

BOROUGH OF BOGOTA
BERGEN COUNTY, NEW JERSEY
REPORT OF AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2023

BOROUGH OF BOGOTA

BERGEN COUNTY

PART I

REPORT ON AUDIT OF FINANCIAL STATEMENTS

AND SUPPLEMENTARY SCHEDULES

FOR THE YEAR ENDED DECEMBER 31, 2023

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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, 2023 and 2022, 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, 2023, 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, 2023 and 2022, 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, 2023 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, 2023 and 2022, 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, 2023 and 2022. The LOSAP Trust Fund financial activities are included in the Borough’s Trust Funds, and represent 37 and 27 percent of the assets and liabilities, respectively, of the Borough’s Trust Funds as of December 31, 2023 and 2022, 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 8, 2024 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 CR000398

Fair Lawn, New Jersey
August 8, 2024

BOROUGH OF BOGOTA
COMPARATIVE BALANCE SHEETS - STATUTORY BASIS - CURRENT FUND
AS OF DECEMBER 31, 2023 AND 2022

	<u>Reference</u>	<u>2023</u>	<u>2022</u>
ASSETS			
Operating Fund			
Cash	A-4	\$ 3,291,855	\$ 3,344,700
Change Funds	A-5	280	280
Due from State of New Jersey - Senior Citizen and Veteran's Deductions	A-7	<u>37,721</u>	<u>29,225</u>
		<u>3,329,856</u>	<u>3,374,205</u>
Receivables and Other Assets with Full Reserves			
Delinquent Property Taxes	A-8	259,770	109,654
Tax Title Liens	A-9	17,057	15,472
Property Acquired for Taxes	A-10	136,680	136,680
Revenue Accounts Receivable	A-13	9,497	8,734
Interfunds Receivable:			
Due from Animal Control Fund	B-2	<u>2,131</u>	<u>-</u>
		<u>425,135</u>	<u>270,540</u>
Deferred Charges			
Special Emergency Authorization	A-12	445,000	506,000
Emergency Authorizations	A-11	<u>26,669</u>	<u>-</u>
		<u>471,669</u>	<u>506,000</u>
Total Regular Fund		<u>4,226,660</u>	<u>4,150,745</u>
Federal and State Grant Fund			
Grants Receivable	A-6	155,011	60,201
Due from Current Fund	A-27	<u>220,132</u>	<u>211,154</u>
Total Grant Fund		<u>375,143</u>	<u>271,355</u>
Total Assets		<u>\$ 4,601,803</u>	<u>\$ 4,422,100</u>

BOROUGH OF BOGOTA
COMPARATIVE BALANCE SHEETS - STATUTORY BASIS - CURRENT FUND
AS OF DECEMBER 31, 2023 AND 2022

	<u>Reference</u>	<u>2023</u>	<u>2022</u>
LIABILITIES, RESERVES AND FUND BALANCE			
Operating Fund			
Liabilities:			
Appropriation Reserves	A-3,A-14	\$ 585,120	\$ 616,487
Encumbrances Payable	A-15	91,024	64,600
Accounts Payable	A-16	52,718	442,885
County Taxes Payable	A-17	598	2,580
Prepaid Taxes	A-19	90,060	82,059
Tax Overpayments	A-20	5,919	1,884
Due to State of New Jersey Fees Payable	A-21	16,438	1,452
Due to County of Bergen - PILOT	A-28	40,176	-
Due to Library	A-22	-	6,997
Miscellaneous Reserves	A-23	97,517	88,588
Interfunds Payable			
Due to Federal and State Grant Fund	A-27	220,132	211,154
Due to General Capital Fund	C-12	1,204	58,793
		<u>1,200,906</u>	<u>1,577,479</u>
Reserve for Receivables	A	425,135	270,540
Fund Balance	A-1	<u>2,600,619</u>	<u>2,302,726</u>
Total Regular Fund		<u>4,226,660</u>	<u>4,150,745</u>
Federal and State Grant Fund			
Encumbrances Payable	A-26	65,195	2,454
Appropriated Reserves	A-25	274,677	229,754
Unappropriated Reserves	A-24	<u>35,271</u>	<u>39,147</u>
Total Grant Fund		<u>375,143</u>	<u>271,355</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 4,601,803</u>	<u>\$ 4,422,100</u>

BOROUGH OF BOGOTA
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -
STATUTORY BASIS - CURRENT FUND
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>Reference</u>	<u>2023</u>	<u>2022</u>
REVENUE AND OTHER INCOME REALIZED			
Fund Balance Utilized	A-2	\$ 662,000	\$ 650,000
Miscellaneous Revenue Anticipated	A-2	3,383,010	2,655,933
Receipts from Delinquent Taxes	A-2	108,868	9,384
Receipts from Current Taxes	A-2	27,448,215	27,131,921
Non-Budget Revenue	A-2	101,327	74,374
Other Credits to Income			
Statutory Excess in Animal Control Trust Fund	B-2	2,131	3,035
Unexpended Balance of Appropriation Reserves	A-14	320,367	372,996
Cancellation of Appropriated Grants Reserves	A-25	23,731	1,060
Cancellation of Miscellaneous Reserves	A-23	<u>1,756</u>	<u>1,570</u>
 Total Income		 <u>32,051,405</u>	 <u>30,900,273</u>
 EXPENDITURES			
Budget Appropriations:			
Operations			
Salaries and Wages	A-3	4,384,000	4,151,175
Other Expenses	A-3	5,932,344	5,470,901
Deferred Charges and Statutory			
Expenditures- Municipal	A-3	988,691	1,050,419
Judgments	A-3	93,381	86,506
Capital Improvements	A-3	150,000	100,000
Municipal Debt Service	A-3	922,682	794,610
Local District School Taxes	A-18	16,170,436	16,183,486
County Taxes Payable	A-17	2,426,228	2,312,132
Due to County for Added and Omitted Taxes	A-17	598	2,580
Interfund Advances	B-2	2,131	-
Cancelled Grants Receivable	A-6	47,690	
Refund of Prior Year Taxes	A	<u>-</u>	<u>22,988</u>
 Total Expenditures		 <u>31,118,181</u>	 <u>30,174,797</u>
 Excess in Revenues		 933,224	 725,476
 Adjustment to Income before Fund Balance:			
Expenditures included above which are by Statute Deferred			
Charges to Budget of Succeeding Year	A-11	<u>26,669</u>	<u>310,000</u>
 Statutory Excess to Fund Balance		 959,893	 1,035,476
 Fund Balance, January 1	A-1	 <u>2,302,726</u>	 <u>1,917,250</u>
		3,262,619	2,952,726
Decreased by:			
Utilized as Anticipated Revenue	A-2	<u>662,000</u>	<u>650,000</u>
 Fund Balance, December 31	A-1	 <u>\$ 2,600,619</u>	 <u>\$ 2,302,726</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, 2023

	Reference	2023 Budget	Added by N.J.S. 40A:4-87	2023 Realized	Excess or (Deficit)
FUND BALANCE ANTICIPATED	A-1	\$ 662,000	-	\$ 662,000	-
MISCELLANEOUS REVENUES					
Licenses					
Alcoholic Beverages	A-13	16,000		16,837	\$ 837
Other	A-13	6,000		14,261	8,261
Fees and Permits	A-13	35,000		54,200	19,200
Fines and Costs					
Municipal Court	A-13	130,000		142,428	12,428
Interest and Costs on Taxes	A-13	40,000		40,314	314
Interest on Investments and Deposits	A-13	14,000		149,634	135,634
Energy Receipts Tax	A-13	677,676		682,360	4,684
Municipal Relief Aid	A-13	58,793		58,793	-
Uniform Construction Code Fees	A-13	125,000		349,146	224,146
State and Federal Revenues Offset with Appropriations					
Municipal Alliance	A-24	3,055		3,055	
Clean Communities	A-24	13,279		13,279	
Click It or Ticket	A-24	6,148		6,148	
Body Armor	A-24	2,494		2,494	
Recycling Tonnage	A-24	11,206		11,206	
Mid Bergen Regional COVID Grant	A-24	1,965		1,965	
Bergen County BASCA Grant	A-24	1,000		1,000	
NJUCF Stewardship Grant	A-6	40,000		40,000	
American Rescue Plan Governor's Grant	A-6	20,000		20,000	
Sustainable Jersey Energy Efficiency Start Up Grant	A-6		\$ 2,500	2,500	
Distracted Driving	A-6		5,958	5,958	
Mid-Bergen Regional Keep Bogota Clean	A-6		62,000	62,000	
Mid-Bergen 2023 Enhancing Grant	A-6		12,444	12,444	
Spotted Lanternfly Control Treatment Grant	A-6		10,500	10,500	
Stormwater Assistance Grant	A-6		25,000	25,000	
Cable Television Franchise Fees	A-13	85,000		80,895	(4,105)
Bogota BOE - SLEO	A-13	150,000		165,321	15,321
Uniform Fire Safety Act	A-13	40,000		56,169	16,169
Swim Club Rent	A-13	10,066		10,000	(66)
Outside Police Employment-Administrative Fees	A-13	140,000		195,838	55,838
PILOT-421 River Road	A-13	560,000		652,097	92,097
PILOT-297 Palisades Ave	A-13	95,000		111,256	16,256
American Rescue Plan Act	C-13	385,912	-	385,912	-
	A-1	<u>2,667,594</u>	<u>118,402</u>	<u>3,383,010</u>	<u>597,014</u>
RECEIPTS FROM DELINQUENT TAXES	A-1,A-2	<u>50,000</u>	-	<u>108,868</u>	<u>58,868</u>
AMOUNT TO BE RAISED FOR SUPPORT OF MUNICIPAL BUDGET					
Local Tax for Municipal Purposes	A-2	8,792,681	-	8,690,379	(102,302)
Minimum Library Tax	A-2	335,574	-	335,574	-
Total Amount to be Raised by Taxes for Support of Municipal Budget		<u>9,128,255</u>	-	<u>9,025,953</u>	<u>(102,302)</u>
Total General Revenues	A-3	<u>\$ 12,507,849</u>	<u>\$ 118,402</u>	13,179,831	<u>\$ 553,580</u>
Non-Budget Revenue	A-1,A-2			<u>101,327</u>	
				<u>\$ 13,281,158</u>	

BOROUGH OF BOGOTA
STATEMENT OF REVENUES - STATUTORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2023
(Continued)

	<u>Reference</u>	
ANALYSIS OF REALIZED REVENUES		
Allocation of Current Tax Collection		
Revenue from Collections	A-8	\$ 27,448,215
Less: Allocated to School and County Taxes	A-17,A-18	<u>18,597,262</u>
Balance for Support of Municipal Budget Appropriations		8,850,953
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	<u>175,000</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 9,025,953</u>
Licenses - Other		
Board of Health	A-13	\$ 8,586
Borough Clerk	A-13	<u>5,675</u>
	A-2	<u>\$ 14,261</u>
Fees and Permits		
Borough Clerk	A-13	\$ 19,570
Board of Health	A-13	100
Property Maintenance	A-13	23,500
Planning/Zoning Boards	A-13	4,710
Police Department	A-13	<u>6,320</u>
	A-2	<u>\$ 54,200</u>
Miscellaneous Revenue Not Anticipated:		
Copies		\$ 3,598
NJ DMV Inspection Fees		2,450
Restitution		55
Bus stop ad Commission		300
Refunds and Reimbursements		790
Property Maintenance Penalties		6,040
State of NJ - LEA		7,901
State of NJ - SLCHIP		2,178
PILOT - SC Building		3,000
Miscellaneous		<u>75,015</u>
	A-2,A-4	<u>\$ 101,327</u>

**BOROUGH OF BOGOTA
STATEMENT OF EXPENDITURES - STATUTORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>2023 Appropriations</u>		<u>2023 Expended</u>		<u>Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
OPERATIONS - WITHIN "CAPS"					
GENERAL GOVERNMENT					
Administrative and Executive					
Salaries and Wages	\$ 125,000	\$ 127,450	\$ 127,400	\$ 50	
Other Expenses	20,000	20,000	18,432	1,568	
Grantsperson					
Other Expenses	36,000	36,000	36,000	-	
Mayor & Council					
Salaries and Wages	18,640	18,740	18,718	22	
Other Expenses	4,000	5,250	4,807	443	
Municipal Clerk					
Salaries and Wages	150,750	157,750	154,270	3,480	
Other Expenses	42,500	35,500	27,802	7,698	
Financial Administration					
Salaries and Wages	18,325	18,450	18,443	7	
Other Expenses	160,000	160,000	158,492	1,508	
Audit Services					
Annual Audit	60,000	60,000	55,500	4,500	
Computerized Data Processing					
Other Expenses	50,000	50,000	46,089	3,911	
Revenue Administration (Tax)					
Salaries and Wages	10,825	10,925	10,904	21	
Other Expenses	92,000	93,500	92,912	588	
Assessment of Taxes					
Salaries and Wages	17,305	17,430	17,428	2	
Other Expenses	5,000	5,000	2,946	2,054	
Legal Services and Costs					
Other Expenses	200,000	200,000	172,905	27,095	
Engineering Services and Costs					
Other Expenses	50,000	50,000	35,061	14,939	
LAND USE ADMINISTRATION					
Municipal Land Use Law (N.J.S.A. 40:55-1):					
Planning Board					
Salaries and Wages	2,705	4,005	4,000	5	
Other Expenses	5,000	7,500	5,699	1,801	
Code Enforcement					
Salaries and Wages	37,500	40,750	40,425	325	
Other Expenses	2,500	2,500	2,159	341	
INSURANCE					
Other Insurance Premiums	10,000	10,000	8,771	1,229	
Group Insurance -Other Expenses	930,000	930,000	772,747	157,253	
Liability Insurance	458,789	451,189	444,288	6,901	
Worker's Compensation Insurance	262,424	262,424	262,424	-	
Unemployment Insurance	10,000	25,000	25,000	-	
PUBLIC SAFETY FUNCTIONS					
Department of Police					
Salaries and Wages	2,133,150	2,133,150	2,090,884	42,266	
Other Expenses	150,000	150,000	140,929	9,071	
Police clerical					
Salaries and Wages	40,000	10,404	10,404	-	
Crossing Guards					
Salaries and Wages	83,850	83,850	77,826	6,024	

