BOROUGH OF BOGOTA

BERGEN COUNTY, NEW JERSEY

REPORT OF AUDIT

YEAR ENDED DECEMBER 31, 2012

BOROUGH OF BOGOTA
TABLE OF CONTENTS

BOROUGH OF BOGOTA
TABLE OF CONTENTS

BOROUGH OF BOGOTA
TABLE OF CONTENTS

BOROUGH OF BOGOTA

PART I

REPORT ON AUDIT OF FINANCIAL STATEMENTS

AND SUPPLEMENTARY SCHEDULES

YEAR ENDED DECEMBER 31, 2012

LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

17 - 17 ROUTE 208
FAIR LAWN, NJ 07410
TELEPHONE (201) 791-7100
FACSIMILE (201) 791-3035
WWW.LVHCPA.COM

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
GARY W. HIGGINS, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
DONNA L. JAPHET, CPA, PSA
JULIUS B. CONSONI, CPA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA
ANDREW PARENTE, CPA, RMA, PSA
ROBERT W. HAAG, CPA, PSA
DEBORAH K. LERCH, CPA, PSA
DEBRA GOLLE, CPA
CINDY JANACEK, CPA, RMA
RALPH M. PICONE, CPA, RMA, PSA
EDWARD N. KERE, CPA
LORI T. MANUKIAN, CPA, PSA
MARK SACO, CPA

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the Borough of Bogota, as of December 31, 2012 and 2011, 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, 2012, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial accounting and reporting principles 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. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 and presented by the Borough of Bogota on the basis of financial accounting and reporting principles 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 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.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the requirement that the Borough of Bogota prepare and present its financial statements on the regulatory basis of accounting as discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph above, 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, 2012 and 2011, or changes in financial position for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, 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, 2012 and 2011, and the results of operations and changes in fund balance – regulatory basis of such funds for the years then ended and the revenues – regulatory basis and expenditures – regulatory basis of the Current for the year ended December 31, 2012 in accordance with the basis of financial accounting and reporting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Other Matters

Required Supplementary Information

The Borough has not presented a management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. A management discussion and analysis is not required by the financial accounting and reporting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey to supplement the regulatory basis financial statements and therefore it has not been presented by management. Our opinion on the financial statements – regulatory basis is not affected by this missing information.

Other 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, as required by Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, schedule of expenditures of state financial assistance as required by NJ OMB Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid and the letter of comments and recommendations section are presented for purposes of additional analysis and are not a required part of the financial statements of the Borough of Bogota.

The supplementary schedules listed in the table of contents, schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. 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.

The letter of comments and recommendations section has not been subject to the auditing procedures applied in the audit of the financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated May 6, 2013 on our consideration of the Borough of Bogota's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 & Higgins LLP

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

Dieter P. Lerch
Registered Municipal Accountant
RMA Number CR00398

Fair Lawn, New Jersey
May 6, 2013

BOROUGH OF BOGOTA
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS - CURRENT FUND
AS OF DECEMBER 31, 2012 AND 2011

	Reference	2012	2011
ASSETS			
Cash	A-4	$ 1,547,457	$ 1,340,116
Change Funds	A-5	280	280
Grants Receivable	A-7	67,802	57,933
Due from State of New Jersey -			
Senior Citizen and Veteran's Deductions	A-6	36,156	32,054
		1,651,695	1,430,383
Receivables and Other Assets with Full Reserves			
Delinquent Property Taxes	A-8	5,356	66
Tax Title Liens	A-9	16,837	5,054
Property Acquired for Taxes	A-10	136,680	136,680
Prepaid School Taxes	A-16		19,591
Revenue Accounts Receivable	A-12	11,325	
Interfunds Receivable:			
Due from General Capital Fund	C-4	148,006	
Due from Animal Control Trust Fund	B-4	15,747	15
Due from Recreation Trust Fund	B-12	13	18,985
Due from Other Trust Fund	B-7	90,589	-
		424,553	180,391
Deferred Charges			
Emergency Authorizations	A-11	276,500	175,000
Special Emergency Authorizations	A-21	612,080	296,960
Overexpenditure of Appropriation	A-11	42,215	12,373
Operating Deficit	A-11	268,989	41,115
Overexpenditure of Appropriation Reserves	A-11	34,105	-
		1,233,889	525,448
Total Assets		$ 3,310,137	$ 2,136,222

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF BOGOTA
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS - CURRENT FUND
AS OF DECEMBER 31, 2012 AND 2011

	Reference	2012	2011
LIABILITIES, RESERVES AND FUND BALANCE			
Liabilities			
Appropriation Reserves	A-3,A-13	$ 323,483	$ 245,300
Encumbrances Payable	A-14	384,135	152,138
Accounts Payable	A-26		7,884
Prepaid Taxes	A-17	59,381	48,415
Tax Anticipation Note Payable	A-22	950,000	950,000
Local School Taxes Payable	A-16	418	
Due County for Added and Omitted Taxes	A-15	741	297
Fees Payable	A-18	572	43
Special Emergency Note Payable	A-23	868,600	180,000
Miscellaneous Reserves	A-19	25,717	55,301
Tax Overpayments	A-24	21,878	9,744
Unappropriated Grant Reserves	A-20	21,262	12,775
Appropriated Grant Reserves	A-25	43,206	71,365
Interfunds Payable			
Due to Other Trust Fund	B-7		1,928
Due to General Capital Fund	C-4	-	34,450
		2,699,393	1,769,640
Reserve for Receivables	A	424,553	180,391
Fund Balance	A-1	186,191	186,191
Total Liabilities, Reserves and Fund Balance		$ 3,310,137	$ 2,136,222

BOROUGH OF BOGOTA
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE - REGULATORY BASIS - CURRENT FUND
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	Reference	2012	2011
REVENUE AND OTHER INCOME REALIZED			
Miscellaneous Revenue Anticipated	A-2	$ 1,523,383	$ 1,624,938
Receipts from Delinquent Taxes	A-2	7,127	7,425
Receipts from Current Taxes	A-2	22,119,163	21,368,642
Non-Budget Revenue	A-2	42,608	52,518
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-13	28,769	23,217
Statutory Excess - Animal Control Fund	B-4	3,037	
Cancellation of Accounts Payable	A-26	7,884	
Cancellation of Miscellaneous Reserve	A-19	14,128	
Cancellation of Appropriated Reserves	A-25	26,014	-
Total Income		23,772,113	23,076,740
EXPENDITURES			
Budget and Emergency Appropriations:			
Operations			
Salaries and Wages	A-3	2,886,535	3,080,101
Other Expenses	A-3	4,179,082	3,611,584
Deferred Charges and Statutory Expenditures- Municipal	A-3	993,278	793,935
Capital Improvements	A-3	60,000	25,000
Municipal Debt Service	A-3	752,047	690,700
Local District School Taxes	A-16	13,806,381	13,315,304
County Taxes Payable	A-15	1,769,793	1,778,674
Due to County for Added and Omitted Taxes	A-15	741	297
Establish Reserve for Prepaid School Taxes	A-16		19,591
Interfunds Advanced	A	254,340	4,912
Prior Year Senior Citizen/Veteran Disallowed	A-8	3,705	2,456
Refund of Prior Year Revenue	A-4	31,253	99,674
Cancelled Grants Receivable	A-7	-	25,000
Total Expenditures		24,737,155	23,447,228
Excess (Deficiency) in Revenues Over (Under) Expenditures		(965,042)	(370,488)
Adjustment to Income before Fund Balance:			
Expenditures included above which are by Statute Deferred Charges to Budget of Succeeding Year	A-11,A-21	718,715	329,373
Statutory Excess to Fund Balance		(246,327)	(41,115)
Deficit in Operations to be Raised in Budget of Succeeding Year	A-11	$ 246,327	$ 41,115
Fund Balance, January 1	A-1	$ 186,191	186,191
Fund Balance, December 31	A-1	$ 186,191	$ 186,191

