clerk
Andrea Tarantula	Tax Collector
Arthur Sopelsa	Construction Code Official
Michael Quercia	Plumbing Subcode Official
Jared Geist	Municipal Court Judge
Patrick Wilkens	Tax assessor
Daniel Maye	Chief of Police
Gregory Polyniak	Borough Engineer
William Betesh, Esq.	Borough Attorney

**BOROUGH OF BOGOTA
LETTER OF COMMENTS AND RECOMMENDATION**

GENERAL COMMENTS

Prior Year Findings Unresolved

Our audit indicated that a certain contract awarded during the year for the revaluation of property was not encumbered. It is recommended that all contracts be encumbered at the time of award.

Our audit indicated that certain purchases were made prior to issuance of purchase orders. It is recommended that purchase orders be issued prior to placing the orders for goods/services.

Our audit of the municipal court indicated that stale dated checks remain outstanding on the Bail bank account reconciliation. It is recommended that old outstanding checks in the municipal court Bail account be cleared of record.

Current Year Findings

Our audit revealed that Special Emergency appropriations for the revaluation of real property and the preparation of a tax map were not recorded in the Borough's financial records. It is recommended that approved Special Emergency appropriations be recorded and reflected in the Borough's financial records.

Our audit of salaries revealed that one terminated employee was not removed from health benefits in a timely manner. It is recommended that in all instances, terminated employees be removed from health benefits in a timely manner.

Our audit of taxes revealed that in multiple instances, there were taxpayer checks that bounced, but were not posted to the taxpayer's history by the Tax Collector to reflect the delinquent balance. Additionally, interest was not charged upon the subsequent repayment of the delinquent balances. It is recommended that the Tax Collector adjust the taxpayer's history for all bounced checks and interest be charged on the applicable delinquent accounts.

Our audit of the Municipal Court revealed the following:

- a) Adjusted bank balances were not in agreement with adjusted book balances for the Regular and Bail account bank reconciliations.
- b) Uncleared reconciling items on the Regular account bank reconciliations.

It is recommended that:

- a) Adjusted bank balances and book balances be reconciled and in agreement for both the Regular and Bail account bank reconciliations.
- b) Reconciling items on the Regular account bank reconciliations be reviewed and cleared of record.

Contracts and Agreements Required to be Advertised for NJS 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 \$44,000 except by contract or agreement".

**BOROUGH OF BOGOTA
LETTER OF COMMENTS AND RECOMMENDATION**

GENERAL COMMENTS (Continued)

Contracts and Agreements Required to be Advertised for NJS 40a:11-4 (Continued)

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:

Palisades Ave. & Linwood Ave.

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 except as previously noted in our general comments, did not reveal instances whereby individual payments were made in excess of the bid 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 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.

Collection of Interest on Delinquent Taxes and Assessments

The statute provides the method for authorizing interest and the maximum rate 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 6, 2022 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, County of Bergen, State of New Jersey, that the rate of interest on 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 form this date due attaches.

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

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>
2022	1
2021	1
2020	1

**BOROUGH OF BOGOTA
SUPPLEMENTARY DATA**

RECOMMENDATIONS

It is recommended that:

- * 1. All contracts be encumbered at the time of award.
- * 2. Purchase orders be issued prior to placing the orders for goods/services.
- 3. Approved Special Emergency appropriations be recorded and reflected in the Borough's financial records.
- 4. In all instances, terminated employees be removed from health benefits in a timely manner.
- 5. The Tax Collector adjust the taxpayer's history for bounced checks and interest be charged on the applicable delinquent accounts.
- 6. With regards to the Municipal Court:
 - * a) Old outstanding checks in the municipal court Bail account be cleared of record.
 - b) Adjusted bank balances and book balances be reconciled and in agreement for both the Regular and Bail account bank reconciliations.
 - c) Reconciling items on the Regular account bank reconciliations be reviewed and cleared of record.

A review was performed on all prior year recommendations. Corrective action was taken on all, with exception of three repeat findings 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.


LERCH, VINCI & BLISS, LLP
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Registered Municipal Accountants


Dieter P. Lerch
Registered Municipal Accountant
RMA Number CR00398