BOROUGH OF BOGOTA
STATEMENT OF EXPENDITURES - STATUTORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>2023 Appropriations</u>		<u>2023 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)					
PUBLIC SAFETY FUNCTIONS (Cont'd)					
Auxiliary Police					
Other Expenses	\$ 6,000	\$ 6,000	\$ 483	\$ 5,517	
Emergency Management					
Other Expenses	12,500	12,500	11,146	1,354	
Fire Department					
Other Expenses	126,500	126,500	96,305	30,195	
Rescue Squad					
Other Expenses	15,000	15,000	7,963	7,037	
First Aid					
Other Expenses	15,000	15,000	-	15,000	
Fire (Uniform Fire Safety Act)					
Salaries and Wages	52,500	52,500	47,022	5,478	
Other Expenses	75,000	75,000	74,639	361	
PUBLIC WORKS FUNCTIONS					
Road Repairs and Maintenance					
Salaries and Wages	824,500	793,321	745,487	47,834	
Other Expenses	155,000	160,000	146,384	13,616	
Shade Tree Commission					
Salaries and Wages	3,800	3,800	3,732	68	
Other Expenses	25,000	25,000	16,450	8,550	
Garbage and Trash Removal					
Solid Waste Disposal Fees	580,000	580,000	580,000	-	
Public Buildings and Grounds					
Other Expenses	155,000	155,000	140,930	14,070	
HEALTH AND HUMAN SERVICES FUNCTIONS					
Board of Health					
Salaries and Wages	2,825	2,825	2,706	119	
Other Expenses	45,000	45,000	42,855	2,145	
Animal Control Services					
Other Expenses	17,500	17,500	13,606	3,894	
Seniors					
Salaries and Wages	19,000	6,875	6,875	-	
Other Expenses	5,000	5,000	2,235	2,765	
PARK AND RECREATION FUNCTIONS					
Recreation Commission RS 40:12-1					
Salaries and Wages	60,000	66,000	65,449	551	
Other Expenses	42,000	42,000	34,327	7,673	
OTHER COMMON OPERATING FUNCTIONS					
Celebration of Public Events					
Other Expenses	25,000	25,000	12,486	12,514	

BOROUGH OF BOGOTA
STATEMENT OF EXPENDITURES - STATUTORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>2023 Appropriations</u>		<u>2023 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)					
STATE UNIFORM CONSTRUCTION CODE					
Construction Official					
Salaries and Wages	\$ 128,850	\$ 134,600	\$ 133,480	\$ 1,120	
Other Expenses	8,000	8,000	2,233	5,767	
UNCLASSIFIED					
Electricity and Gas	240,000	240,000	224,528	15,472	
Telephone/Communications	62,000	62,000	61,217	783	
Gasoline	90,000	90,000	81,116	8,884	-
Water	20,000	20,000	12,941	7,059	-
Solid Waste Disposal Costs					
Dump Fees	400,000	427,500	383,228	44,272	-
Total Operations Within "CAPS"	<u>8,397,238</u>	<u>8,388,688</u>	<u>7,833,488</u>	<u>555,200</u>	<u>-</u>
Detail					
Salaries and Wages	3,729,525	3,682,825	3,575,453	107,372	-
Other Expenses	4,667,713	4,705,863	4,258,035	447,828	-
DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"					
Statutory Expenditures:					
Social Security System (O.A.S.I.)	160,000	160,000	159,881	119	
Public Employees Retirement System	219,122	219,122	219,122	-	
Police & Fireman's Retirement System of NJ	516,900	516,900	516,900	-	-
DCRP	5,000	5,000	1,418	3,582	-
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	<u>901,022</u>	<u>901,022</u>	<u>897,321</u>	<u>3,701</u>	<u>-</u>
Total General Appropriations for Municipal Purposes Within "CAPS"	<u>9,298,260</u>	<u>9,289,710</u>	<u>8,730,809</u>	<u>558,901</u>	<u>-</u>

**BOROUGH OF BOGOTA
STATEMENT OF EXPENDITURES - STATUTORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>2023 Appropriations</u>		<u>2023 Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
OPERATIONS - EXCLUDED FROM "CAPS"					
Sewer Processing and Disposal					
Other Expenses - Op and Maintenance	\$ 619,896	\$ 619,896	\$ 619,896		
Other Expenses - Debt Service	152,712	152,712	152,712		
Maintenance of Free Public Library					
Salaries and Wages	240,000	240,000	236,251	\$ 3,749	
Other Expenses	95,574	95,574	95,574		
Police Dispatch/911					
Salaries and Wages	239,750	239,750	225,304	14,446	
Other Expenses	4,500	4,500	2,047	2,453	
LOSAP Contribution					
Other Expenses	46,250	46,250	46,036	214	-
Total Other Operations - Excluded from "CAPS"	<u>1,398,682</u>	<u>1,398,682</u>	<u>1,377,820</u>	<u>20,862</u>	<u>-</u>
Shared Service Agreements					
Bogota BOE - SLEO					
Salaries and Wages	180,000	188,000	183,801	4,199	
Municipal Court - Borough of Little Ferry					
Salaries and Wages	32,875	33,425	33,404	21	
Other Expenses	90,000	90,000	88,863	1,137	-
Total Shared Services - Excluded from "CAPS"	<u>302,875</u>	<u>311,425</u>	<u>306,068</u>	<u>5,357</u>	<u>-</u>
ADDITIONAL APPROPRIATIONS OFFSET BY REVENUES (N.J.S. 40A:4-45.3(h))					
Municipal Alliance	3,055	3,055	3,055		
Clean Communities	13,279	13,279	13,279		
Click It or Ticket	6,148	6,148	6,148		
Body Armor	2,494	2,494	2,494		
Recycling Tonnage	11,206	11,206	11,206		
Mid Bergen Regional COVID Grant	1,965	1,965	1,965		
Bergen County BASCA Grant	1,000	1,000	1,000		
NJUCF Stewardship Grant	40,000	40,000	40,000		
American Rescue Plan Governor's Grant	20,000	20,000	20,000		
Sustainable Jersey Energy Efficiency Start Up Grant	-	2,500	2,500		
Distracted Driving	-	5,958	5,958		
Mid-Bergen Regional Keep Bogota Clean	-	62,000	62,000		
Mid-Bergen 2023 Enhancing Grant	-	12,444	12,444		
Spotted Lanternfly Control Treatment Grant	-	10,500	10,500		
Stormwater Assistance Grant	-	25,000	25,000		
Total Appropriations Offset by Revenues (N.J.S. 40A:4-45.3(h))	<u>99,147</u>	<u>217,549</u>	<u>217,549</u>	<u>-</u>	<u>-</u>
Total Operations - Excluded from "CAPS"	<u>1,800,704</u>	<u>1,927,656</u>	<u>1,901,437</u>	<u>26,219</u>	<u>-</u>
Detail					
Salaries and Wages	692,625	701,175	678,760	22,415	-
Other Expenses	1,108,079	1,226,481	1,222,677	3,804	-

BOROUGH OF BOGOTA
STATEMENT OF EXPENDITURES - STATUTORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>2023 Appropriations</u>		<u>2023 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	\$ 125,000	\$ 125,000	\$ 125,000	-	-
Capital Improvement Fund - Tree Planting	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	-	-
Total Capital Improvements-Excluded from "CAPS"	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>	-	-
MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"					
Payment of Bond Principal	620,000	620,000	620,000	-	-
Payment of Bond Anticipation Notes and Capital Notes	61,010	61,010	61,007	-	\$ 3
Interest on Bonds	150,475	150,475	150,475	-	-
Interest on Notes	<u>91,400</u>	<u>91,400</u>	<u>91,200</u>	-	<u>200</u>
Total Municipal Debt Service - Excluded from "CAPS"	<u>922,885</u>	<u>922,885</u>	<u>922,682</u>	-	<u>203</u>
DEFERRED CHARGES MUNICIPAL - EXCLUDED FROM "CAPS"					
Emergency Authorizations - Special Emergency	61,000	61,000	61,000	-	-
Emergency Appropriation	<u>-</u>	<u>26,669</u>	<u>26,669</u>	-	-
Total Deferred Charges Municipal - Excluded from "CAPS"	<u>61,000</u>	<u>87,669</u>	<u>87,669</u>	-	-
Judgements	<u>100,000</u>	<u>100,000</u>	<u>93,381</u>	-	<u>6,619</u>
Total General Appropriations to Municipal Purposes Excluded from "CAPS"	<u>3,034,589</u>	<u>3,188,210</u>	<u>3,155,169</u>	\$ 26,219	<u>6,822</u>
Subtotal General Appropriations	12,332,849	12,477,920	11,885,978	585,120	6,822
Reserve for Uncollected Taxes	<u>175,000</u>	<u>175,000</u>	<u>175,000</u>	-	-
Total General Appropriations	<u>\$ 12,507,849</u>	<u>\$ 12,652,920</u>	<u>\$ 12,060,978</u>	<u>\$ 585,120</u>	<u>\$ 6,822</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, 2023

	<u>Reference</u>	Appropriations Budget After <u>Modification</u>	Expended Paid or <u>Charged</u>
Budget as Adopted	A-2	\$ 12,507,849	
Emergency Authorization	A-11	26,669	
Added by N.J.S. 40A:4-87	A-2	118,402	
Cash Disbursed	A-4		\$ 11,516,405
Encumbrances Payable	A-15		91,024
Due to Grant Fund Appropriated Grant Reserves	A-25		217,549
Deferred Charges			
Special Emergency Authorization	A-12		61,000
Reserve for Uncollected Taxes	A-2	-	175,000
		-----	-----
		<u>\$ 12,652,920</u>	<u>\$ 12,060,978</u>

BOROUGH OF BOGOTA
COMPARATIVE BALANCE SHEETS - STATUTORY BASIS - TRUST FUNDS
AS OF DECEMBER 31, 2023 AND 2022

	<u>Reference</u>	<u>2023</u>	<u>2022</u>
ASSETS			
ANIMAL CONTROL TRUST FUND			
Cash	B-1	\$ <u>5,286</u>	\$ <u>3,665</u>
		<u>5,286</u>	<u>3,665</u>
OTHER TRUST FUND			
Cash	B-1	<u>676,141</u>	<u>948,299</u>
		<u>676,141</u>	<u>948,299</u>
RECREATION TRUST FUND			
Cash	B-1	<u>69,631</u>	<u>64,223</u>
		<u>69,631</u>	<u>64,223</u>
LENGTH OF SERVICE AWARDS PROGRAM FUND - (UNAUDITED)			
Investments	B	400,899	323,305
Contributions Receivable	B	<u>41,872</u>	<u>46,036</u>
		<u>442,771</u>	<u>369,341</u>
Total Assets		<u>\$ 1,193,829</u>	<u>\$ 1,385,528</u>

BOROUGH OF BOGOTA
COMPARATIVE BALANCE SHEETS - STATUTORY BASIS - TRUST FUNDS
AS OF DECEMBER 31, 2023 AND 2022

	<u>Reference</u>	<u>2023</u>	<u>2022</u>
LIABILITIES AND RESERVES			
ANIMAL CONTROL FUND			
Due to Current Fund	B-2	\$ 2,131	
Due to State of New Jersey	B-3	178	
Reserve for Animal Control Trust Expenditures	B-4	<u>2,977</u>	<u>\$ 3,665</u>
		<u>5,286</u>	<u>3,665</u>
OTHER TRUST FUND			
Payroll Deductions Payable	B-5	16,593	16,533
Miscellaneous Reserves	B-6	<u>659,548</u>	<u>931,766</u>
		<u>676,141</u>	<u>948,299</u>
RECREATION TRUST FUND			
Reserve for Recreation Expenditures	B-7	<u>69,631</u>	<u>64,223</u>
		<u>69,631</u>	<u>64,223</u>
LENGTH OF SERVICE AWARDS PROGRAM			
FUND - (UNAUDITED)			
Net Assets Available for Benefits	B	<u>442,771</u>	<u>369,341</u>
		<u>442,771</u>	<u>369,341</u>
Total Liabilities and Reserves		<u><u>\$ 1,193,829</u></u>	<u><u>\$ 1,385,528</u></u>