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF BOGOTA
STATEMENT OF REVENUES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	Reference	Anticipated Budget	Anticipated Added by N.J.S. 40A:4-87	Realized	Excess or (Deficit)
MISCELLANEOUS REVENUES					
Licenses					
Alcoholic Beverages	A-12	$ 7,500		$ 9,376	$ 1,876
Other	A-12	10,000		9,081	(919)
Fees and Permits	A-12	5,500		10,278	4,778
Fines and Costs					
Municipal Court	A-12	255,000		207,905	(47,095)
Interest and Costs on Taxes	A-12	32,000		29,064	(2,936)
Interest on Investments and Deposits	A-2	24,500		12,044	(12,456)
Fire Fees	A-12	57,000		29,908	(27,092)
Cable Television Franchise Fees	A-12	91,500		91,269	(231)
Energy Receipts Tax	A-12	560,440		559,722	(718)
Consolidated Municipal Property Tax Relief Aid	A-12	117,236		111,374	(5,862)
Uniform Construction Code Fees	A-12	56,000		43,585	(12,415)
State and Federal Revenues Offset with Appropriations					
Recycling Tonnage Grant	A-7		$ 11,013	11,013	
Clean Communities Program	A-7	9,700		9,700	
CDBG - Project Success	A-7		18,000	18,000	
CDBG - Senior Bus Driver	A-7	10,000		10,000	
Uniform Fire Safety Act	A-12	8,000		5,398	(2,602)
C.C.O. Expenditures	A-12	8,500		6,855	(1,645)
Reserve for Recycling	A-19	41,000		41,000	
Swim Club Rent	A-12	7,500		7,500	
Cell Tower Rental Fee	A-12	50,000		49,739	(261)
Sewer Charges	A-12	42,500		41,151	(1,349)
FEMA Reimbursement	A-12	23,827		153,845	130,018
Outside Police Duty Reimbursement	A-12	17,000		17,000	
Due from Recreation Trust Fund - Interfund	B-12	18,985		18,985	
Reserve for Prepaid School Tax	A-16	19,591	-	19,591	-
		1,473,279	29,013	1,523,383	21,091
RECEIPTS FROM DELINQUENT TAXES	A-8	-	-	7,127	7,127
AMOUNT TO BE RAISED FOR SUPPORT OF MUNICIPAL BUDGET					
Local Tax for Municipal Purposes	A-2	6,423,642		6,314,825	(108,817)
Local Tax for Library Purposes		268,423	-	268,423	-
		6,692,065	-	6,583,248	(108,817)
Total General Revenues		$ 8,165,344	$ 29,013	8,113,758	$ (80,599)
Non-Budget Revenue				42,608	
				$ 8,156,366	

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF BOGOTA
STATEMENT OF REVENUES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2012
(Continued)

	Reference	
ANALYSIS OF REALIZED REVENUES		
Allocation of Current Tax Collection		
Revenue from Collections	A-8	$ 22,119,163
Less: Allocated to School and County Taxes	A-15,A-16	15,576,915
Balance for Support of Municipal Budget Appropriations		6,542,248
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	41,000
Amount for Support of Municipal Budget Appropriations	A-2	$ 6,583,248
Licenses - Other		
Board of Health	A-12	$ 2,874
Borough Clerk	A-12	15,583
	A-2	$ 18,457
Fees and Permits		
Planning/Zoning Boards	A-12	$ 2,995
Police Department	A-12	3,227
Tax Collector	A-12	4,056
	A-2	$ 10,278
Interest on Investments and Deposits		
Revenue Accounts Receivable	A-12	$ 8,036
Due from General Capital Fund	C-4	3,790
Due from Recreation Trust Fund	B-12	140
Due from Other Trust Fund	B-7	38
Due from Animal Control Trust Fund	B-4	40
	A-2	$ 12,044
Miscellaneous Revenue Not Anticipated:		
Copies		$ 13,554
Payments in Lieu of Taxes		2,250
Administrative Fee - Senior Citizens and Veterans Deductions		1,346
Insurance Refunds		16,372
Miscellaneous		9,086
	A-2,A-4	$ 42,608

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF BOGOTA
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	Appropriations		Expended			
	Budget	Budget After Modification	Paid or Charged	Reserved	Cancelled	Over Expended
OPERATIONS - WITHIN "CAPS"						
GENERAL GOVERNMENT						
Mayor and Council						
Salaries and Wages	$ 16,275	$ 23,775	$ 13,195	$ 10,580		
Other Expenses	5,795	5,795	2,696	3,099		
Administration and Executive						
Salaries and Wages						
Administrator's Office	190,050	168,700	181,792			$ 13,092
Other Expenses						
Administrator's Office	40,285	40,285	41,421			1,136
Codification of Ordinances	3,000	3,000	1,087	1,913		
Financial Administration						
Salaries and Wages	84,387	93,387	93,328	59		
Other Expenses	25,515	25,515	16,120	9,395		
Elections	6,500	6,500	6,500			
Audit Services						
Annual Audit	30,000	30,000	30,000			
Collection of Taxes						
Salaries and Wages	45,020	47,720	45,667	2,053		
Other Expenses	16,990	16,990	16,990			
Assessment of Taxes						
Salaries and Wages	14,000	14,300	14,193	107		
Other Expenses	3,500	3,500	3,117	383		
Reassessment of Property		70,000	36,000	34,000		
Legal Services and Costs						
Settlements	12,000	12,000	12,000			
Other Expenses	76,000	161,000	148,151	12,849		
LAND USE ADMINISTRATION						
Municipal Land Use Law (N.J.S.A. 40:55-1):						
Planning Board						
Salaries and Wages	7,500	5,500	4,950	550		
Other Expenses	2,000	2,000	90	1,910		
Master Plan	4,000					
Property Maintenance	12,000	14,000	13,826	174		
INSURANCE						
Other Insurance Premiums	330,920	330,920	330,730	190		
Group Insurance Plan for Employees	518,825	536,825	535,081	1,744		
Unemployment Trust Fund	20,000	20,000	20,000			
PUBLIC SAFETY FUNCTIONS						
Department of Police						
Salaries and Wages	1,849,519	2,024,519	2,023,683	836		
Other Expenses	45,006	45,006	52,933			7,927
Reserves	300	300	300			
Uniforms - Other Expenses	1,600	4,800	4,725	75		
Police Cars	21,573	21,573	21,573			
Vehicle Repairs	15,000	20,000	17,823	2,177		
Emergency Management Services						
Other Expenses	5,225	6,225	6,225			
First Aid Organization						
Salaries and Wages	200	200	200			
Other Expenses	21,230	21,230	21,694			464
Other Expenses - Uniforms	14,000	14,000	17,560			3,560
Other Expenses - Aid to Volunteers	2,500	2,500	3,296			796
Other Expenses - Vehicle Repairs	10,000	16,000	15,463	537		

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF BOGOTA
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	Appropriations		Expended			
	Budget	Budget After Modification	Paid or Charged	Reserved	Cancelled	Over Expended
OPERATIONS - WITHIN "CAPS" (Cont'd)						
PUBLIC SAFETY FUNCTIONS (Cont'd)						
Rescue Squad						
Salaries and Wages	$ 100	$ 100		$ 100		
Other Expenses	11,889	4,189	$ 1,356	2,833		
Other Expenses - Uniforms	3,675	6,375	6,300	75		
Other Expenses - Aid to Volunteers	2,500	2,500		2,500		
Other Expenses - Vehicle Repairs	3,650	3,650	3,011	639		
Fire (Volunteer Fire Company)						
Salaries and Wages	500	500		500		
Miscellaneous - Other Expenses	45,000	41,500	31,300	10,200		
Clothing Allowance - Other Expenses	15,000	15,000	12,450	2,550		
Aid to Volunteer Fire Companies	10,000	10,000	10,000			
Vehicle Maintenance	12,000	10,500	10,063	437		
Fire Official						
Salaries and Wages	25,112	23,112	22,642	470		
Other Expenses	3,850	3,850	3,033	817		
Municipal Prosecutor						
Salaries and Wages	7,135	7,135	7,435			$ 300
PUBLIC WORKS FUNCTIONS						
Road Repairs and Maintenance						
Salaries and Wages	321,975	309,275	308,965	310		
Other Expenses	59,640	72,140	53,145	18,995		
Other Expenses- Hurricane Sandy		330,000	308,636	21,364		
Vehicle Maintenance						
Other Expenses	17,000	21,000	19,628	1,372		
Snow Removal						
Other Expenses	15,000	15,000	2,581	12,419		
Shade Tree Commission						
Other Expenses	33,700	27,400	16,829	10,571		
Garbage and Trash Removal						
Solid Waste Disposal Fees	240,000	240,000	232,347	7,653		
Contractual	285,235	285,235	233,835	51,400		
Public Buildings and Grounds						
Other Expenses	80,000	73,500	74,450			950
HEALTH AND HUMAN SERVICES FUNCTIONS						
Board of Health						
Salaries and Wages	5,000	5,000	4,740	260		
Other Expenses	38,019	38,019	37,038	981		
Animal Control Services						
Other Expenses	11,900	11,900	11,900			