**BOROUGH OF BOGOTA
COMPARATIVE BALANCE SHEETS - STATUTORY BASIS
GENERAL CAPITAL FUND
AS OF DECEMBER 31, 2023 AND 2022**

	<u>Reference</u>	<u>2023</u>	<u>2022</u>
ASSETS			
Cash	C-2,C-3	\$ 3,061,018	\$ 3,291,128
Due from Current Fund	C-12	1,204	58,793
Grants Receivable	C-4	193,963	594,963
Deferred Charges to Future Taxation			
Funded	C-5	5,115,000	5,735,000
Unfunded	C-6	<u>15,011,049</u>	<u>12,840,056</u>
 Total Assets		 <u>\$ 23,382,234</u>	 <u>\$ 22,519,940</u>
 LIABILITIES, RESERVES AND FUND BALANCE			
Improvement Authorizations			
Funded	C-7	\$ 67,078	\$ 63,338
Unfunded	C-7	6,014,951	5,288,568
Encumbrances Payable	C-8	3,173,177	3,334,253
Serial Bonds Payable	C-9	5,115,000	5,735,000
Bond Anticipation Notes Payable	C-10	7,360,000	5,700,000
Capital Improvement Fund	C-14	15,100	2,100
Reserve for Grants Receivable	C-4	193,963	594,963
Reserve for Developer Contribution	C-11	1,414,090	1,414,090
Reserve for ARP Funds	C-13	1,716	387,628
Fund Balance	C-1	<u>27,159</u>	<u>-</u>
 Total Liabilities, Reserves and Fund Balance		 <u>\$ 23,382,234</u>	 <u>\$ 22,519,940</u>

There were \$8,209,282 and \$7,419,282 in bonds and notes authorized but not issued at December 31, 2023 and 2022, respectively. (Exhibit C-15)

BOROUGH OF BOGOTA
COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCES - REGULATORY BASIS
GENERAL CAPITAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
Increased by:		
Premium on Sale of Bond Anticipation Notes	\$ 27,159	-
	<u> </u>	<u> </u>
Balance, December 31	\$ 27,159	\$ -
	<u> </u>	<u> </u>

BOROUGH OF BOGOTA
COMPARATIVE BALANCE SHEETS - STATUTORY BASIS
GENERAL FIXED ASSETS ACCOUNT GROUP
AS OF DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Land	\$ 5,968,400	\$ 5,968,400
Buildings and Building Improvements	4,635,800	4,635,800
Machinery and Equipment	<u>7,322,760</u>	<u>6,920,997</u>
 Total Assets	 <u>\$ 17,926,960</u>	 <u>\$ 17,525,197</u>
 FUND BALANCE		
Investment in General Fixed Assets	<u>\$ 17,926,960</u>	<u>\$ 17,525,197</u>

NOTES TO FINANCIAL STATEMENTS

**BOROUGH OF BOGOTA
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

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, 2023 AND 2022**

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, 2022 balances to conform to the December 31, 2023 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, 2023 AND 2022**

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, 2023 AND 2022**

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, 2023 AND 2022**

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 proprietary funds and 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 it's 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 proprietary funds and government-wide financial statements.

Other Post-Employment Benefits (OPEB) – The Borough funds its employer paid post-retirement medical benefits on a pay-as-you-go basis. Under the regulatory basis of accounting the Borough is only required to disclose in the Notes to the Financial Statements it's actuarially determined net OPEB liability, deferred outflow of resources, deferred inflow of resources and OPEB expense (benefit). GAAP requires these actuarially determined amounts to be reported in the proprietary funds and 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 acquired under capital financing agreements are capitalized at their acquisition cost. Intangible right-to-use leased assets and intangible right-to-use IT software (SBITAs) 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.

**BOROUGH OF BOGOTA
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

General Fixed Assets (Continued)

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, including intangible right-to-use leased assets and intangible right-to-use IT software (SBITAs), 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 funds as well as in the government-wide financial statements.

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 Current Fund 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.

**BOROUGH OF BOGOTA
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgets and Budgetary Accounting (Continued)

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 2023 and 2022, the Borough Council increased the original budget by \$145,071 and \$316,630. The increases were attributable to additional aid allocated to the Borough along with an emergency resolution for rescue truck repairs in 2023 and emergency resolutions for the revaluation of real property and the preparation of a tax map in 2022. In addition, the governing body approved several budget transfers during 2023 and 2022.

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, 2023 and 2022, the book value of the Borough's deposits were \$7,104,211 and \$7,652,295 and bank and brokerage firm balances of the Borough's deposits amounted to \$7,259,276 and \$7,780,482, 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>2023</u>	<u>2022</u>
Insured	\$ 6,946,453	\$ 7,155,989
Uninsured and Collateralized	<u>312,823</u>	<u>624,493</u>
	<u>\$ 7,259,276</u>	<u>\$ 7,780,482</u>

**BOROUGH OF BOGOTA
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

NOTE 3 CASH DEPOSITS AND INVESTMENTS (Continued)

A. Cash Deposits (Continued)

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, 2023 and 2022, the Borough’s bank balances of \$312,823 and \$624,493 were exposed to custodial credit risk as follows:

<u>Depository Account</u>	<u>2023</u>	<u>2022</u>
Uninsured and Collateralized:		
Collateral held by pledging financial institution's trust department but not in the Borough's name	<u>\$ 312,823</u>	<u>\$ 624,493</u>

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 Local Government Services in the Department of Community Affairs 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, 2023 and 2022, the Borough had the following investments:

	<u>Valuation</u>	<u>2023</u>	<u>2022</u>
	<u>Basis</u>		
Investment:			
Lincoln Financial LOSAP Investment Fund	Fair Value	<u>\$ 400,899</u>	<u>\$ 323,305</u>

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, 2023 and 2022, \$400,899 and \$323,305 of the Borough’s investments was exposed to custodial credit risk as follows:

**BOROUGH OF BOGOTA
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

NOTE 3 CASH DEPOSITS AND INVESTMENTS (Continued)

B. Investments (Continued)

	<u>2023</u>	<u>2022</u>
Uninsured and Collateralized:		
Collateral held by pledging financial institution's trust department but not in the Borough's name	\$ 400,899	\$ 323,305

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.

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, 2023 and 2022, the Borough's investment in Lincoln National Life Insurance Company was rated A2 and A1, respectively, 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 Bogota 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, 2023 and 2022 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, 2023 and 2022 consisted of the following:

	<u>2023</u>	<u>2022</u>
Property Taxes	\$ 259,770	\$ 109,654
Tax Title Liens	<u>17,057</u>	<u>15,472</u>
	<u>\$ 276,827</u>	<u>\$ 125,126</u>

In 2023 and 2022, the Borough collected \$108,868 and \$9,384 from delinquent taxes, which represented 87% and 34%, respectively of the prior year delinquent taxes receivable balance.

**BOROUGH OF BOGOTA
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

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>2023</u>		<u>2022</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	\$ 2,131	\$ 221,336		\$ 269,947
Grants	220,132		\$ 211,154	
Trust Fund:				
Animal Control		2,131		
General Capital	<u>1,204</u>	<u>-</u>	<u>58,793</u>	<u>-</u>
 Total	 <u>\$ 223,467</u>	 <u>\$ 223,467</u>	 <u>\$ 269,947</u>	 <u>\$ 269,947</u>

The above balances are the result of expenditures being paid by one fund on behalf of another.

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>2023</u>			
Current Fund			
Special Emergency Authorization	\$445,000	\$161,000	\$284,000
Emergency Authorization	26,669	26,669	
 <u>2022</u>			
Current Fund			
Special Emergency Authorization	\$506,000	\$61,000	\$445,000

BOROUGH OF BOGOTA
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

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>2023</u>		<u>2022</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	\$ 2,091,229	\$ 1,175,000	\$ 1,767,501	\$ 662,000
Non-Cash Surplus	<u>509,390</u>	<u>-</u>	<u>535,225</u>	<u>-</u>
	<u>\$ 2,600,619</u>	<u>\$ 1,175,000</u>	<u>\$ 2,302,726</u>	<u>\$ 662,000</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, 2023 and 2022.

	Balance December 31, <u>2022</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2023</u>
<u>2023</u>				
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>	\$ 401,763	\$ -	<u>7,322,760</u>
	<u>\$ 17,525,197</u>	<u>\$ 401,763</u>	<u>\$ -</u>	<u>\$ 17,926,960</u>
	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>	\$ 686,417	\$ 144,938	<u>6,920,997</u>
	<u>\$ 16,983,718</u>	<u>\$ 686,417</u>	<u>\$ 144,938</u>	<u>\$ 17,525,197</u>

BOROUGH OF BOGOTA
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

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>2023</u>	<u>2022</u>
Issued		
General		
Bonds and Notes	\$ 12,475,000	\$ 11,435,000
Less Funds Temporarily Held to Pay Bonds and Notes	<u>558,233</u>	<u>279,226</u>
Net Debt Issued	11,916,767	11,155,774
Authorized But Not Issued		
General		
Bonds and Notes	<u>8,209,282</u>	<u>7,419,282</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 20,126,049</u>	<u>\$ 18,575,056</u>

**BOROUGH OF BOGOTA
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

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 2.008% and 1.88% at December 31, 2023 and 2022, respectively.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2023</u>			
General Debt	\$ 20,684,282	\$ 558,233	\$ 20,126,049
School Debt	<u>19,954,027</u>	<u>19,954,027</u>	<u>-</u>
Total	<u>\$ 40,638,309</u>	<u>\$ 20,512,260</u>	<u>\$ 20,126,049</u>

	<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>

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>2023</u>	<u>2022</u>
3-1/2% of Equalized Valuation Basis (Municipal)	\$ 35,419,982	\$ 33,659,859
Less: Net Debt	<u>20,126,049</u>	<u>18,575,056</u>
Remaining Borrowing Power	<u>\$ 15,293,933</u>	<u>\$ 15,084,803</u>

**BOROUGH OF BOGOTA
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

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>2023</u>	<u>2022</u>
\$3,295,000, 2012 Bonds, due in annual installments of \$320,000 through December 1, 2025, interest at 2.00-3.00%	\$ 640,000	\$ 960,000
\$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>4,475,000</u>	<u>4,775,000</u>
Total	<u>\$ 5,115,000</u>	<u>\$ 5,735,000</u>

The Borough's principal and interest for long-term debt issued and outstanding as of December 31, 2023 is as follows:

Calendar Year	General		Total
	<u>Principal</u>	<u>Interest</u>	
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	525,000	77,625	602,625
2029-2032	<u>2,325,000</u>	<u>142,125</u>	<u>2,467,125</u>
Total	<u>\$ 5,115,000</u>	<u>\$ 675,013</u>	<u>\$ 5,790,013</u>

**BOROUGH OF BOGOTA
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

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, 2023 and 2022 were as follows:

	Balance, December 31, <u>2022</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2023</u>	Due Within <u>One Year</u>
<u>2023</u>					
General Capital Fund Bonds Payable	\$ 5,735,000	\$ -	\$ 620,000	\$ 5,115,000	\$ 620,000
General Capital Fund Long-Term Liabilities	<u>\$ 5,735,000</u>	<u>\$ -</u>	<u>\$ 620,000</u>	<u>\$ 5,115,000</u>	<u>\$ 620,000</u>
	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>

**BOROUGH OF BOGOTA
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

NOTE 9 MUNICIPAL DEBT (Continued)

B. Short-Term Debt

The Borough's short-term debt activity for the years ended December 31, 2023 and 2022 was as follows:

Bond Anticipation Notes

<u>2023</u>					Balance, December 31, <u>2022</u>	Increased	Decreased	Balance, December 31, <u>2023</u>
Purpose	Date of Issue	Date of Maturity	Interest Rate					
Improvement to Palisades Ave Phase III	4/14/2022	4/14/2023	1.600	% \$	103,800		\$ 103,800	
	4/14/2023	4/12/2024	4.000			\$ 98,336		\$ 98,336
Various Public Improvements	4/14/2022	4/14/2023	1.600		2,715,500		2,715,500	-
	4/14/2023	4/12/2024	4.000			4,073,957		4,073,957
Rehab of Basketball and Tennis Courts	4/14/2022	4/14/2023	1.600		305,700		305,700	-
	4/14/2023	4/12/2024	4.000			305,700		305,700
Acquisition of Real Property	4/14/2022	4/14/2023	1.600		570,000		570,000	-
	4/14/2023	4/12/2024	4.000			570,000		570,000
Construction of New Recreation Center	4/14/2022	4/14/2023	1.600		500,000		500,000	-
	4/14/2023	4/12/2024	4.000			500,000		500,000
Reconstruction of Pine Street	4/14/2022	4/14/2023	1.600		260,000		260,000	-
	4/14/2023	4/12/2024	4.000			260,000		260,000
Resurfacing of Leonia Ave (Phase V)	4/14/2022	4/14/2023	1.600		165,500		165,500	-
	4/14/2023	4/12/2024	4.000			165,500		165,500
Resurfacing of Central Ave	4/14/2022	4/14/2023	1.600		109,500		109,500	-
	4/14/2023	4/12/2024	4.000			109,500		109,500
Replacement of ADA Curb Ramps	4/14/2022	4/14/2023	1.600		285,000		285,000	-
	4/14/2023	4/12/2024	4.000			285,000		285,000
Improvements to Roads and Sanitary and Storm Sewers	4/14/2022	4/14/2023	1.600		285,000		285,000	-
	4/14/2023	4/12/2024	4.000			285,000		285,000
Reconstruction of Pine St and Larch Ave	4/14/2022	4/14/2023	1.600		400,000		400,000	-
	4/14/2023	4/12/2024	4.000			199,000		199,000
Reconstruction of Palisades Ave	4/14/2023	4/12/2024	4.000		-	508,007		508,007
					<u>\$ 5,700,000</u>	<u>\$ 7,360,000</u>	<u>\$ 5,700,000</u>	<u>\$ 7,360,000</u>

<u>2022</u>					Balance, December 31, <u>2021</u>	Increased	Decreased	Balance, December 31, <u>2022</u>
Purpose	Date of Issue	Date of Maturity	Interest Rate					
Improvement to Palisades Ave Phase III	4/15/2021	4/14/2022	0.400	% \$	103,800		\$ 103,800	-
	4/14/2022	4/14/2023	1.600			\$ 103,800		\$ 103,800
Various Public Improvements	4/15/2021	4/14/2022	0.400		1,958,000		1,958,000	-
	4/14/2022	4/14/2023	1.600			2,715,500		2,715,500
Rehab of Basketball and Tennis Courts	4/15/2021	4/14/2022	0.400		318,200		318,200	-
	4/14/2022	4/14/2023	1.600			305,700		305,700
Acquisition of Real Property	4/15/2021	4/14/2022	0.400		570,000		570,000	-
	4/14/2022	4/14/2023	1.600		-	570,000		570,000
Construction of New Recreation Center	4/14/2022	4/14/2023	1.600			500,000		500,000
Reconstruction of Pine Street	4/14/2022	4/14/2023	1.600			260,000		260,000
Resurfacing of Leonia Ave (Phase V)	4/14/2022	4/14/2023	1.600			165,500		165,500
Resurfacing of Central Ave	4/14/2022	4/14/2023	1.600			109,500		109,500
Replacement of ADA Curb Ramps	4/14/2022	4/14/2023	1.600			285,000		285,000
Improvements to Roads and Sanitary and Storm Sewers	4/14/2022	4/14/2023	1.600			285,000		285,000
Reconstruction of Pine St and Larch Ave	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>

**BOROUGH OF BOGOTA
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

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>2023</u>		
Purchase of 2 Fire Trucks	\$1,913,730	2025
West End Roadway Improvements	172,115	2024
<u>2022</u>		
Purchase of 2 Fire Trucks	\$1,913,730	2025
Borough Revaluation	199,725	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 \$753,075 and \$703,824 at December 31, 2023 and 2022, 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, 2023 AND 2022**

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, 2023 and 2022 is \$46,036 and \$66,327, respectively.

During the years ended December 31, 2023, 2022 and 2021 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>PERS</u>	<u>PFRS</u>
2023	\$ 5,092	\$ 21,136
2022	5,293	21,966
2021	5,189	21,562

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, 2023 and 2022 were as follows:

	Balance, December 31, <u>2022</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2023</u>	<u>Due Within One Year</u>
<u>2023</u>					
Compensated Absences	\$ 703,824	\$ 49,251		\$ 753,075	
Deferred Pension Obligation	66,327	5,937	\$ 26,228	46,036	\$ 26,788
Net Pension Liability - PERS (1)	2,561,367			2,561,367	
Net Pension Liability - PFRS (1)	4,363,299			4,363,299	
Municipal Excess Liability (MEL) Loan	<u>975,000</u>	<u>-</u>	<u>75,000</u>	<u>900,000</u>	<u>75,000</u>
Total Other Long-Term Liabilities	<u>\$ 8,669,817</u>	<u>\$ 55,188</u>	<u>\$ 101,228</u>	<u>\$ 8,623,777</u>	<u>\$ 101,788</u>

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

**BOROUGH OF BOGOTA
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

NOTE 11 OTHER LONG-TERM LIABILITIES (Continued)

Changes in Other Long-Term Liabilities (Continued)

	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>					
Compensated Absences	\$ 687,320	\$ 16,504		\$ 703,824	
Deferred Pension Obligation	93,586		\$ 27,259	66,327	\$ 26,228
Net Pension Liability - PERS	1,860,474	700,893		2,561,367	
Net Pension Liability - PFRS	3,327,751	1,035,548		4,363,299	
Municipal Excess Liability (MEL) Loan	<u>1,050,000</u>	<u>-</u>	<u>75,000</u>	<u>975,000</u>	<u>75,000</u>
Total Other Long-Term Liabilities	<u>\$ 7,019,131</u>	<u>\$ 1,752,945</u>	<u>\$ 102,259</u>	<u>\$ 8,669,817</u>	<u>\$ 101,228</u>

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, 2023 AND 2022**

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, 2023 AND 2022**

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, 2023 was not available and for June 30, 2022 is \$13.5 billion, and the plan fiduciary net position as a percentage of the total pension liability is 68.33% at June 30, 2022. The collective net pension liability of the participating employers for local PFRS at June 30, 2023 was not available and for June 30, 2022 is \$15.2 billion and the plan fiduciary net position as a percentage of total pension liability is 62.91% at June 30, 2022.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2021 which were rolled forward to June 30, 2022.

Actuarial Methods and Assumptions

In the July 1, 2021 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, 2023 AND 2022**

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 2023 and 2022 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, 2023 and 2022 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 2023, 2022 and 2021 were equal to the required contributions.

During the years ended December 31, 2023, 2022 and 2021, 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>
2023	\$ 495,765	\$ 214,030
2022	530,619	183,922
2021	466,539	133,501

In addition for the years ended December 31, 2023, 2022 and 2021 the Borough did not contribute for long-term disability insurance premiums (LTDI) 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, 2023 for the measurement date of June 30, 2023 was not available as of the date of audit. Accordingly, N.J.A.C. 5:30-6.1(c)2 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, 2023 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 to the total contributions to the plan during the fiscal years ended June 30, 2022 and 2021. Employer allocation percentages have been rounded for presentation purposes.

**BOROUGH OF BOGOTA
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees Retirement System (PERS)

At December 31, 2022, the Borough reported a liability of \$2,561,367 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. 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, 2022, the Borough's proportionate share was .01697 percent, which was an increase of .00127 percent from its proportionate share measured as of June 30, 2021 of .01570 percent.

For the years ended December 31, 2022, the pension system has determined the Borough's pension expense to be \$39,254 for PERS based on the actuarial valuations which is less than the actual contributions reported in the Borough's financial statements of \$183,922. At December 31, 2022, 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>2022</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 18,487	\$ 16,303
Changes of Assumptions	7,936	383,538
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	106,013	
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	<u>724,997</u>	<u>168,270</u>
Total	<u>\$ 857,433</u>	<u>\$ 568,111</u>

At December 31, 2022 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>
2023	\$ 4,178
2024	(8,426)
2025	100,157
2026	190,940
2027	2,473
Thereafter	<u>-</u>
	<u>\$ 289,322</u>

**BOROUGH OF BOGOTA
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

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, 2022 was based on the June 30, 2022 measurement date as determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

	<u>2022</u>
Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Rate for All Future Years	2.75%-6.55%
	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, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

**BOROUGH OF BOGOTA
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

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, 2022) 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, 2022, as reported for the year ended December 31, 2022, are summarized in the following table:

<u>Asset Class</u>	<u>2022</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.91%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Investment Grade Credit	7.00%	3.38%
US Equity	27.00%	8.12%
Non-US Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
High Yield	4.00%	4.95%
Real Assets	3.00%	7.60%
Private Credit	8.00%	8.10%
Real Estate	8.00%	11.19%
Private Equity	13.00%	11.80%

Discount Rate

The discount rate used to measure the total pension liability for PERS was 7.00% as of June 30, 2022. 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 FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

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, 2022 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>2022</u>	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Borough's Proportionate Share of the PERS Net Pension Liability	<u>\$ 3,290,606</u>	<u>\$ 2,561,367</u>	<u>\$ 1,940,755</u>

The sensitivity analysis was based on the proportionate share of the Borough's net pension liability at December 31, 2022. 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, 2022, the Borough reported a liability of \$4,363,299, for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. 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, 2022, the Borough's proportionate share was .03812 percent, which was a decrease of .00741 percent from its proportionate share measured as of June 30, 2021 of .04553 percent.

BOROUGH OF BOGOTA
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

For the years ended December 31, 2022, the pension system has determined the Borough pension expense (benefit) to be \$(253,760) for PFRS based on the actuarial valuations which is less than the actual contributions reported in the Borough’s financial statements of \$530,619. At December 31, 2022, 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>2022</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 197,495	\$ 267,311
Changes of Assumptions	11,958	549,253
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	399,550	
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	<u>405,413</u>	<u>1,100,881</u>
Total	<u>\$ 1,014,416</u>	<u>\$ 1,917,445</u>

At December 31, 2022 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:

Year Ending <u>December 31,</u>	<u>Total</u>
2023	\$ (563,937)
2024	(321,326)
2025	(176,030)
2026	288,969
2027	(106,158)
Thereafter	<u>(24,547)</u>
	<u>\$ (903,029)</u>

**BOROUGH OF BOGOTA
 NOTES TO THE FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2023 AND 2022**

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, 2022 was based on the June 30, 2022 measurement date as determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

	<u>2022</u>
Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases	
Rate for All Future Years	3.25%-16.25%
	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, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

**BOROUGH OF BOGOTA
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Police and Firemen’s Retirement System (PFRS) (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, 2022) 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, 2022, as reported for the year ended December 31, 2022, are summarized in the following table:

<u>Asset Class</u>	<u>2022</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.91%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Investment Grade Credit	7.00%	3.38%
US Equity	27.00%	8.12%
Non-US Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
High Yield	4.00%	4.95%
Real Assets	3.00%	7.60%
Private Credit	8.00%	8.10%
Real Estate	8.00%	11.19%
Private Equity	13.00%	11.80%

Discount Rate

The discount rate used to measure the total pension liability for PFRS was 7.00% as of June 30, 2022. 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.

**BOROUGH OF BOGOTA
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

Sensitivity of Net Pension Liability

The following presents the Borough’s proportionate share of the PFRS net pension liability as of December 31, 2022 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>2022</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 PFRS Net Pension Liability	<u>\$ 5,986,917</u>	<u>\$ 4,363,299</u>	<u>\$ 3,011,629</u>

The sensitivity analysis was based on the proportionate share of the Borough’s net pension liability at December 31, 2022. 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, 2022, the State’s proportionate share of the net pension liability attributable to the Borough for the PFRS special funding situation is \$776,539. For the years ended December 31, 2022, 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 \$89,592, which is less than the actual contributions the State made on behalf of the Borough of \$96,675. At December 31, 2022 (measurement date June 30, 2022) the State’s share of the PFRS net pension liability attributable to the Borough was .03812 percent, which was a decrease of .00741 percent from its proportionate share measured as of December 31, 2021 (measurement date June 30, 2021) of .04553 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, 2023 AND 2022**

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, 2023 AND 2022**

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, 2022:

Active Plan Members	65,360
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	<u>33,684</u>
Total	<u>99,044</u>
Contributing Employers	591
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.

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, 2023 was not available and for 2022 is \$16.1 billion, and the plan fiduciary net position as a percentage of the total OPEB liability is -0.36% at June 30, 2022.

The total OPEB liabilities were determined based on actuarial valuations as of July 1, 2021 which was rolled forward to June 30, 2022.

Actuarial Methods and Assumptions

In the July 1, 2021 OPEB actuarial valuation, the actuarial assumptions and methods used in this valuation 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.

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.

**BOROUGH OF BOGOTA
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Special Funding Situation (Continued)

The non-employer special funding allocation percentages presented as the State's proportion share was based on eligible plan members subject to the special fund situation. This data takes into account active members from both participating and non-participating employer locations and retired members currently receiving OPEB benefits.

At December 31, 2022, the State's proportionate share of the net OPEB liability attributable to the Borough for the OPEB special funding situation is \$6,772,248. For the years ended December 31, 2022 the plan has determined the State's proportionate share of the OPEB expense attributable to the Borough for the OPEB special funding situation is \$1,110,791. At December 31, 2022, (measurement date June 30, 2022), the State's share of the OPEB liability attributable to the Borough was .20073 percent, which was an increase of .00995 percent from its proportionate share measured as of December 31, 2021 (measurement date June 30, 2021) of .19078 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, 2023 AND 2022**

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, 2023 and 2022 was \$900,000 and \$975,000, 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, 2023 and 2022. 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, 2023 and 2022, 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, 2023 and 2022, 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, 2023 AND 202**

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 \$1,444 and \$1,395 for 2023 and 2022, respectively, for each eligible volunteer member into the Plan. The total Borough contributions were \$41,872 and \$46,036 for 2023 and 2022, 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, 2023 AND 2022**

NOTE 19 TAX ABATEMENTS

For the years ended December 31, 2023 and 2022, the Borough provided property tax abatements through certain programs authorized under State statutes. These programs include the Long Term Tax Exemption Law (the “LTTE Law”).

- The Long Term Tax Exemption Law (NJSA 40A:20 et.seq.) is focused on broad areas of redevelopment. It allows for a longer abatement term to carry out a larger development plan through declaring an area as being “in need of redevelopment”. These long-term property abatements may last up to 30 years from completion of a project or 35 years from execution of the financial agreement. The process is initiated when the municipality passes a resolution calling for the municipal planning board to study the need for designating an area “in need of redevelopment”. Upon adopting the planning board’s recommendations and formalizing the redevelopment area designation, a municipality adopts a redevelopment plan, engages redevelopment entities to carry out the plan, and may authorize long-term tax abatements in the process. Developers submit abatement applications to the governing body for review. The financial agreement is approved through adoption of a local ordinance. The agreement exempts a project from taxation, but requires a payment in lieu of taxes (PILOTs) in an amount based generally on a percentage of project costs or revenue generated by the project, depending on the type of project. For the years ended December 31, 2023 and 2022 the Borough abated property taxes totaling \$1,112,112 and \$1,094,241, respectively under the LTTE program. The Borough received \$763,353 and \$685,685 in PILOT payments under this program for the years ended December 31, 2023 and 2022, respectively.