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF BOGOTA
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	Appropriations		Expended			
	Budget	Budget After Modification	Paid or Charged	Reserved	Cancelled	Over Expended
OPERATIONS - WITHIN "CAPS" (Cont'd)						
PARK AND RECREATION FUNCTIONS						
Recreation Commission RS 40:12-1						
Salaries and Wages	$ 32,350	$ 32,350	$ 46,340			$ 13,990
Senior Citizens Committee						
Salaries and Wages	7,000	7,000	6,567	$ 433		
Other Expenses	2,000	2,000	1,553	447		
OTHER COMMON OPERATING FUNCTIONS						
Celebration of Public Events						
Other Expenses	14,000	9,000	8,115	885		
Public Defender						
Salaries and Wages	3,550	5,550	2,755	2,795		
Ambulance Squad O.S.H.A. (P.L. 1983, C. 516)						
Other Expenses	3,000	3,000	2,764	236		
Rescue Squad O.S.H.A. (P.L. 1983, C. 516)						
Other Expenses	3,000	3,000		3,000		
Board of Health						
Hepatitis B.	2,000	2,000	1,667	333		
UNIFORM CONSTRUCTION CODE - APPROPRIATIONS OFFSET BY DEDICATED REVENUES (N.J.A.C. 5:23-4.17)						
CODE ENFORCEMENT AND ADMINISTRATION						
Construction Code Officials						
Salaries and Wages	56,980	58,680	58,533	147		
Other Expenses	3,000	3,100	3,012	88		
UNCLASSIFIED						
Electricity and Gas	110,000	110,000	107,565	2,435		
Street Lighting	100,000	106,500	90,636	15,864		
Telephone/Communications	40,000	40,000	39,998	2		
Heating Oil						
Fire Hydrant Service	72,000	72,000	72,000			
Gasoline	102,000	102,000	85,567	16,433		
Water	6,000	6,000	4,084	1,916	-	-
Total Operations Within "CAPS"	5,255,475	5,927,125	5,695,249	274,091	-	42,215
Detail						
Salaries and Wages	2,666,653	2,826,803	2,834,985	19,200	-	27,382
Other Expenses	2,588,822	3,100,322	2,860,264	254,891	-	14,833

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF BOGOTA
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	Appropriations		Expended			
	Budget	Budget After Modification	Paid or Charged	Reserved	Cancelled	Over Expended
DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"						
Deferred Charges:						
Overexpenditure of Appropriation	$ 12,373	$ 12,373	$ 12,373			
Operating Deficit	18,453	18,453	18,453			
Statutory Expenditures:						
Public Employees Retirement System	130,118	130,118	130,118			
Police & Fireman's Retirement System of NJ	422,454	422,454	422,454			
Social Security System (O.A.S.I.)	150,000	150,000	131,459	$ 18,541	-	-
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	733,398	733,398	714,857	18,541	-	-
Total General Appropriations for Municipal Purposes Within "CAPS"	5,988,873	6,660,523	6,410,106	292,632	-	$ 42,215
OPERATIONS - EXCLUDED FROM "CAPS"						
Group Insurance Plan for Employees	11,045	11,045	11,045			
Bergen County Utilities Authority						
Service Charges - Contractual	687,605	687,605	687,605			
Debt Service Charges	7,641	7,641	7,641			
Maintenance of Free Public Library						
Salaries and Wages						
Other Expenses	201,317	201,317	197,758	3,559		
Municipal Services	67,106	67,106	67,106			
911 Telecommunication System						
Other Expenses	6,000	6,000	6,000	-	-	-
Total Other Operations - Excluded from "CAPS"	980,714	980,714	977,155	3,559	-	-
INTERLOCAL MUNICIPAL SERVICE AGREEMENTS						
Municipal Court - Borough of Little Ferry						
Salaries and Wages	18,000	22,350	21,595	755		
Other Expenses	44,000	44,500	43,780	720	-	-
Total Interlocal Municipal Service Agreements	62,000	66,850	65,375	1,475	-	-
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES (N.J.S. 40A:4-45.3(h))						
Recycling Tonnage Grant		11,013		11,013		
Clean Communities Program	9,700	9,700		9,700		
Senior Citizen Bus Driver	10,000	10,000	6,000	4,000		
CDBG Project Success	-	18,000	16,896	1,104	-	-
Total Public and Private Programs Offset by Revenues (N.J.S. 40A:4-45.3(h))	19,700	48,713	22,896	25,817	-	-
Total Operations - Excluded from "CAPS"	1,062,414	1,096,277	1,065,426	30,851	-	-
Detail						
Salaries and Wages	28,000	32,350	27,595	4,755	-	-
Other Expenses	1,034,414	1,063,927	1,037,831	26,096	-	-

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF BOGOTA
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	Appropriations		Expended			
	Budget	Budget After Modification	Paid or Charged	Reserved	Cancelled	Over Expended
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"						
Capital Improvement Fund	$ 60,000	$ 60,000	$ 60,000	-	-	-
Total Capital Improvements-Excluded from "CAPS"	60,000	60,000	60,000	-	-	-
MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"						
Payment of Bond Principal	445,000	445,000	445,000			
Interest on Bonds	128,456	128,456	128,456			
Interest on Notes	31,746	31,746	31,746			
Payment on Bond Anticipation Notes	60,012	60,012	60,012			
Special Emergency Note - Interest	2,250	2,250	2,238		$ 12	
Tax Anticipation Note - Interest	11,478	11,478	11,478			
BCIA Pension Refunding						
Principal	51,000	51,000	51,000			
Interest	23,235	23,235	22,117	-	1,118	-
Total Municipal Debt Service - Excluded from "CAPS"	753,177	753,177	752,047	-	1,130	-
DEFERRED CHARGES - EXCLUDED FROM "CAPS"						
Emergency Authorizations	175,000	175,000	175,000			
Special Emergency Authorizations (NJS 40A:4-55)	84,880	84,880	84,880	-	-	-
Total Deferred Charges Excluded from CAPS	259,880	259,880	259,880	-	-	-
Total General Appropriations to Municipal Purposes Excluded from "CAPS"	2,135,471	2,169,334	2,137,353	$ 30,851	1,130	-
Subtotal General Appropriations	8,124,344	8,829,857	8,547,459	323,483	1,130	$ 42,215
Reserve for Uncollected Taxes	41,000	41,000	41,000	-	-	-
Total General Appropriations	$ 8,165,344	$ 8,870,857	$ 8,588,459	$ 323,483	$ 1,130	$ 42,215
Reference	A-2	A-3	A-1	A,A-1		

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF BOGOTA
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	Reference	Appropriations Budget After Modification	Expended Paid or Charged
Budget as Adopted	A-2	$ 8,165,344	
Added by N.J.S. 40A:4-87	A-2	29,013	
Emergency Authorization	A-11	276,500	
Special Emergency Authorization	A-21	400,000	
	A-2	$ 8,870,857	
Cash Disbursed	A-4		$ 7,812,606
Encumbrances Payable	A-14		384,135
Deferred Charges	A-11		205,826
Deferred Charge - Special Emergency Appropriations	A-21		84,880
Due to General Capital Fund	C-4		60,012
Reserve for Uncollected Taxes	A-2		41,000
			$ 8,588,459

BOROUGH OF BOGOTA
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS - TRUST FUNDS
AS OF DECEMBER 31, 2012 AND 2011

	Reference	2012	2011
ASSETS			
ANIMAL CONTROL TRUST FUND			
Cash	B-2	$ 19,941	$ 5,080
Due from Other Trust Fund	B-3	26	26
		19,967	5,106
OTHER TRUST FUND			
Cash	B-2	401,402	390,944
Due from Current Fund	B-7	-	1,928
		401,402	392,872
RECREATION TRUST FUND			
Cash	B-2	29,201	24,577
		29,201	24,577
LIBRARY TRUST FUND			
Cash	B-2	23,107	27,437
		23,107	27,437
Total Assets		$ 473,677	$ 449,992

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF BOGOTA
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS - TRUST FUNDS
AS OF DECEMBER 31, 2012 AND 2011

	Reference	2012	2011
LIABILITIES, RESERVES AND FUND BALANCE			
ANIMAL CONTROL FUND			
Due to Current Fund	B-4	$ 15,747	$ 15
Due to State of New Jersey	B-5	181	181
Reserve for Animal Control Trust Expenditures	B-6	4,039	4,910
		19,967	5,106
OTHER TRUST FUND			
Due to Animal Control Trust Fund	B-3	26	26
Reserve for Unemployment Compensation	B-8	6,734	3,662
Payroll Deductions Payable	B-9	49,236	57,637
Due to State of New Jersey - Unemployment Compensation	B-10	5,809	1,401
Due to Current Fund	B-7	90,589	
Miscellaneous Reserves	B-11	246,764	327,902
Reserve for Terminal Pay	B-15	2,244	2,244
		401,402	392,872
RECREATION TRUST FUND			
Due to Current Fund	B-12	13	18,985
Reserve for Recreation Expenditures	B-13	29,188	5,592
		29,201	24,577
LIBRARY TRUST FUND			
Reserve for Library Expenditures	B-14	23,107	27,437
		23,107	27,437
Total Liabilities, Reserves and Fund Balance		$ 473,677	$ 449,992