NOTE 20 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.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

NOTE 20 INFECTIOUS DISEASE OUTBREAK – COVID-19 PANDEMIC (Continued)

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.

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 in the 2022 budget. In the 2022 budget, the Borough utilized \$68,284 of the funds to fund capital improvements and \$416,500 to replace lost public sector revenue. The Borough utilized the remaining funds in the amount of \$385,912 in the 2023 budget and \$1,716 in the 2024 budget to replace lost public sector revenue. 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, 2023 AND 2022**

NOTE 21 SUBSEQUENT EVENTS

Bond Anticipation Notes

On April 2, 2024 the Borough issued bond anticipation notes in the amount of \$8,680,000 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 are dated April 12, 2024 and will mature on April 11, 2025.

Debt Authorized

On June 20, 2024 the Borough adopted two bond ordinances authorizing the issuance of \$2,933,000 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, 2022		\$ 3,344,700
Increased by Receipts:		
Taxes Receivable	\$ 27,430,363	
Revenue Accounts Receivable	2,720,756	
Miscellaneous Revenue Not Anticipated	101,327	
Due from State of New Jersey - Senior Citizens' and Veterans' Deductions	36,165	
Miscellaneous Reserves	75,137	
Fees Payable	27,480	
Due to Bergen County - PILOT Fees	40,176	
Received from General Capital - 2023 Anticipated Revenue	385,912	
Received for Grant Fund - Grants Receivable	35,902	
Reserve for Grant Fund - Unappropriated Grant Reserves	35,271	
Prepaid Taxes	90,060	
Tax Overpayments	<u>4,035</u>	
		<u>30,982,584</u>
		34,327,284
Decreased by Disbursements:		
2023 Budget Appropriations	11,516,405	
2022 Appropriation Reserves	342,063	
Payments for Grant Fund - Appropriated Grant Reserves	86,154	
Accounts Payable	390,167	
County Taxes Payable	2,428,808	
Local District School Taxes Payable	16,170,436	
Miscellaneous Reserves	4,455	
Fees Payable	12,494	
Payments to Library	25,654	
Payments to General Capital	<u>58,793</u>	
		<u>31,035,429</u>
Balance, December 31, 2023		\$ <u>3,291,855</u>

EXHIBIT A-5

**STATEMENT OF CHANGE FUNDS
CURRENT FUND**

Balance, December 31, 2022	\$ <u>280</u>
Balance, December 31, 2023	\$ <u>280</u>

Analysis of Balance

Borough Clerk	\$ 100
Tax Collector	100
Municipal Court	50
Library	<u>30</u>
	\$ <u>280</u>

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

	Balance, December 31, <u>2022</u>	2023 Budget <u>Revenue</u>	Cash <u>Receipts</u>	<u>Cancelled</u>	Balance, December 31, <u>2023</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
Bogota Community Garden Grant	5,000				5,000
NJUCF Stewardship Grant		\$ 40,000			40,000
American Rescue Plan Governor's Grant		20,000			20,000
Sustainable Jersey Energy Efficiency Start Up Grant		2,500	\$ 2,500		-
Distracted Driving		5,958	5,958		-
Mid-Bergen Regional Keep Bogota Clean		62,000			62,000
Mid-Bergen 2023 Enhancing Grant		12,444	12,444		-
Spotted Lanternfly Control Treatment Grant		10,500			10,500
Stormwater Assistance Grant	-	25,000	15,000	-	10,000
	<u>\$ 60,201</u>	<u>\$ 178,402</u>	<u>\$ 35,902</u>	<u>\$ 47,690</u>	<u>\$ 155,011</u>

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

Balance, December 31, 2022	\$ 29,225
Increased by:	
Senior Citizens' and Veterans' Deductions Per Tax Billings	\$ 38,250
Senior Citizens' and Veterans' Deductions Allowed by Tax Collector	4,799
Senior Citizens' and Veterans' Deductions Allowed by Tax Collector - Prior Year	<u>1,612</u>
	<u>44,661</u>
	73,886
Decreased by:	
Cash Received from State of New Jersey	<u>36,165</u>
Balance, December 31, 2023	<u>\$ 37,721</u>

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

Year	Balance,	Tax Levy	Added Assessments	Collected In		Senior Citizens' and Veterans' Deductions Allowed	Transferred to Tax Title Liens	Adjusted, Remitted, or Cancelled	Balance,
	December 31, 2022			2022	2023				December 31, 2023
2021	\$ 240			\$	240				-
2022	109,414	-	-	-	107,016	\$ 1,612	\$ 786	-	-
	109,654	-	-	-	107,256	1,612	786	-	-
2023	-	\$ 27,726,594	\$ 6,837	\$ 82,059	27,323,107	43,049	799	\$ 24,647	\$ 259,770
	\$ 109,654	\$ 27,726,594	\$ 6,837	\$ 82,059	\$ 27,430,363	\$ 44,661	\$ 1,585	\$ 24,647	\$ 259,770

Analysis of 2023 Property Tax Levy

General Purpose Tax	\$ 27,726,594
Added Taxes (54:4-63.1 et seq.)	6,837
	<u>\$ 27,733,431</u>
Tax Levy	
Local District School Tax (Abstract)	\$ 16,170,436
County Tax (Abstract)	2,324,505
Due County for Added and Omitted Taxes	598
County Open Space Tax	101,723
Total County Taxes	<u>18,597,262</u>
	18,597,262
Local Tax for Municipal Purposes	8,792,681
Minimum Library Tax	335,574
Additional Taxes Levied	<u>7,914</u>
Total Local Tax for Municipal Purposes	<u>9,136,169</u>
	<u>\$ 27,733,431</u>

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

Balance, December 31, 2022		\$	15,472
Increased by:			
Transfers from Taxes Receivable		\$	799
Transfers from Delinquent Taxes Receivable			786
			<u>1,585</u>
Balance, December 31, 2023		\$	<u>17,057</u>

EXHIBIT A-10

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

Balance, December 31, 2022		\$	<u>136,680</u>
Balance, December 31, 2023		\$	<u>136,680</u>

EXHIBIT A-11

**STATEMENT OF DEFERRED CHARGES
CURRENT FUND**

		Amount Resulting from 2023	Balance, December 31, 2023
Emergency Authorization N.J.S.A. 40A:4-48 - Emergency Engine Repair		\$ 26,669	\$ 26,669
		<u>\$ 26,669</u>	<u>\$ 26,669</u>

EXHIBIT A-12

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

<u>Date Authorized</u>	<u>Purpose</u>	<u>Amount Authorized</u>	<u>1/5 of Net Amount Authorized</u>	<u>Balance, December 31, 2022</u>	<u>Reduced By 2023 Budget</u>	<u>Balance, December 31, 2023</u>
12/3/2020	COVID-19 Affected Revenue Losses	\$ 245,000	\$ 49,000	\$ 196,000	\$ 49,000	\$ 147,000
4/21/2022	Revaluation	250,000	50,000	250,000		250,000
9/1/2022	Tax Map	60,000	12,000	<u>60,000</u>	<u>12,000</u>	<u>48,000</u>
				<u>\$ 506,000</u>	<u>\$ 61,000</u>	<u>\$ 445,000</u>

BOROUGH OF BOGOTA
STATEMENT OF REVENUE ACCOUNTS RECEIVABLE
CURRENT FUND

	Balance, December 31, <u>2022</u>	Accrued in <u>2023</u>	<u>Collected</u>	Balance, December 31, <u>2023</u>
Board of Health				
Alcoholic Beverages/Licenses		\$ 16,837	\$ 16,837	
Other Licenses		8,586	8,586	
Fees and Permits		19,570	19,570	
Borough Clerk				
Other Licenses		5,675	5,675	
Fees and Permits		100	100	
Property Maintenance				
Fees and Permits		23,500	23,500	
Planning/Zoning Boards				
Fees and Permits		4,710	4,710	
Police Department				
Fees and Permits		6,320	6,320	
Construction Code Fees		349,146	349,146	
Municipal Court				
Fines and Costs	\$ 8,734	143,191	142,428	\$ 9,497
Interest and Costs on Taxes		40,314	40,314	
Interest on Investments & Deposits		149,634	149,634	
Cable Television Franchise Fees		80,895	80,895	
Energy Receipts Tax		682,360	682,360	
Uniform Fire Safety Act		56,169	56,169	
Swim Club Rent		10,000	10,000	
Outside Police Employment- Administrative Fees		195,838	195,838	
Bogota BOE - SLEO		165,321	165,321	
PILOT - 421 River Road		652,097	652,097	
PILOT- 297 Palisades Avenue	-	111,256	111,256	-
	<u>\$ 8,734</u>	<u>\$ 2,721,519</u>	<u>\$ 2,720,756</u>	<u>\$ 9,497</u>

BOROUGH OF BOGOTA
STATEMENT OF 2022 APPROPRIATION RESERVES
CURRENT FUND

	Balance December 31, <u>2022</u>	Encumbrances <u>Cancelled</u>	<u>Transfers</u>	Balance After <u>Modification</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
GENERAL GOVERNMENT FUNCTIONS						
Administrative and Executive						
Salaries and Wages	\$ 78			\$ 78		\$ 78
Other Expenses	200			200		200
Mayor & Council						
Salaries and Wages	83			83		83
Other Expenses	276			276		276
Municipal Clerk						
Salaries and Wages	10,358		\$ (5,000)	5,358		5,358
Other Expenses	1,516	\$ 1,398	5,000	7,914	\$ 6,062	1,852
Financial Administration						
Salaries and Wages	50			50		50
Other Expenses	11,646	116		11,762	9,958	1,804
Audit Services						
Annual Audit	422			422	422	-
Computerized Data Processing						
Other Expenses	1,748	5,035		6,783	804	5,979
Revenue Administration (Tax)						
Salaries and Wages	38			38		38
Other Expenses	11,899			11,899	8,778	3,121
Assessment of Taxes						
Salaries and Wages	38			38		38
Legal Services and Costs						
Other Expenses	33,718	1,014	17,000	51,732	47,547	4,185
Engineering Services and Costs						
Other Expenses	14,883		16,000	30,883	30,883	-
LAND USE ADMINISTRATION						
Municipal Land Use Law (N.J.S.A. 40:55-1):						
Planning Board						
Other Expenses	12,382	32		12,414	2,269	10,145
Code Enforcement						
Salaries and Wages	1,285			1,285		1,285
Other Expenses	469			469		469
Construction Official						
Salaries and Wages	12,085			12,085	945	11,140
Other Expenses	204	1,972		2,176	1,972	204
INSURANCE						
Other Insurance Premiums	5,944			5,944	5,944	-
Group Insurance -Other Expenses	37,129		(16,000)	21,129	754	20,375
Worker's Compensation Insurance	4,791			4,791		4,791
Unemployment Insurance	2,500			2,500	2,500	-
PUBLIC SAFETY FUNCTIONS						
Department of Police						
Salaries and Wages	62,361		(10,004)	52,357	30,000	22,357
Other Expenses	38,178	13,399		51,577	33,222	18,355
Police clerical						
Salaries and Wages	4,323			4,323		4,323
Crossing Guards						
Salaries and Wages	3,233			3,233		3,233

BOROUGH OF BOGOTA
STATEMENT OF 2022 APPROPRIATION RESERVES
CURRENT FUND

	Balance December 31, <u>2022</u>	Encumbrances <u>Cancelled</u>	<u>Transfers</u>	Balance After <u>Modification</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
PUBLIC SAFETY FUNCTIONS (Cont'd)						
Auxiliary Police						
Other Expenses	\$ 5,286	\$ 474		\$ 5,760		\$ 5,760
Emergency Management						
Other Expenses	1,601	227		1,828	\$ 227	1,601
Fire Department						
Other Expenses	5,765	29716		35,481	23,876	11,605
Rescue Squad						
Other Expenses	3,929	2607		6,536	2,607	3,929
First Aid						
Other Expenses	15,000			15,000	15,000	-
Fire (Uniform Fire Safety Act)						
Salaries and Wages	23			23		23
Other Expenses	2,494	110		2,604	310	2,294
PUBLIC WORKS FUNCTIONS						
Road Repairs and Maintenance						
Salaries and Wages	23,712			23,712	15,000	8,712
Other Expenses	7,318	6,838		14,156	4,630	9,526
Shade Tree Commission						
Salaries and Wages	1			1		1
Garbage and Trash Removal						
Solid Waste Disposal Fees	31,933			31,933	31,800	133
Public Buildings and Grounds						
Other Expenses	19,676	300	\$ 7,000	26,976	25,249	1,727
HEALTH AND HUMAN SERVICES FUNCTIONS						
Board of Health						
Salaries and Wages	15			15		15
Other Expenses	99	569		668	172	496
Animal Control Services						
Other Expenses	5,056			5,056		5,056
Seniors						
Salaries and Wages	2,500			2,500		2,500
Other Expenses	2,220	43		2,263	43	2,220
PARK AND RECREATION FUNCTIONS						
Recreation Commission RS 40:12-1						
Salaries and Wages	39,857		(17,000)	22,857		22,857
Other Expenses	10,257	550		10,807	6,293	4,514
OTHER COMMON OPERATING FUNCTIONS						
Celebration of Public Events						
Other Expenses	6,410	200		6,610	145	6,465