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF BOGOTA
COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCE - REGULATORY BASIS
OTHER TRUST FUND
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	Reference	2012	2011
Balance, January 1	B		$ 16,006
Increased by:			
Cancellation of Miscellaneous Reserves	B-11	-	-
		-	16,006
Decreased by:			
Anticipated Current Fund Revenue	A-2	-	16,006
Balance, December 31	B	$ -	$ -

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF BOGOTA
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
GENERAL CAPITAL FUND
AS OF DECEMBER 31, 2012 AND 2011

	Reference	2012	2011
ASSETS			
Cash	C-2,C-3	$ 1,298,407	$ 960,360
Due from Current Fund	C-4		34,450
Prospective Assessments Raised by Taxation	C-5		2,500
Deferred Charges to Future Taxation			
Funded	C-6	6,711,000	3,878,000
Unfunded	C-7	666,008	3,369,866
Grants Receivable	C-8	656,870	979,021
Total Assets		$ 9,332,285	$ 9,224,197
LIABILITIES, RESERVES AND FUND BALANCE			
Improvement Authorizations			
Funded	C-9	$ 1,218,886	$ 925
Unfunded	C-9	580,302	1,732,995
Encumbrances Payable	C-10	163,160	281,878
Capital Improvement Fund	C-11	2,005	600
Serial Bonds Payable	C-12	6,227,000	3,377,000
Capital Leases Payable	C-13	484,000	501,000
Bond Anticipation Notes Payable	C-14		2,539,710
Due to Current Fund	C-4	148,006	
Reserve for Grants Receivable	C-8	461,676	783,827
Reserve for Payment of Debt	C-15	14,890	2,406
Reserve for Prospective Assessments	C-16		2,500
Fund Balance	C-1	32,360	1,356
Total Liabilities, Reserves and Fund Balance		$ 9,332,285	$ 9,224,197

There were $666,008 and $974,039 in bonds and notes authorized but not issued at December 31, 2012 and 2011, respectively. (Exhibit C-17)

BOROUGH OF BOGOTA
COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCE - REGULATORY BASIS
GENERAL CAPITAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	Reference	2012	2011
Balance, January 1	C	$ 1,356	$ 1,356
Increased by:			
Premium on Issuance of Serial Bonds	C-1	31,004	-
		32,360	1,356
Decreased by:			
Realized as Current Fund Budgeted Revenue	C-1	-	-
Balance, December 31	C	$ 32,360	$ 1,356

The Accompanying Notes are an Integral Part of these Financial Statements

EXHIBIT D

BOROUGH OF BOGOTA
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
PUBLIC ASSISTANCE FUND
AS OF DECEMBER 31, 2012 AND 2011

	Reference	2012	2011
ASSETS			
Cash	D-1	$ 3,017	$ 3,017
Total Assets		$ 3,017	$ 3,017
LIABILITIES AND RESERVES			
Reserve for Expenditures	D-2	$ 3,017	$ 3,017
Total Liabilities, Reserves and Fund Balance		$ 3,017	$ 3,017

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF BOGOTA
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
GENERAL FIXED ASSETS ACCOUNT GROUP
AS OF DECEMBER 31, 2012 AND 2011

	2012	2011
ASSETS		
Land	$ 6,801,300	$ 6,801,300
Buildings	3,191,567	3,191,567
Vehicles, Machinery & Equipment	5,914,372	5,228,412
Total Assets	$ 15,907,239	$ 15,221,279
FUND BALANCE		
Investment in General Fixed Assets	$ 15,907,239	$ 15,221,279

NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. 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.

B. Reporting Entity

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

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

The financial statements contained herein include only those boards, bodies, officers or commissions as required by NJS 40A:5-5. Accordingly, the financial statements of the Borough do not include the 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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

The Borough has the following funds and account group:

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

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

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

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

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

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

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

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 revenues being measured. The basis of accounting indicates the timing of transaction, or costs 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:

Property Tax Revenues - Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County, and School purposes. The bills are mailed annually in June for that calendar year's levy. Taxes are payable in four quarterly installments on February 1, May 1, August 1, and November 1. The amounts of the first and second installments are determined as one-quarter of the total tax levied against the property for the preceding year. The installment due the third and fourth quarters is determined by taking the current year levy less the amount previously charged for the first and second installments, with the remainder being divided equally. If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of $1,500. A penalty of up to 6% of the delinquency may be imposed on a taxpayer with a delinquency in excess of $10,000 who fails to pay that delinquency prior to the end of the fiscal year in which the charges become delinquent. The school levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of June 30, of each fiscal year. County taxes are paid quarterly on February 15, May 15, August 15 and November 15, to the County by the Borough. When unpaid taxes or any municipal lien, or part thereof, on real property, remains in arrears on April first in the year following the calendar year levy when the same became in arrears, the collector in the municipality shall, subject to the provisions of the New Jersey Statutes, enforce the lien by placing the property on a standard tax sale. The Borough may institute annual in rem tax foreclosure proceedings to enforce the tax collection or acquisition of title to the property. In accordance with the accounting principles prescribed by the State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the tax receivable and tax title liens that are uncollectible. GAAP requires property tax revenues to be recognized in the accounting period when they become susceptible to accrual (i.e., when they are both levied and available), reduced by an allowance for doubtful accounts.

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

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

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

General Capital Fund
Trust Funds
Public Assistance Fund

The governing body is required to introduce and approve the annual budget no later than February 10, of the fiscal year. The budget is required to be adopted no later than March 20, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. The governing body of the municipality may authorize emergency appropriations and the inclusion of certain special items of revenue to the budget after its adoption and determination of the tax rate. During the last two months of the fiscal year, the governing body may, by a 2/3 vote; amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the Governing Body. Expenditures may not legally exceed budgeted appropriations at the line item level. During 2012 and 2011 the Borough Council increased the original budget by $705,513 and $490,189. The increases were funded by additional aid allotted to the Borough and emergency resolutions for police and public works salaries and wages, reassessment of real property and terminal pay. In addition, the governing body approved several budget transfers during 2012 and 2011.

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

Excess Expenditures Over Appropriations

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

	Modified Budget	Actual	Unfavorable Variance
2012			
Current Fund			
Current Appropriations			
Administrative & Executive			
Salaries and Wages	$ 168,700	$ 181,792	$ 13,092
Other Expenses	40,285	41,421	1,136
Department of Police			
Other Expenses	45,006	52,933	7,927
First Aid Organization			
Other Expenses	21,230	21,694	464
Other Expenses-Uniforms	14,000	17,560	3,560
Other Expenses-Aid to Volunteers	2,500	3,296	796
Municipal Prosecutor			
Salaries and Wages	7,135	7,435	300
Public Buildings and Grounds			
Other Expenses	73,500	74,450	950
Recreation Commission			
Salaries and Wages	32,350	46,340	13,990
2011 Appropriation Reserves			
Mayor and Council			
Salaries and Wages	(52)		52
Financial Administration			
Other Expenses	(286)		286
Municipal Court			
Other Expenses	2,011	2,671	660
Utilities			
Street Lighting	72	18,238	18,166
Telephone	27	1,458	1,431
Heating Oil	8	1,201	1,193
Fire Hydrant Service	4,784	17,097	12,313
Water	266	270	4

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

Excess Expenditures Over Appropriations (Continued)

2011

Current Fund			
Current Appropriations			
Statutory Expenditures			
Social Security System (O.A.S.I)	$ 135,000	$ 147,373	$ 12,373

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

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

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

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

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

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

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

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

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

Land and Buildings	Assessed Value
Machinery and Equipment	Replacement Cost

No depreciation has been provided for in the financial statements.

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

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

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

Reclassifications - Certain reclassifications have been made to the December 31, 2011 balances to conform to the December 31, 2012 presentation.

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

D. Basic 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.

NOTE 2 DEPOSITS AND INVESTMENTS

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

Deposits

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

Bank balances for interest bearing accounts are insured up to $250,000 in the aggregate by the FDIC for each bank. Under the Dodd-Frank Wall Street Reform and Consumer Protection Act, temporary unlimited deposit insurance coverage was provided for non-interest bearing accounts, from December 31, 2011 through December 31, 2012. SIPC replaces cash claims up to a maximum of $250,000 for each failed brokerage firm. At December 31, 2012 and 2011, the book value of the Borough's deposits were $3,322,812 and $2,751,531 and bank and brokerage firm balances of the Borough's deposits amounted to $3,793,980 and $2,878,387, respectively. The Borough's deposits which are displayed on the various fund balance sheets as "cash" are categorized as:

	Bank Balance	
Depository Account	2012	2011
Insured	$ 3,793,980	$ 2,878,387

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, 2012 and 2011, the Borough's bank balances were not exposed to custodial credit risk.

Investments

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

As of December 31, 2012 and 2011 the Borough had no outstanding investments.

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

NOTE 3 TAXES RECEIVABLE

Receivables at December 31, 2012 and 2011 consisted of the following:

	2012	2011
Current		
Property Taxes	$ 5,356	$ 66
Tax Title Liens	16,837	5,054
	$ 22,193	$ 5,120

In 2012 and 2011, the Borough collected $7,127 and $7,425 from delinquent taxes, which represented 100% and 83% of the prior year delinquent taxes receivable balance.

NOTE 4 MUNICIPAL DEBT

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

The Borough's debt is summarized as follows:

	2012	2011
Issued		
General		
Bonds, Notes and Capital Leases	$ 6,711,000	$ 6,417,710
Less Funds Temporarily Held to Pay Bonds and Notes	14,890	146,289
Net Debt Issued	6,696,110	6,271,421
Authorized But Not Issued		
General		
Bonds and Notes	666,008	974,039
Net Bonds and Notes Issued and Authorized But Not Issued	$ 7,362,118	$ 7,245,460

NOTE 4 MUNICIPAL DEBT (Continued)

Statutory Net Debt

The statement of debt condition that follows is extracted from the Borough's Annual Debt Statement and indicates a statutory net debt of .91 and .79 at December 31, 2012 and 2011, respectively.

	Gross Debt	Deductions	Net Debt
2012			
General Debt	$ 7,377,008	$ 14,890	$ 7,362,118
School Debt	5,690,000	5,690,000	-
Total	$ 13,067,008	$ 5,704,890	$ 7,362,118

	Gross Debt	Deductions	Net Debt
2011			
General Debt	$ 7,391,749	$ 647,289	$ 6,744,460
School Debt	6,185,000	6,185,000	-
Total	$ 13,576,749	$ 6,832,289	$ 6,744,460

Statutory Borrowing Power

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

	2012	2011
3-1/2% of Equalized Valuation Basis (Municipal)	$ 28,217,546	$ 29,829,072
Net Debt	7,362,118	6,744,460
Remaining Borrowing Power	$ 20,855,428	$ 23,084,612

NOTE 4 MUNICIPAL DEBT (Continued)

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:

	2012	2011
$1,840,000, 2004 Bonds, due in annual installments of $190,000 to $205,000 through March 15, 2017, interest at 3.00% to 4.00%	$ 985,000	$ 1,170,000
$2,677,000, 2007 Bonds, due in annual installments of $260,000 to $522,000 through July 1, 2018, interest at 4.125% to 4.25%	1,947,000	2,207,000
$3,295,000, 2012 Bonds, due in annual installments of $160,000 to $320,000 through December 1, 2025, interest at .55% to 3.00%	3,295,000	-
	$ 6,227,000	$ 3,377,000

The Borough's principal and interest for long-term debt issued and outstanding as of December 31, 2012 is as follows:

Calendar Year	General Bonds Principal	General Bonds Interest	Total
2013	$ 615,000	$ 177,291	$ 792,291
2014	635,000	159,705	794,705
2015	655,000	141,161	796,161
2016	675,000	120,535	795,535
2017	695,000	97,566	792,566
2018-2022	1,992,000	243,585	2,235,585
2023-2025	960,000	52,800	1,012,800
Total	$ 6,227,000	$ 992,643	$ 7,219,643

NOTE 4 MUNICIPAL DEBT (Continued)

Changes in Long-Term Municipal Debt (Continued)

The Borough's long-term capital debt activity for the years 2012 and 2011 were as follows:

	Balance, December 31, 2011	Additions	Reductions	Balance, December 31, 2012	Due Within One Year
2012					
General Capital Fund					
Bonds Payable	$ 3,377,000	$ 3,295,000	$ 445,000	$ 6,227,000	$ 615,000
Capital Leases Payable	501,000	427,000	444,000	484,000	68,000
General Capital Fund Long-Term Liabilities	$ 3,878,000	$ 3,722,000	$ 889,000	$ 6,711,000	$ 683,000

	Balance, December 31, 2010	Additions	Reductions	Balance, December 31, 2011	Due Within One Year
2011					
General Capital Fund					
Bonds Payable	$ 3,807,000		$ 430,000	$ 3,377,000	$ 445,000
Capital Leases Payable	546,000	-	45,000	501,000	51,000
General Capital Fund Long-Term Liabilities	$ 4,353,000	$ -	$ 475,000	$ 3,878,000	$ 496,000

NOTE 4 MUNICIPAL DEBT (Continued)

Short-Term Debt

The Borough's short-term capital debt activity for the years 2012 and 2011 was as follows:

Bond Anticipation Notes

	Rate (%)	Maturity Date	Balance, December 31, 2011	Renewed/ Issued	Retired/ Redeemed	Balance, December 31, 2012
2012						
General Capital Fund						
Purpose						
Various Capital Improvements	1.00%	6/15/2012	$ 570,985		$ 570,985	
Various Capital Improvements	0.74%	12/14/2012		$ 292,842	292,842	
Various Capital Improvements & Acq. of New Communication & Signal Equip	1.00%	6/15/2012	205,500		205,500	
Various Capital Improvements & Acq. of New Communication & Signal Equip	0.74%	12/14/2012		83,442	83,442	
Stormwater Sewer Improvements	1.00%	6/15/2012	16,625		16,625	
Stormwater Sewer Improvements	0.74%	12/14/2012		16,051	16,051	
Various Public Improvements	1.00%	6/15/2012	28,500		28,500	
Various Public Improvements	0.74%	12/14/2012		27,373	27,373	
Municipal Complex Roof Repairs	1.00%	6/15/2012	19,000		19,000	
Municipal Complex Roof Repairs	0.74%	12/14/2012		18,000	18,000	
Stormwater Inlet Improvements	1.00%	6/15/2012	500,000		500,000	
Stormwater Inlet Improvements	0.74%	12/14/2012		500,000	500,000	
Various Public Improvements & Acq.	1.00%	6/15/2012	1,056,300		1,056,300	
Various Public Improvements & Acq.	0.74%	12/14/2012		1,291,678	1,291,678	
Resurfacing of Various Roads	1.00%	6/15/2012	142,800		142,800	
Resurfacing of Various Roads	0.74%	12/14/2012	-	70,614	70,614	-
			$ 2,539,710	$ 2,300,000	$ 4,839,710	$ -

BOROUGH OF BOGOTA
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011

NOTE 4 MUNICIPAL DEBT (Continued)

Short-Term Debt (Continued)

	Rate (%)	Maturity Date	Balance, December 31, 2010	Renewed/ Issued	Retired/ Redeemed	Balance, December 31, 2011
2011						
General Capital Fund						
Purpose						
Various Capital Improvements	1.15%	6/17/2011	$ 114,700		$ 114,700	
Various Capital Improvements	1.25%	6/15/2012		$ 570,985		$ 570,985
Various Capital Improvements & Acq. of New Communication & Signal Equip	1.15%	6/17/2011	156,785		156,785	
Various Capital Improvements & Acq. of New Communication & Signal Equip	1.25%	6/15/2012		205,500		205,500
Stormwater Sewer Improvements	1.15%	6/17/2011	16,625		16,625	
Stormwater Sewer Improvements	1.25%	6/15/2012		16,625		16,625
Various Public Improvements	1.15%	6/17/2011	28,500		28,500	
Various Public Improvements	1.25%	6/15/2012		28,500		28,500
Municipal Complex Roof Repairs	1.15%	6/17/2011	19,000		19,000	
Municipal Complex Roof Repairs	1.25%	6/15/2012		19,000		19,000
Stormwater Inlet Improvements	1.25%	6/15/2012		500,000		500,000
Various Public Improvements & Acq.	1.15%	6/17/2011	921,000		921,000	
Various Public Improvements & Acq.	1.25%	6/15/2012		1,056,300		1,056,300
Resurfacing of Various Roads	1.25%	6/15/2012	-	142,800	-	142,800
			$ 1,256,610	$ 2,539,710	$ 1,256,610	$ 2,539,710

The purpose of these short-time borrowings was to provide resources for capital construction, acquisitions or improvement projects and other purposes permitted by State 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 4 MUNICIPAL DEBT (Continued)

Short-Term Debt (Continued)

In addition to the debt shown in the above schedule, municipalities may issue debt to finance emergency or special emergency appropriations or to meet cash flow needs (Tax Anticipation Notes) to temporarily finance operating expenditures. This debt which is not included in the Borough's statutory debt limit calculation is reported in the Current Fund for the years 2012 and 2011 as follows:

Emergency Notes

Any local unit may borrow money and issue its negotiable notes to meet an emergency appropriation. All emergency notes, and any renewals thereof, shall mature not later than the last day of the fiscal year following the fiscal year in which the notes were issued and the emergency appropriation authorized.