**BOROUGH OF BOGOTA
STATEMENT OF 2022 APPROPRIATION RESERVES
CURRENT FUND**

	Balance December 31, <u>2022</u>	Encumbrances Cancelled	<u>Transfers</u>	Balance After <u>Modification</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
UTILITY EXPENSES AND BULK PURCHASES						
Electricity and Gas	\$ 24,961			\$ 24,961	\$ 2,649	\$ 22,312
Telephone/Communications	3,171			3,171	2,059	1,112
Gasoline	8,652			8,652	6	8,646
Water	4,758			4,758	818	3,940
 Solid Waste Disposal Costs						
Dump Fees	26,115		\$ 3,004	29,119	29,119	-
 Statutory Expenditures:				-		
Social Security System (O.A.S.I.)	913			913		913
 Maintenance of Free Public Library						
Salaries and Wages	18,657			18,657	18,657	-
Police Dispatch/911						
Salaries and Wages	5,005			5,005		5,005
Other Expenses	6,250			6,250		6,250
LOSAP Contribution						
Other Expenses	31			31		31
 Shared Service Agreements						
Bogota BOE - SLEO						
Salaries and Wages	61,863			61,863		61,863
Municipal Court - Borough of Little Ferry						
Salaries and Wages	97			97		97
Other Expenses	1,025	-	-	1,025	-	1,025
	<u>\$ 616,487</u>	<u>\$ 64,600</u>	<u>\$ -</u>	<u>\$ 681,087</u>	<u>\$ 360,720</u>	<u>\$ 320,367</u>
 Cash Disbursements					\$ 342,063	
Transfer to Due to Library					18,657	
					<u>\$ 360,720</u>	

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

Balance, December 31, 2022	\$	64,600
Increased by:		
Charges to 2023 Budget Appropriations		91,024
		155,624
Decreased by:		
Cancelled to Appropriation Reserves		64,600
Balance, December 31, 2023	\$	91,024

EXHIBIT A-16

**STATEMENT OF ACCOUNTS PAYABLE
CURRENT FUND**

Balance, December 31, 2022	\$	442,885
Decreased by:		
Cash Disbursements		390,167
Balance, December 31, 2023	\$	52,718

EXHIBIT A-17

**STATEMENT OF COUNTY TAXES PAYABLE
CURRENT FUND**

Balance, December 31, 2022	\$	2,580
Increased by:		
2023 Tax Levy		
County Tax (Abstract)	\$	2,324,505
County Open Space Preservation		101,723
County Tax for Added Taxes (54:4-63.1)		598
	\$	2,426,826
		2,429,406
Decreased by:		
Cash Disbursements		2,428,808
Balance, December 31, 2023	\$	598

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

Increased by:	
Levy - Calendar Year 2023	<u>\$ 16,170,436</u>
Decreased by:	
Cash Disbursements	<u>\$ 16,170,436</u>

**STATEMENT OF PREPAID TAXES
CURRENT FUND**

Balance, December 31, 2022	<u>\$ 82,059</u>
Increased by:	
Collection of 2024 Taxes	<u>90,060</u>
	172,119
Decreased by:	
Applied to 2023 Taxes Receivable	<u>82,059</u>
Balance, December 31, 2023	<u><u>\$ 90,060</u></u>

**STATEMENT OF TAX OVERPAYMENTS
CURRENT FUND**

Balance, December 31, 2022	<u>\$ 1,884</u>
Increased by:	
Cash Receipts	<u>4,035</u>
Balance, December 31, 2023	<u><u>\$ 5,919</u></u>

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

	Marriage License Fee	Construction Training Fee	Total
Balance, December 31, 2022		\$ 1,452	\$ 1,452
Increased by:			
Collections	<u>\$ 950</u>	<u>26,530</u>	<u>27,480</u>
	950	27,982	28,932
Decreased by:			
Payments	<u>500</u>	<u>11,994</u>	<u>12,494</u>
Balance, December 31, 2023	<u>\$ 450</u>	<u>\$ 15,988</u>	<u>\$ 16,438</u>

EXHIBIT A-22

**STATEMENT OF DUE TO LIBRARY
CURRENT FUND**

Balance, December 31, 2022	\$ 6,997
Increased by:	
Transfer from 2022 Appropriation Reserves	<u>18,657</u>
	25,654
Decreased by:	
Cash Disbursements	<u>\$ 25,654</u>

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

	Balance, December 31, <u>2022</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2023</u>
Reserve for:				
Credit Card Fees		\$ 4,452	\$ 4,452	
Municipal Relief Fund	\$ 35,350	70,685	58,793	\$ 47,242
Emergency Authorization - Tax Map	1,207		1,207	
Emergency Authorization - Revaluation	50,275		-	50,275
Emergency Storm Damage - Insurance	1,756	-	1,756	-
	<u>\$ 88,588</u>	<u>\$ 75,137</u>	<u>\$ 66,208</u>	<u>\$ 97,517</u>
		Cash Receipts <u>75,137</u>		
		<u>\$ 75,137</u>		
		Cash Disbursements \$ 4,455		
		Cancelled 1,756		
		Due to General Capital 1,204		
		Anticipated Current Fund Revenue <u>58,793</u>		
		<u>\$ 66,208</u>		

**STATEMENT OF UNAPPROPRIATED GRANT RESERVES
GRANT FUND**

<u>Grant</u>	Balance, December 31, <u>2022</u>	Budgeted <u>Revenue</u>	Cash <u>Receipts</u>	Balance, December 31, <u>2023</u>
Clean Communities	\$ 13,279	\$ 13,279	\$ 14,894	\$ 14,894
Recycling Tonnage	11,206	11,206	12,275	12,275
Body Armor	2,494	2,494	1,716	1,716
Bergen County BASCA Grant	1,000	1,000	625	625
Click It or Ticket	6,148	6,148	-	-
Bulletproof Vest	-		4,849	4,849
Municipal Alliance	3,055	3,055	912	912
Mid Bergen Regional COVID Grant	1,965	1,965	-	-
	<u>\$ 39,147</u>	<u>\$ 39,147</u>	<u>\$ 35,271</u>	<u>\$ 35,271</u>

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

	Balance, December 31, <u>2022</u>	Transferred from Budget <u>Appropriations</u>	<u>Expended</u>	<u>Cancelled</u>	Balance, December 31, <u>2023</u>
Recycling Tonnage Grant	\$ 66,998	\$ 11,206			\$ 78,204
Clean Communities	95,173	13,279	\$ 982		107,470
Alcohol Education and Rehabilitation Program	10,828				10,828
Body Armor Replacement Fund		2,494			2,494
Bergen County Confiscated Funds	13,731			\$ 13,731	-
Municipal Alliance - State Share	235	3,055	3,290		-
Municipal Alliance - Local Share	2,469		1,260		1,209
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	6,148			11,705
Drive Sober or Get Pulled Over	5,439				5,439
Mid Bergen Regional COVID Grant	2,750	1,965			4,715
BCUA Recycling Enhancement Grant	3,000				3,000
Bergen County BASCA Grant		1,000			1,000
Bogota Community Garden Grant	5,000		4,196		804
Fire Prevention - FM Global Foundation	1,630	-	1,630		-
NJUCF Stewardship Grant		40,000	26,635		13,365
American Rescue Plan Governor's Grant		20,000	20,000		-
Sustainable Jersey Energy Efficiency Start Up Grant		2,500			2,500
Distracted Driving		5,958	5,958		-
Mid-Bergen Regional Keep Bogota Clean		62,000	62,000		-
Mid-Bergen 2023 Enhancing Grant		12,444	12,444		-
Spotted Lanternfly Control Treatment Grant		10,500	10,500		-
Stormwater Assistance Grant	-	25,000	-	-	25,000
	<u>\$ 229,754</u>	<u>\$ 217,549</u>	<u>\$ 148,895</u>	<u>\$ 23,731</u>	<u>\$ 274,677</u>
		Cash Disbursements	\$ 86,154		
		Encumbrances	62,741		
			<u>\$ 148,895</u>		

EXHIBIT A-26

**STATEMENT OF ENCUMBRANCES PAYABLE
GRANT FUND**

Balance December 31, 2022	<u>\$ 2,454</u>
Increased by	
Charges to Appropriated Grant Reserves	<u>62,741</u>
Balance, December 31, 2023	<u>\$ 65,195</u>

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

Balance, December 31, 2022		\$ 211,154
Increased by		
2023 Budget Appropriation for Grants:		
Appropriated Grants	\$ 217,549	
Grants Receivable Received in Current Fund	35,902	
Unappropriated Reserves Received in Current Fund	35,271	
Cancelled Grants Receivable	<u>47,690</u>	
		<u>336,412</u>
		547,566
Decreased by		
2023 Grants Receivable Anticipated as Revenue	178,402	
Unappropriated Grants Anticipated as Revenue	39,147	
Grant Fund Expenditures Paid by Current Fund	86,154	
Cancelled Appropriated Grant Reserves	<u>23,731</u>	
		<u>327,434</u>
Balance, December 31, 2023		<u>\$ 220,132</u>

**STATEMENT OF DUE TO COUNTY OF BERGEN - PILOT
CURRENT FUND**

Increased by:		
Collection of PILOT Fees	\$ 40,176	
Balance, December 31, 2023		<u>\$ 40,176</u>

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, 2022	\$ 3,665	\$ 948,299	\$ 64,223
Increased by Receipts:			
Animal Control Licenses	\$ 1,877		
State Fees Collected	293		
Miscellaneous Reserves		\$ 858,653	
Interest on Deposits			
Receipts from Current Fund			
Payroll Deposits		4,977,960	
Recreation Fees	<u>-</u>	<u>-</u>	<u>\$ 163,995</u>
	<u>2,170</u>	<u>5,836,613</u>	<u>163,995</u>
	5,835	6,784,912	228,218
Decreased by Disbursements:			
Miscellaneous Reserves		1,130,871	
Payments to Current Fund	-		
Payments to State of New Jersey	115		
Expenditures Under R.S. 4:19-15.1	434		
Recreation Expenditures			158,587
Payroll Deductions Payable	<u>-</u>	<u>4,977,900</u>	<u>-</u>
	<u>549</u>	<u>6,108,771</u>	<u>158,587</u>
Balance, December 31, 2023	<u>\$ 5,286</u>	<u>\$ 676,141</u>	<u>\$ 69,631</u>

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

Increased by:	
Statutory Excess	\$ 2,131
Balance, December 31, 2023	<u>\$ 2,131</u>

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

Increased by:	
State Fees Collected	\$ 293
Decreased by:	
Payments to State of New Jersey	<u>115</u>
Balance, December 31, 2023	<u>\$ 178</u>

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

Balance, December 31, 2022		\$ 3,665
Increased by:		
Dog License Fees Collected		1,877
		5,542
Decreased by:		
Expenditures	\$ 434	
Statutory Excess - Due to Current Fund	2,131	
		2,565
Balance, December 31, 2023		\$ 2,977

License Fees Collected

	2022	\$ 1,298
	2021	1,679
		\$ 2,977

STATEMENT OF PAYROLL DEDUCTIONS PAYABLE

Balance, December 31, 2022		\$ 16,533
Increased by:		
Payroll Deposits		4,977,960
		4,994,493
Decreased by:		
Payroll Disbursements		4,977,900
Balance, December 31, 2023		\$ 16,593

BOROUGH OF BOGOTA
STATEMENT OF MISCELLANEOUS RESERVES

	Balance, December 31, <u>2022</u>	<u>Increased</u>	<u>Decreased</u>	Balance, December 31, <u>2023</u>
Reserved for:				
Escrow Deposits	\$ 108,047	\$ 77,075	\$ 81,743	\$ 103,379
POAA- Municipal Court	41,148	1,844	2,250	40,742
Public Defender	13,386			13,386
Police Vests	600			600
Uniform Fire Safety	8,209	12,250	7,720	12,739
Tax Title Lien Redemption/Premiums	491,354	77,999	381,202	188,151
Community Garden	2,165	462		2,627
Recycling	51,460	8,105	25,474	34,091
Outside TTL	1,139			1,139
COAH Trust	109,465	4,364	2,880	110,949
Reserve for Unemployment	4,793	22,382	20,430	6,745
Reserve for Storm Recovery	30,000	15,000		45,000
Reserve for Accumulated Absences	70,000	30,000		100,000
Police Outside Duty	-	609,172	609,172	-
	<u>\$ 931,766</u>	<u>\$ 858,653</u>	<u>\$ 1,130,871</u>	<u>\$ 659,548</u>
		Cash Receipts \$ 858,653		
		Cash Disbursements -	\$ 1,130,871	
		<u>\$ 858,653</u>	<u>\$ 1,130,871</u>	

BOROUGH OF BOGOTA
STATEMENT OF RESERVE FOR RECREATION EXPENDITURES

Balance, December 31, 2022	\$ 64,223
Increased by:	
Recreation Fees Collected	<u>163,995</u>
	228,218
Decreased by:	
Cash Disbursements	<u>158,587</u>
Balance, December 31, 2023	<u>\$ 69,631</u>

GENERAL CAPITAL FUND

BOROUGH OF BOGOTA
STATEMENT OF GENERAL CAPITAL CASH - TREASURER

Balance, December 31, 2022		\$ 3,291,128
Increased by Receipts:		
Bond Anticipation Notes	\$ 7,360,000	
Premium on Issuance of Serial Bonds and Notes	27,159	
Grants Receivable	481,000	
Current Fund Budget Appropriation - Capital Improvement Fund	150,000	
Receipts from Current Fund	<u>58,793</u>	
		<u>8,076,952</u>
		11,368,080
Decreased by Disbursements:		
Improvement Authorizations	1,164,813	
Encumbrances Payable	1,116,140	
Bond Anticipation Note Payable	5,638,993	
Payments Made for Current Fund	1,204	
Current Fund Anticipated Revenue - American Rescue Plan	<u>385,912</u>	
		<u>8,307,062</u>
Balance, December 31, 2023		<u>\$ 3,061,018</u>