2012

Emergency Notes

Purpose	Rate (%)	Maturity Date	Balance, December 31, 2011	Renewed/ Issued	Retired/ Redeemed	Balance, December 31, 2012
2012 Budget Appropriations - Police Dept & Legal Department	0.85%	5/17/2013	$ -	$ 260,000	$ -	$ 260,000

There were no emergency notes issued as of December 31, 2011.

Special Emergency Notes

Following the adoption of an ordinance or resolution for special emergency appropriations, the Borough may borrow money and issue special emergency notes which may be renewed from time to time, but at least 1/3 or 1/5 (modify) of all such notes and the renewal thereof, shall mature and be paid in each year so that all notes have been paid by the end of the third or fifth year (modify) following the date of the special emergency resolution.

2012

Special Emergency Notes

Purpose	Rate (%)	Maturity Date	Balance, December 31, 2011	Renewed/ Issued	Retired/ Redeemed	Balance, December 31, 2012
Terminal Pay & Revaluation of Real Property	0.74%	6/14/2013	$ 180,000	$ 208,600	$ 180,000	$ 208,600
Reassessment of Real Property & Hurricane Sandy	0.85%	5/17/2013	-	400,000	-	400,000
			$ 180,000	$ 608,600	$ 180,000	$ 608,600

NOTE 4 MUNICIPAL DEBT (Continued)

Short-Term Debt (Continued)

Special Emergency Notes (Continued)

2011

Special Emergency Notes Purpose	Rate (%)	Maturity Date	Balance, December 31, 2010	Renewed/ Issued	Retired/ Redeemed	Balance, December 31, 2011
Terminal Pay & Revaluation of Real Property	1.25%	6/15/2012	$ 201,000	$ 180,000	$ 201,000	$ 180,000
			$ 201,000	$ 180,000	$ 201,000	$ 180,000

Tax Anticipation Notes

In any fiscal year in anticipation of the collection of taxes for such year, whether levied or to be levied in such year, or in anticipation of other revenues for such year, the Borough may borrow money in the form of tax anticipation notes. The amount of tax anticipation notes of any fiscal year outstanding at any one time shall not exceed an amount certified as the gross borrowing power. Tax anticipation notes may be renewed from time to time, but all such notes and any renewals shall mature within 120 days after the beginning of the succeeding fiscal year.

2012

Tax Anticipation Notes Purpose	Rate (%)	Maturity Date	Balance, December 31, 2011	Renewed/ Issued	Retired/ Redeemed	Balance, December 31, 2012
Anticipated Tax Collections	0.75%	2/15/2013	$ 950,000	$ 950,000	$ 950,000	$ 950,000
			$ 950,000	$ 950,000	$ 950,000	$ 950,000

2011

Tax Anticipation Notes Purpose	Rate (%)	Maturity Date	Balance, December 31, 2010	Renewed/ Issued	Retired/ Redeemed	Balance, December 31, 2011
Anticipated Tax Collections	1.45%	2/15/2012	$ 950,000	$ 950,000	$ 950,000	$ 950,000
			$ 950,000	$ 950,000	$ 950,000	$ 950,000

NOTE 5 FIXED ASSETS

General Fixed Assets

The following is a summary of changes in the general fixed assets account group for the years 2012 and 2011.

	Balance December 31, 2011	Increases	Decreases	Balance, December 31, 2012
2012				
Land	$ 6,801,300			$ 6,801,300
Buildings and Building Improvements	3,191,567			3,191,567
Machinery and Equipment	5,228,412	$ 685,960	-	5,914,372
	$ 15,221,279	$ 685,960	$ -	$ 15,907,239

	Balance December 31, 2010	Increases	Decreases	Balance, December 31, 2011
2011				
Land	$ 6,801,300			$ 6,801,300
Buildings and Building Improvements	3,136,518	$ 55,049		3,191,567
Machinery and Equipment	5,070,746	157,666	-	5,228,412
	$ 15,008,564	$ 212,715	$ -	$ 15,221,279

NOTE 6 DUE TO/FROM OTHER FUNDS

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

	2012		2011	
	Due from Other Funds	Due to Other Funds	Due from Other Funds	Due to Other Funds
Current Fund:				
Regular	$ 254,355		$ 19,000	$ 36,378
Trust Fund:				
Animal Control	26	15,747	26	15
Other Trust		90,615	1,928	26
Recreation		13		18,985
General Capital Fund	-	148,006	34,450	-
Total	$ 254,381	$ 254,381	$ 55,404	$ 55,404

NOTE 6 DUE TO/FROM OTHER FUNDS (Continued)

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

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

NOTE 7 FUND BALANCES APPROPRIATED

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

	Fund Balance December 31, 2012	Utilized in Subsequent Year's Budget	Fund Balance December 31, 2011	Utilized in Subsequent Year's Budget
Current Fund				
Non-Cash Surplus	$ 186,191	-	$ 186,191	-
	$ 186,191	$ -	$ 186,191	$ -

NOTE 8 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:

	Balance December 31,	Subsequent Year Budget Appropriation	Balance
2012			
Current Fund			
Special Emergency Authorizations (40A:4-55)	$ 612,080	$ 164,880	$ 447,200
Overexpenditure of Appropriations	42,215		42,215
Overexpenditure of Appropriation Reserves	34,105	34,105	
Emergency Authorizations	276,500	276,500	
Operating Deficit	268,989	268,989	-
	$ 1,233,889	$ 744,474	$ 489,415
2011			
Current Fund			
Special Emergency Authorizations (40A:4-55)	$ 296,960	$ 84,880	$ 212,080
Overexpenditure of Appropriations	12,373	12,373	
Emergency Authorizations	175,000	175,000	
Operating Deficit	41,115	18,453	22,662
	$ 525,448	$ 290,706	$ 234,742

NOTE 9 COMPENSATED ABSENCES

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

It is estimated that the current cost of such unpaid compensation and salary related payments would approximate $504,966 and $476,122 at December 31, 2012 and 2011, respectively. These amounts which is are considered material to the financial statements, are not reported either as an expenditure or liability.

As of December 31, 2012, the Borough has reserved in the Other Trust Fund $2,244 to fund compensated absences in accordance with NJSA 40A:4-39.

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS

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

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

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

Other Pension Funds

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

The cost of living increase for PFRS and PERS are funded directly by each of the respective systems 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.

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

Basis of Accounting

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

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Investment Valuation

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

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

Significant Legislation

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

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

- New members of PERS hired on or after June 28, 2011 (Tier 5 members), the years of creditable service needed for early retirement benefits increased 25 to 30 years and the early retirement age increased from 55 to 65.
- The eligibility age to qualify for a service retirement in the PERS is increased from age 62 to 65 for Tier 5 members.
- The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members) decreased from 65 percent of final compensation to 60 percent of final compensation after 25 years of service and from 70 percent of final compensation to 65 percent of final compensation after 30 or more years of service.
- It increased the active member contribution rates as follows: PERS active member rates increase from 5.5 percent of annual compensation to 6.5 percent plus an additional 1 percent phased-in over 7 years, PFRS active member rates increase from 8.5 percent to 10 percent. For Fiscal Year 2012, the member contribution rates increase in October 2011. The phase-in of the additional incremental member contributions for PERS members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries was suspended. COLA increases may be reactivated at a future date as permitted by this law.
- It changed the method for amortizing the pension system's unfunded accrued liability from a level percent of pay method to a level dollar of pay method.

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Funded Status and Funding Progress

As of July 1, 2011, the most recent actuarial valuation date, the aggregate funded ratio for all the State administered retirement systems, including PERS and PFRS, is 67.5 percent with an unfunded actuarial accrued liability of $41.7 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded systems is 60.8 percent and $30.1 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS and PFRS is 77.5 percent and $11.6 billion.