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

		Balance, December 31, <u>2023</u>
Fund Balance		\$ 27,159
Capital Improvement Fund		15,100
Encumbrances Payable		3,173,177
Reserve for Developer Contributions		1,414,090
Reserve for ARP Funds		1,716
Due from Current Fund		(1,204)
Excess Note Proceeds		558,233
Ord.		
<u>No.</u>	<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	15,820
1516	Resurfacing of Leonia Ave (Phase III & IV)	17,771
1522	Improvements to Palisade Avenue (Phase III)	10,421
1528	Rehab of Basketball & Tennis Courts Olsen Park	236,163
1532	Construction New Recreation Center Olsen Park	231,199
1544	Resurfacing of Leonia Ave (Phase V)	1,091
1547	Resurfacing of Central Avenue	14,623
1560	Various Public Improvements	28,333
1567	Road & Sanitary Sewer	21,981
1568	Reconstruction of Pine Street (Phase II)	14,487
1569	Acquisition of Pumper Truck & Equipment	(1,315,324)
1578	Various Public Improvements	77,919
1579	Reconstruction of Palisade Avenue	225,898
1592	Tree Planting	19,296
1595	Ridgefield Ave Roadway Improvements	(402,624)
1598	Various Public Improvements	(1,186,663)
1608	Acquisition of 13 E. Fort Lee Road	<u>14,191</u>
		<u>\$ 3,061,018</u>

**BOROUGH OF BOGOTA
STATEMENT OF GRANTS RECEIVABLE**

Balance, December 31, 2022		\$ 594,963
Increased by:		
Grant Awards		
Community Development Block Grant - Ord. 1595		80,000
		674,963
Decreased by:		
Cash Receipts		481,000
Balance, December 31, 2023		\$ 193,963

Analysis of Balance

Reserve for Receivable:		
Department of Transportation		
Ord. 1516		\$ 93,189
Ord. 1542		3,518
Community Development Block Grant		
Ord. 1547		17,256
Ord. 1595		80,000
		\$ 193,963

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

Balance, December 31, 2022	\$ 5,735,000
Decreased by:	
Current Fund Budget Appropriations	
Serial Bond Principal	<u>620,000</u>
Balance, December 31, 2023	<u>\$ 5,115,000</u>

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

Ord. No.	Description	Analysis of Balance							
		Balance, December 31, 2022	2023 Authorizations	Grant Receipts	Paydown by Budget	Balance, December 31, 2023	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			\$ 5,464	98,336	\$ 98,336		
1523	Various Public Improvements	952,000			55,543	896,457	896,457		
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	58,518				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		\$ 5,000		26,756	26,756		
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		200,000		200,000	199,000	1,000	
1569	Acquisition of Pumper Truck & Equipment	1,342,000			-	1,342,000		1,315,324	
1578	Various Public Improvements	1,414,000		80,000		1,334,000	1,334,000		
1579	Reconstruction of Palisade Avenue	510,000		196,000		314,000	314,000		
1595	Ridgefield Ave Roadway Improvements		\$ 590,000			590,000		402,624	
1598	Various Public Improvements		1,809,000			1,809,000		1,186,663	
1608	Acquisition of 13 E. Fort Lee Road	-	314,000			314,000		314,000	
		<u>\$ 12,840,056</u>	<u>\$ 2,713,000</u>	<u>\$ 481,000</u>	<u>\$ 61,007</u>	<u>\$ 15,011,049</u>	<u>\$ 6,801,767</u>	<u>\$ 3,056,446</u>	<u>\$ 5,152,836</u>
							\$ 7,360,000		
							Less: Excess Note Proceeds		
						\$ 201,482	Ord. 1542		
						82,744	Ord. 1547		
						80,000	Ord. 1578		
						194,007	Ord. 1579		
							<u>558,233</u>		
							<u>\$ 6,801,767</u>		
							Improvement Authorizations- Unfunded	\$ 6,014,951	
							Less: Unexpended Proceeds of Bond Anticipation Notes		
							Ord. 1522	\$ 10,421	
							Ord. 1528	236,163	
							Ord. 1532	231,199	
							Ord. 1544	1,091	
							Ord. 1547	14,623	
							Ord. 1560	28,333	
							Ord. 1567	21,981	
							Ord. 1568	14,487	
							Ord. 1578	77,919	
							Ord. 1579	225,898	
								<u>862,115</u>	
								<u>\$ 5,152,836</u>	

**BOROUGH OF BOGOTA
STATEMENT OF IMPROVEMENT AUTHORIZATIONS**

Ord. No.	Description	Ordinance Date	Amount	Balance, December 31, 2022		2023 Authorizations		Cancelled Encumbrances Payable	Expended	Balance, December 31, 2023	
				Funded	Unfunded	Improv Fund	Deferred Charges Unfunded			Funded	Unfunded
1511	Various Public Improvements	4/19/2018	\$ 1,265,000	\$ 8,501				\$ 7,319		\$ 15,820	
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				\$ 277		10,421
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		275,834				26,370		249,464
1532	Construction New Recreation Center Olsen Park	10/3/2019	4,600,000		4,084,701				21,213		4,063,488
1541	Various Public Improvements	4/16/2020	1,057,000		17,483				17,483		-
1544	Resurfacing of Leonia Ave (Phase V)	6/4/2020	380,000		13,869				278		13,591
1547	Resurfacing of Central Avenue	10/1/2020	115,000		959			13,664			14,623
1549	Acquisition of Real Property	11/12/2020	600,000		44				44		-
1560	Various Public Improvements, Acquisition of Equipment	5/20/2021	850,000		323,848				245,515		78,333
1567	Road & Sanitary Sewer	9/16/2021	300,000		30,249				8,268		21,981
1568	Reconstruction of Pine Street (Phase II)	9/16/2021	400,000		22,242				6,755		15,487
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		287,891				209,972		77,919
1579	Reconstruction of Palisade Avenue	8/11/2022	510,000		100,538			126,199	839		225,898
1592	Tree Planting	11/10/2022	50,000	37,066					17,770	19,296	
1595	Ridgefield Ave Roadway Improvements	3/16/2023	620,000			\$ 30,000	\$ 590,000		432,624		187,376
1598	Various Public Improvements	5/18/2023	1,900,000			91,000	1,809,000		1,277,663		622,337
1608	Acquisition of 13 E. Fort Lee Road	12/6/2023	330,000	-	-	16,000	314,000	-	1,809	14,191	314,000
				<u>\$ 63,338</u>	<u>\$ 5,288,568</u>	<u>\$ 137,000</u>	<u>\$ 2,713,000</u>	<u>\$ 147,182</u>	<u>\$ 2,267,059</u>	<u>\$ 67,078</u>	<u>\$ 6,014,951</u>
									Cash Disbursements	\$ 1,164,813	
									Encumbrances Payable	<u>1,102,246</u>	
										<u>\$ 2,267,059</u>	

**BOROUGH OF BOGOTA
STATEMENT OF ENCUMBRANCES PAYABLE**

Balance, December 31, 2022		\$ 3,334,253
Increased by:		
Charges to Improvement Authorizations		<u>1,102,246</u>
		4,436,499
Decreased by:		
Cash Disbursements	\$ 1,116,140	
Restored to Improvement Authorizations	<u>147,182</u>	
		<u>1,263,322</u>
Balance, December 31, 2023		<u>\$ 3,173,177</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, 2023</u>		<u>Interest Rate</u>	<u>Balance, December 31, 2022</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, December 31, 2023</u>
			<u>Date</u>	<u>Amount</u>					
2012 General Improvement Bonds	12/1/2002	\$ 3,295,000	12/1/2024	\$ 320,000	2.50%	\$ 960,000		\$ 320,000	\$ 640,000
			12/1/2025	320,000	3.00%				
2019 General Improvement Bonds	5/1/2019	5,675,000	5/1/2024-2025	300,000	2.00%	<u>4,775,000</u>	<u>-</u>	<u>300,000</u>	<u>4,475,000</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>\$ 5,735,000</u>	<u>\$ -</u>	<u>\$ 620,000</u>	<u>\$ 5,115,000</u>	
							<u>\$ 620,000</u>		
								<u>\$ 620,000</u>	

Paid by Budget Appropriation

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

Ord. No.	Improvement Description	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance, December 31,			Balance, December 31, 2023
						2022	Increased	Decreased	
1522	Improvement to Palisades Ave Phase III	4/4/2020	4/14/2022 4/14/2023	4/14/2023 4/12/2024	1.600 4.000	% \$ 103,800	\$ 98,336	\$ 103,800	\$ 98,336
1523	Various Public Improvements	4/4/2020	4/14/2022 4/14/2023	4/14/2023 4/12/2024	1.600 4.000	952,000	896,457	952,000	- 896,457
1528	Rehab of Basketball and Tennis Courts	8/15/2021	4/14/2022 4/14/2023	4/14/2023 4/12/2024	1.600 4.000	305,700	305,700	305,700	- 305,700
1541	Various Public Improvements	4/16/2021	4/14/2022 4/14/2023	4/14/2023 4/12/2024	1.600 4.000	1,006,000	1,006,000	1,006,000	- 1,006,000
1549	Acquisition of Real Property	11/12/2021	4/14/2022 4/14/2023	4/14/2023 4/12/2024	1.600 4.000	570,000	570,000	570,000	- 570,000
1532	Construction of New Recreation Center	4/14/2022	4/14/2022 4/14/2023	4/14/2023 4/12/2024	1.600 4.000	500,000	500,000	500,000	- 500,000
1542	Reconstruction of Pine Street	4/14/2022	4/14/2022 4/14/2023	4/14/2023 4/12/2024	1.600 4.000	260,000	260,000	260,000	- 260,000
1544	Resurfacing of Leonia Ave (Phase V)	4/14/2022	4/14/2022 4/14/2023	4/14/2023 4/12/2024	1.600 4.000	165,500	165,500	165,500	- 165,500
1547	Resurfacing of Central Ave	4/14/2022	4/14/2022 4/14/2023	4/14/2023 4/12/2024	1.600 4.000	109,500	109,500	109,500	- 109,500
1550/1557	Replacement of ADA Curb Ramps	4/14/2022	4/14/2022 4/14/2023	4/14/2023 4/12/2024	1.600 4.000	285,000	285,000	285,000	- 285,000
1560	Various Public Improvements	4/14/2022	4/14/2022 4/14/2023	4/14/2023 4/12/2024	1.600 4.000	757,500	757,500	757,500	- 757,500
1567	Improvements to Roads and Sanitary and Storm Sewers	4/14/2022	4/14/2022 4/14/2023	4/14/2023 4/12/2024	1.600 4.000	285,000	285,000	285,000	- 285,000
1568	Reconstruction of Pine St and Larch Ave	4/14/2022	4/14/2022 4/14/2023	4/14/2023 4/12/2024	1.600 4.000	400,000	- 199,000	400,000	- 199,000
1578	Various Public Improvements	4/14/2023	4/14/2023	4/12/2024	4.000		1,414,000		1,414,000
1579	Reconstruction of Palisades Ave	4/14/2023	4/14/2023	4/12/2024	4.000	-	508,007	-	508,007
						<u>\$ 5,700,000</u>	<u>\$ 7,360,000</u>	<u>\$ 5,700,000</u>	<u>\$ 7,360,000</u>
						Issued for Cash	\$ 1,922,007		
						Notes Paid with Capital Cash		\$ 201,000	
						Renewals	5,437,993	5,437,993	
						Paid by Budget Appropriation	-	61,007	
							<u>\$ 7,360,000</u>	<u>\$ 5,700,000</u>	

BOROUGH OF BOGOTA
STATEMENT OF RESERVE FOR DEVELOPER CONTRUBUTION

Balance, December 31, 2022	\$ <u>1,414,090</u>
Balance, December 31, 2023	\$ <u>1,414,090</u>

STATEMENT OF DUE FROM CURRENT FUND

Balance, December 31, 2022	\$ 58,793
Increased by:	
Payments Made for Current Fund	<u>1,204</u>
	59,997
Decreased by:	
Receipts from Current Fund	<u>58,793</u>
Balance, December 31, 2023	\$ <u>1,204</u>

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

Balance, December 31, 2022	\$	387,628
Decreased by:		
Anticipated Revenue - Current Fund		385,912
Balance, December 31, 2023	\$	1,716

STATEMENT OF CAPITAL IMPROVEMENT FUND

Balance, December 31, 2022	\$	2,100
Increased by:		
Cash Receipts - Budget Appropriation		150,000
		152,100
Decreased by:		
Appropriated to Finance Improvement Authorizations		137,000
Balance, December 31, 2023	\$	15,100

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

<u>Ord. No.</u>	<u>Description</u>	Balance, December 31, <u>2022</u>	2023 <u>Authorizations</u>	Notes not <u>Renewed</u>	Notes <u>Issued</u>	Grants <u>Proceeds</u>	Balance, December 31, <u>2023</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	13,300					13,300
1532	Construction of New Recreation Center at Olsen Park	3,832,290					3,832,290
1544	Resurfacing of Leonia Ave (Phase V)	12,500					12,500
1560	Various Public Improvements	50,000					50,000
1568	Reconstruction of Pine Street (Phase II)			\$ 201,000		\$ 200,000	1,000
1569	Acquisition of Pumper Truck & Equipment	1,342,000					1,342,000
1578	Various Public Improvements	1,414,000			\$ 1,414,000		-
1579	Reconstruction of Palisade Avenue	510,000			508,007	1,993	-
1595	Ridgefield Ave Roadway Improvements		\$ 590,000				590,000
1598	Various Public Improvements		1,809,000				1,809,000
1608	Acquisition of 13 E. Fort Lee Road	-	314,000	-	-	-	314,000
		<u>\$ 7,419,282</u>	<u>\$ 2,713,000</u>	<u>\$ 201,000</u>	<u>\$ 1,922,007</u>	<u>\$ 201,993</u>	<u>\$ 8,209,282</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
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JOHN CUIFFO, CPA, PSA

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, 2023, and the related notes to the financial statements, and have issued our report thereon dated August 8, 2024. 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

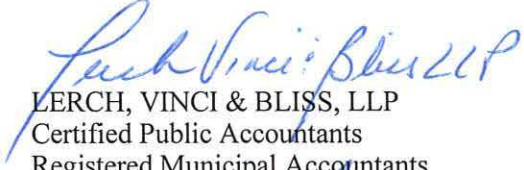
Report on Compliance and Other Matters

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 no instances of noncompliance or other matters that are 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.

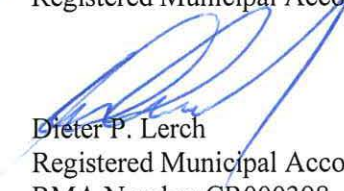
However, we noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Borough of Bogota in Part III of this report of audit entitled, "Letter of Comments and Recommendations".

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 CR000398

Fair Lawn, New Jersey
August 8, 2024

BOROUGH OF BOGOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2023

Grant Year	Federal A.L. Number	Grant Award Amount	Grant Receipts	Balance, January 1, 2023	Revenue Realized	Expenditures	Cancelled/ Adjustments	Balance, December 31, 2023
<u>U.S. Department of Treasury</u>								
(Pass through County of Bergen)								
				\$ 3,794				\$ 3,794
		\$ 34,681						
					\$ 385,912	\$ 385,912		-
		872,412						
					20,000	20,000		
		20,000						
<u>U.S. Department of Justice</u>								
			\$ 4,849					
				5,557	6,148			11,705
		5,557						
				5,439				5,439
		5,439						
<u>U.S. Department of Housing and Urban Development</u>								
				-	80,000	80,000	-	-
		80,000						
				-	80,000	80,000	-	-
		80,000						
				\$ 14,790	\$ 492,060	\$ 485,912	\$ -	\$ 20,938

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, 2023

<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, 2022</u>	<u>2023 Revenue Realized</u>	<u>Expended</u>	<u>Adjustment</u>	<u>Balance, December 31, 2023</u>	<u>MEMO Cumulative Expenditures</u>
<u>NJ Department of Environmental Protection</u>										
Clean Communities	4900-765-004	2014	\$ 10,663		\$ 4,282		\$ 982		\$ 3,300	\$ 7,363
		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			13,279	
		2023	14,894	\$ 14,894	-	-	-		-	
					<u>95,173</u>	<u>13,279</u>	<u>982</u>	<u>-</u>	<u>107,470</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			11,206	
		2023	12,275	12,275	-	-	-		-	
					<u>66,998</u>	<u>11,206</u>	<u>-</u>	<u>-</u>	<u>78,204</u>	
Stormwater Assistance Grant	N/A	2023	25,000	15,000	-	25,000	-	-	25,000	
NJ Urban and Community Forestry Program - Stewardship Grant		2023	40,000		-	40,000	26,635	-	13,365	26,635
<u>NJ Department of Law and Public Safety</u>										
Body Armor Replacement	066-1020-718-001	2022	2,494		-	2,494	-	-	2,494	
		2023	1,716	1,716	-	-	-	-	-	
					<u>-</u>	<u>2,494</u>	<u>-</u>	<u>-</u>	<u>2,494</u>	
<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, 2023**

	<u>Grant Number</u>	<u>Grant Year</u>	<u>Grant Award</u>	<u>Grant Receipts</u>	<u>Balance, December 31, 2022</u>	<u>2023 Revenue Realized</u>	<u>Expended</u>	<u>Adjustment</u>	<u>Balance, December 31, 2023</u>	<u>MEMO Cumulative Expenditures</u>
<u>State Grant Program</u>										
<u>Council on Alcoholism and Drug Abuse</u>										
Pass through County of Bergen										
Municipal Alliance Grant Fund										
	100-082-2000-044	2020	\$ 1,300		\$ 235		\$ 235		-	\$ 1,300
		2022	3,055	\$ 3,055	-	\$ 3,055	3,055		-	3,055
					<u>235</u>	<u>3,055</u>	<u>3,290</u>	<u>-</u>	<u>-</u>	
<u>NJ Division of Highway Traffic Safety</u>										
Drunk Driving Enforcement Fund										
Distracted Driving										
	6400-100-078	2020	1,000		1,000	-	-	-	\$ 1,000	
		2023	5,958	5,958	-	5,958	5,958	-	-	5,958
					<u>1,000</u>	<u>5,958</u>	<u>5,958</u>	<u>-</u>	<u>1,000</u>	
<u>NJ Department of Agriculture</u>										
Spotted Lanternfly Control Treatment Grant										
		2023	10,500		-	10,500	10,500	-	-	10,500
Total State Awards - Grant Fund					\$ 174,234	\$ 111,492	\$ 47,365	\$ -	\$ 238,361	
<u>NJ Department of Transportation</u>										
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	-	-	205,000
					<u>96,707</u>	<u>-</u>	<u>3,518</u>	<u>-</u>	<u>93,189</u>	
Total State Awards - Capital Fund					\$ 270,941	\$ 111,492	\$ 50,883	\$ -	\$ 331,550	

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, 2023

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	\$ 412,060	\$ 111,492	\$ 523,552
General Capital Fund	<u>80,000</u>	<u>-</u>	<u>80,000</u>
Total Financial Awards	<u>\$ 492,060</u>	<u>\$ 111,492</u>	<u>\$ 603,552</u>

**BOROUGH OF BOGOTA
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2023**

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, 2023**

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, 2023**

Part 2 – 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*.

There are none.

**BOROUGH OF BOGOTA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2023**

Part 3 – Schedule of Federal and State Award Findings and Responses

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance including questioned costs, related to the audit of major federal and state programs, as required by U.S. Uniform Guidance and New Jersey OMB's Circular 15-08, as amended.

CURRENT YEAR FEDERAL AWARDS

NOT APPLICABLE

CURRENT YEAR STATE AWARDS

NOT APPLICABLE

**BOROUGH OF BOGOTA
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2023**

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

Finding 2022-1

Conditions

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

Status

Corrective action has been taken.

**BOROUGH OF BOGOTA
BERGEN COUNTY, NEW JERSEY**

PART III

SUPPLEMENTARY DATA

LETTER OF COMMENTS AND RECOMMENDATIONS

FOR THE YEAR ENDED DECEMBER 31, 2023

**BOROUGH OF BOGOTA
SUPPLEMENTARY DATA**

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

	<u>Year 2023</u>		<u>Year 2022</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
REVENUE AND OTHER INCOME REALIZED				
Fund Balance Utilized	\$ 662,000	2.07 %	\$ 650,000	2.10 %
Miscellaneous - From Other Than Local				
Property Tax Levies	3,484,337	10.87	2,730,307	8.84
Collection of Delinquent Taxes and Tax Title Liens	108,868	0.34	9,384	0.03
Collection of Current Tax Levy	27,448,215	85.64	27,131,921	87.80
Other Credits	<u>347,985</u>	<u>1.09</u>	<u>378,661</u>	<u>1.23</u>
Total Income	<u>32,051,405</u>	<u>100.00</u> %	<u>30,900,273</u>	<u>100.00</u> %
EXPENDITURES				
Budget Expenditures				
Municipal Purposes	12,471,098	40.08	11,653,611	38.62
County Taxes	2,426,826	7.80	2,314,712	7.67
Local District School Taxes	16,170,436	51.96	16,183,486	53.63
Other Expenditures	<u>49,821</u>	<u>0.16</u>	<u>22,988</u>	<u>0.08</u>
Total Expenditures	<u>31,118,181</u>	<u>100.00</u> %	<u>30,174,797</u>	<u>100.00</u> %
Less: Expenditures to be Raised by Future Revenue	<u>26,669</u>		<u>310,000</u>	
Total Adjusted Expenditures	<u>31,091,512</u>		<u>29,864,797</u>	
Statutory Excess to Fund Balance	959,893		1,035,476	
Fund Balance, January 1	<u>2,302,726</u>		<u>1,917,250</u>	
	3,262,619		2,952,726	
Less Utilization as Anticipated Revenue	<u>662,000</u>		<u>650,000</u>	
Fund Balance, December 31	<u>\$ 2,600,619</u>		<u>\$ 2,302,726</u>	

**BOROUGH OF BOGOTA
SUPPLEMENTARY DATA**

Comparative Schedule of Tax Rate Information

	<u>2023</u>	<u>2022</u>	<u>2021</u>
<u>Tax Rate</u>	<u>\$4,294</u>	<u>\$4,225</u>	<u>\$4,138</u>

Apportionment of Tax Rate

Municipal	1.413	1.356	1.280
County	.360	.345	.352
County Open Space	.016	.015	.015
Local School	2.505	2.509	2.491

Assessed Valuation

2023	<u>\$645,705,500</u>	
2022		<u>\$644,806,400</u>
2021		<u>\$644,085,500</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>
2023	\$ 27,733,431	\$ 27,448,215	98.97%
2022	27,273,346	27,131,921	99.48%
2021	26,689,606	26,623,286	99.75%

**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>
2023	\$ 259,770	\$ 17,057	\$ 276,827	0.99%
2022	109,654	15,472	125,126	0.46%
2021	11,821	15,472	27,293	0.10%

Property Acquired by Tax Title Lien Liquidation

No properties have been acquired in 2023 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>
2023	\$136,680
2022	136,680
2021	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	2023	\$2,600,619	\$1,175,000
	2022	2,302,726	662,000
	2021	1,917,250	650,000
	2020	1,705,395	600,000
	2019	1,871,880	508,684

**BOROUGH OF BOGOTA
SUPPLEMENTARY DATA**

OFFICIALS IN OFFICE AND SURETY BONDS

<u>Name</u>	<u>Title</u>
Christopher Kelemen	Mayor
Consuelo Carpenter	Council President
Jo-Ellen Granquist	Councilwoman
Patrick McHale	Councilman
John Mitchell	Councilman
Mary Ellen Murphy	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
Eric Hodge	Plumbing Subcode Official
Giuseppe Randazzo	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 certain contracts awarded in the General Capital Fund for professional and construction services were not encumbered at year end. 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 revealed the following:

- a) Stale dated checks remain outstanding on the Bail bank account reconciliation
- b) Adjusted bank balances were not in agreement with adjusted book balances for the Bail account bank reconciliation.
- c) Uncleared reconciling items on the Regular account bank reconciliations.

It is recommended that:

- a) Old outstanding checks on the municipal court Bail account be cleared of record.
- b) Adjusted bank balances and book balances be reconciled and in agreement for the Bail account bank reconciliation.
- c) Reconciling items on the Regular account bank reconciliations be reviewed and cleared of record.

Current Year Findings

Our audit of the Borough taxes revealed that the 2023 tax proof was not updated to include prior year pre-payments. It is recommended that the Borough tax proof be reviewed and updated to include all tax related entries.

Our audit of the Police Outside Duty Services revealed that private vendors are billed subsequent to services provided and detail accounting records were not made available for audit. It is recommended that Police Outside Duty billings and collections be handled in accordance with NJAC 5:30-8.

Our audit of the recreation department revenues revealed that pre-numbered receipts were not utilized for all cash and/or checks received. It is recommended that all recreation fees collected by cash or check be issued pre-numbered receipts.

Our audit revealed that invoices submitted for engineering services were not detailed as to hours worked or contract engagements. It is recommended that professional engineering service invoices be properly itemized.

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:

- Olsen Park Basketball/Tennis Courts
- Fireman's Park
- Larch Avenue Roadway Improvements

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 5, 2023 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>
2023	1
2022	1
2021	1

**BOROUGH OF BOGOTA
SUPPLEMENTARY DATA**

RECOMMENDATIONS

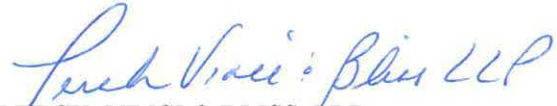
It is recommended that:

- * 1. All contracts be encumbered at the time of award.
- * 2. Purchase orders be issued prior to placing the orders for goods/services.
- * 3. With regards to the Municipal Court:
 - a) Old outstanding checks on the municipal court Bail account be cleared of record.
 - b) Adjusted bank balances and book balances be reconciled and in agreement for the Bail account bank reconciliation.
 - c) Reconciling items on the Regular account bank reconciliations be reviewed and cleared of record.
- 4. The Borough tax proof be reviewed and updated to include all tax related entries.
- 5. Police Outside Duty billings and collections be handled in accordance with NJAC 5:30-8.
- 6. All recreation fees collected by cash or check be issued pre-numbered receipts.
- 7. Professional engineering service invoices be properly itemized.

A review was performed on all prior year recommendations. Corrective action was taken on all, with the exception of the 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
Certified Public Accountants
Registered Municipal Accountants


Dieter P. Lerch
Registered Municipal Accountant
RMA Number CR000398