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

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

Actuarial Methods and Assumptions

In the July 1, 2011 actuarial valuation, the projected unit credit was used as the actuarial cost method, and the five year average of market value was used as the asset valuation method for the retirement systems. The actuarial assumptions included (a) a revised investment rate of return for all the retirement systems from 8.25 percent to 7.95 percent, and (b) revised projected salary increases which vary by fund (6.32% for PFRS and 4.52% for PERS).

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan members and employer contributions may be amended by State of New Jersey legislation, with the amount of contributions by the State of New Jersey contingent upon the annual Appropriations Act. As defined, the various retirement systems require employee contributions based on 6.50% for PERS, 10.0% for PFRS and 5.50% for DCRP of employees' annual compensation.

Annual Pension Cost (APC)

Per the requirements of GASB Statement No. 27 for the year ended June 30, 2012 for PFRS and PERS, which are cost sharing multi-employer defined benefit pension plans, annual pension cost equals contributions made.

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS (Continued)

During the years ended December 31, 2012, 2011 and 2010, the Borough was required to contribute for normal cost pension contributions, accrued liability pension contributions deferred pension obligation contributions and non-contributory life insurance premiums the following amounts which equaled the required contributions for each year:

Year Ended December 31	PFRS	PERS
2012	$ 422,454	$ 130,118
2011	399,959	117,114
2010	336,838	83,969

During the year ended December 31, 2009 the Borough elected to contribute 50% of its normal and accrued liability components of the PFRS and PERS obligations and deferred the remaining 50% in accordance with P.L. 2009, c.19. The deferred amount totaled $171,430 and will be paid back with interest over 15 years beginning in the 2012 year. The Borough is permitted to pay off the deferred PFRS and PERS pension obligations at any time. It is estimated that the total deferred liability including accrued interest (at 8.25%) at December 31, 2012 and 2011 is $180,481 and $186,752, respectively.

NOTE 11 RISK MANAGEMENT

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

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

NOTE 11 RISK MANAGEMENT

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

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

Year Ended December 31	Borough Contributions	Employee Contributions	Amount Reimbursed	Ending Balance
2012	$ 20,000		$ 16,928	$ 6,734
2011			4,588	3,662
2010		$ 1,351	24,028	8,250

NOTE 12 CONTINGENT LIABILITIES

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

Pending Tax Appeals - Various tax appeal cases were pending in the New Jersey Tax Court at December 31, 2012 and 2011. Amounts claimed have not yet been determined. The Borough is vigorously defending its assessments in each case. Under the accounting principles prescribed by the Division of Local Government Services, Department of community Affairs, State of New Jersey, the Borough does not recognize a liability, if any, until these cases have been adjudicated. The Borough expects such amounts, if any, could be material. Funding of any ultimate liability would be provided for in succeeding years' budget or from fund balance.

Federal and State Awards - The Borough participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Borough may be required to reimburse the grantor government. As of December 31, 2012 and 2011, significant amounts of grant expenditure have not been audited by the various grantor agencies but the Borough believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the Borough.

NOTE 13 FEDERAL ARBITRAGE REGULATIONS

The Borough is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At December 31, 2012 and 2011, the Borough has not estimated its arbitrage earnings due to the IRS, if any.

NOTE 14 CAPITAL LEASE - EARLY RETIREMENT INCENTIVE LIABILITY

The Borough has entered into an agreement with the Bergen County Improvement Authority for the financing relating to the Pooled Early Retirement Incentive Liability project. The agreement represents a $707,000 County Guaranteed Governmental Loan Revenue Bond due in annual installments of $51,000 to $95,000 through March, 2018 at variable interest rates. The Borough issued refunding BCIA Loan revenues bonds in the amount of $427,000 in 2012. The Borough issued refunding BCIA Loan revenue bonds in the amount of $427,000 in 2012. The Borough's principal and interest for the outstanding balance as of December 31, 2012 is as follows:

Year	Principal	Interest	Total
2013	$ 68,000	$ 6,983	$ 74,983
2014	74,000	5,323	79,323
2015	77,000	4,771	81,771
2016	83,000	3,935	86,935
2017	88,000	2,702	90,702
2018-2019	94,000	991	94,991
	$ 484,000	$ 24,705	$ 508,705

NOTE 15 SUBSEQUENT EVENTS

Tax Anticipation Notes

On April 24, 2013 the Borough authorized the Chief Financial Officer to issue $800,000 of Tax Anticipation Notes to temporarily finance the Borough's operating expenditures. As of the date of this report, the Chief Financial Officer has not issued nor awarded the sale of said notes.

Debt Authorized

On February 21, 2013 the Borough adopted a Tax Appeal Refunding Bond Ordinance authorizing the issuance of $575,000 in Bonds or Bond Anticipation Notes to fund certain tax appeal settlements. As of the date of this report the Borough has not issued nor awarded the sale of said bonds or notes.

NOTE 16 HURRICANE SANDY

On October 29, 2012 Hurricane Sandy, the largest Atlantic hurricane on record made landfall in New Jersey and resulted in severe damage in numerous communities and a federal disaster was declared throughout the State. The Borough has incurred significant costs in the clean up and recovery from this federal disaster. The Federal Emergency Management Agency ("FEMA") provides emergency grant assistance (voluntary nonexchange transaction) to help government's cope with losses. Although the Borough has applied for reimbursement from FEMA, the total amount to be received in conjunction with this event is not considered to be measurable with sufficient reliability and therefore has not been recognized in the financial statements as of December 31, 2012. As of December 31, 2012, the Borough has not received any FEMA reimbursements relating to Hurricane Sandy which have been reflected in the financial statements.

CURRENT FUND

BOROUGH OF BOGOTA
STATEMENT OF CURRENT CASH - TREASURER

Balance, December 31, 2011		$ 1,340,116
Increased by Receipts:		
Taxes Receivable	$ 22,002,792	
Revenue Accounts Receivable	1,361,397	
Miscellaneous Revenue Not Anticipated	42,608	
Due from State of New Jersey - Senior Citizens' and Veterans' Deductions	67,276	
Receipts from Other Trust Fund	34	
Receipts from General Capital Fund	1,703,252	
Receipts from Recreation Trust Fund	19,112	
Receipts from Animal Control Trust Fund	34	
Other Trust Fund Receipts Deposited in Current Fund	1,212	
General Capital Receipts Deposited in Current Fund	2,300,000	
Tax Overpayments	20,173	
Miscellaneous Reserves	25,544	
Special Emergency Note Payable	868,600	
Tax Anticipation Note Payable	950,000	
Fees Payable	3,534	
Grants Receivable	38,844	
Prepaid Taxes	59,381	
Unappropriated Grant Reserves	8,487	
		29,472,280
		30,812,396
Decreased by Disbursements:		
2012 Budget Appropriations	7,812,606	
2011 Appropriation Reserves	261,071	
Appropriated Grant Reserves	2,145	
Encumbrances Payable	141,703	
County Taxes Payable	1,770,090	
Local District School Taxes Payable	13,786,372	
Fees Payable	3,005	
Special Emergency Note Payable	180,000	
Tax Anticipation Note Payable	950,000	
Tax Overpayments	8,039	
Refund of Prior Year Revenue	31,253	
Other Trust Fund Expenditures Paid by Current Fund	60,007	
Payroll Expenditures Paid by Current Fund	16,718	
General Capital Expenditures Paid by Current Fund	2,541,930	
Payments to General Capital Fund	1,700,000	
		29,264,939
Balance, December 31, 2012		$ 1,547,457

EXHIBIT A-5

BOROUGH OF BOGOTA
STATEMENT OF CHANGE FUNDS

Balance, December 31, 2011		$ 280
Balance, December 31, 2012		$ 280

Analysis of Balance

Borough Clerk	$ 125
Tax Collector	100
Municipal Court	50
Library	5
	$ 280

EXHIBIT A-6

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

Balance, December 31, 2011		$ 32,054
Increased by:		
Senior Citizens' and Veterans' Deductions Per Tax Billings	$ 69,250	
Senior Citizens' and Veterans' Deductions Allowed by Tax Collector	5,833	
		75,083
		107,137
Decreased by:		
Cash Received from State of New Jersey	67,276	
Senior Citizens' and Veterans' Deductions Disallowed by Tax Collector - PY	3,705	
		70,981
Balance, December 31, 2012		$ 36,156

BOROUGH OF BOGOTA
STATEMENT OF GRANTS RECEIVABLE

	Balance, December 31, 2011	2012 Revenue Realized	Cash Receipts	Cancelled	Balance, December 31, 2012
Municipal Alliance	$ 2,728				$ 2,728
CDBG - Project Success		$ 18,000	$ 17,831		169
CDBG Senior Bus Driver	23,818	10,000	10,000		23,818
NJ DCA Housing Inspection	1,685				1,685
Clean Communities	10,692	9,700			20,392
Over the Limit, Under Arrest	10				10
Development Rights Feasibility Grant	19,000				19,000
Recycling Tonnage	-	11,013	11,013	-	-
	$ 57,933	$ 48,713	$ 38,844	$ -	$ 67,802

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

Year	Balance, December 31, 2011	Tax Levy	Added Assessments	Senior Citizens' and Veterans' Deductions Disallowed	Collected In 2011	Collected In 2012	Senior Citizens' and Veterans' Deductions Allowed	Transferred to Tax Title Liens	Adjusted, Remitted, or Cancelled	Balance, December 31, 2012
2011	$ 66	-	$ 3,811	$ 3,705	-	$ 7,127	-	-	-	$ 455
	66	-	3,811	3,705	-	7,127	-	-	-	455
2012	-	$ 22,268,511	9,269	-	$ 48,415	21,995,665	$ 75,083	$ 11,783	$ 141,933	4,901
	$ 66	$ 22,268,511	$ 13,080	$ 3,705	$ 48,415	$ 22,002,792	$ 75,083	$ 11,783	$ 141,933	$ 5,356

Analysis of 2012 Property Tax Levy

General Purpose Tax		$ 22,268,511
Added Taxes (54:4-63.1 et seq.)		9,269
		$ 22,277,780
Tax Levy		
Local District School Tax (Abstract)		$ 13,806,381
County Tax (Abstract)	$ 1,749,516	
Due County for Added and Omitted Taxes	741	
County Open Space Tax	20,277	
Total County Taxes		1,770,534
		15,576,915
Local Tax for Municipal Purposes	6,423,642	
Local Tax for Library	268,423	
Additional Taxes Levied	8,800	
Total Local Tax for Municipal Purposes		6,700,865
		$ 22,277,780

EXHIBIT A-9

BOROUGH OF BOGOTA
STATEMENT OF TAX TITLE LIENS RECEIVABLE

Balance, December 31, 2011	$	5,054
Increased by:		
Transfers from Taxes Receivable		11,783
Balance, December 31, 2012	$	16,837

EXHIBIT A-10

STATEMENT OF PROPERTY ACQUIRED FOR TAXES (AT ASSESSED VALUATION)

Balance, December 31, 2011	$	136,680
Balance, December 31, 2012	$	136,680

EXHIBIT A-11

STATEMENT OF DEFERRED CHARGES

	Balance, December 31, 2011	Amount Resulting from 2012	Raised in 2012 Budget	Balance, December 31, 2012
Overexpenditure of Appropriations	$ 12,373	$ 42,215	$ 12,373	$ 42,215
Overexpenditure of Appropriation Reserves		34,105		34,105
Operating Deficit	41,115	246,327	18,453	268,989
Emergency Authorizations	175,000	276,500	175,000	276,500
	$ 228,488	$ 599,147	$ 205,826	$ 621,809

BOROUGH OF BOGOTA
STATEMENT OF REVENUE ACCOUNTS RECEIVABLE

	Balance, December 31, 2011	Accrued in 2012	Collected	Balance, December 31, 2012
Licenses				
Alcoholic Beverages		$ 9,376	$ 9,376	
Borough Clerk				
Other Licenses		6,207	6,207	
Board of Health				
Other Licenses		2,874	2,874	
Fees and Permits				
Planning/Zoning Boards				
Fees and Permits		2,995	2,995	
Police Department				
Fees and Permits		3,227	3,227	
Fire Bureau				
Fees and Permits				
Tax Collector				
Fees and Permits		4,056	4,056	
Construction Code Fees		43,585	43,585	
Municipal Court				
Fines and Costs		219,230	207,905	$ 11,325
Interest and Costs on Taxes		29,064	29,064	
Interest on Investments & Deposits		8,036	8,036	
Fire Fees		29,908	29,908	
Cable Television Franchise Fees		91,269	91,269	
Energy Receipts Tax		559,722	559,722	
Consolidated Municipal Purpose Tax Relief Aid		111,374	111,374	
Sewer Charges		41,151	41,151	
Uniform Fire Safety Act		5,398	5,398	
Swim Club Rent		7,500	7,500	
Cell Tower		49,739	49,739	
FEMA Reimbursement		153,845	153,845	
Outside Police Duty Reimbursement		17,000	17,000	
C.C.O. Expenditures	-	6,855	6,855	-
	$ -	$ 1,402,411	$ 1,391,086	$ 11,325

Cash Receipts	$ 1,361,397
Due from Animal Control Fund	12,689
Due from Other Trust Fund	17,000
	$ 1,391,086

BOROUGH OF BOGOTA
STATEMENT OF 2011 APPROPRIATION RESERVES

	Balance December 31, 2011	Encumbrances Cancelled	Transfers	Balance After Modification	Paid or Charged	Balance Lapsed	Over-Expended
GENERAL GOVERNMENT FUNCTIONS							
Mayor and Council							
Salaries and Wages		$ 199	$ (251)	$ (52)			$ 52
Department of Administration							
Salaries and Wages	$ 199			199	$ 199		
Financial Administration							
Salaries and Wages	284	284	(284)	284	284		
Other Expenses	1,252		(1,538)	(286)			286
Elections	287			287		$ 287	
Collection of Taxes							
Salaries and Wages	34		(33)	1		1	
Other Expenses	806			806	806		
Assessment of Taxes							
Salaries and Wages	5			5		5	
Other Expenses	216		(215)	1		1	
Legal Services and Costs							
Other Expenses	2,738		2,509	5,247	5,247		
LAND USE ADMINISTRATION							
Municipal Land Use Law (N.J.S.A. 40:55-1):							
Planning Board							
Salaries and Wages	514		(513)	1		1	
Other Expenses	683		(682)	1		1	
Master Plan	97		(97)				
Property Maintenance	23		(22)	1		1	
INSURANCE							
Other Insurance Premiums	76,082		(803)	75,279	75,278	1	
Group Insurance Plan for Employees	643		(642)	1		1	
Unemployment Trust Fund	558	2,115		2,673		2,673	
PUBLIC SAFETY FUNCTIONS							
Department of Police							
Salaries and Wages	136			136		136	
Other Expenses	171		1,177	1,348	1,348		
Reserves	37		(30)	7		7	
Police Cars	7			7		7	
Emergency Management Services							
Other Expenses	55	45		100		100	
First Aid Organization							
Other Expenses	66			66	36	30	
Rescue Squad							
Other Expenses	467		(465)	2		2	
Fire Department							
Other Expenses	492	5,765	(6,200)	57		57	
Clothing Allowance	600		(600)				
Vehicle Maintenance	2,941		(82)	2,859	2,859		
Fire Official							
Salaries and Wages	355		(355)				
Other Expenses	171		(170)	1		1	
Municipal Prosecutor							
Salaries and Wages	274			274	274		

BOROUGH OF BOGOTA
STATEMENT OF 2011 APPROPRIATION RESERVES

	Balance December 31, 2011	Encumbrances Cancelled	Transfers	Balance After Modification	Paid or Charged	Balance Lapsed	Over-Expended
PARK AND RECREATION FUNCTIONS							
Recreation Commission							
Salaries and Wages							
Senior Citizens Program							
Salaries and Wages	$ 6			$ 6		$ 6	
Other Expenses	33			33		33	
PUBLIC WORKS FUNCTIONS							
Road Repairs and Maintenance							
Salaries and Wages	5,359			5,359	$ 477	4,882	
Other Expenses	1,835		$ (250)	1,585	1,543	42	
Shade Tree Commission							
Salaries and Wages		$ 27		27		27	
Other Expenses	774	2000	(770)	2,004		2,004	
Garbage and Trash Removal							
Solid Waste Disposal Fees	17,305		5,167	22,472	22,472		
Contractual	47,416		(8,100)	39,316	39,310	6	
Public Building & Grounds							
Other Expenses	8,890			8,890	3,374	5,516	
HEALTH AND HUMAN SERVICES FUNCTIONS							
Board of Health							
Salaries and Wages	5			5		5	
Other Expenses	94		273	367	367		
Animal Control Services							
Other Expenses	2,148			2,148		2,148	
OTHER COMMON OPERATING FUNCTIONS							
Celebration of Public Events							
Other Expenses	487		(480)	7		7	
Municipal Court							
Salaries and Wages	553			553	550	3	
Other Expenses	2,011			2,011	2,671		$ 660
Public Defender							
Salaries and Wages	173			173	173		
UTILITY EXPENSES AND BULK PURCHASES							
Utilities							
Electricity and Gas	62		13,636	13,698	13,447	251	
Street Lighting	72			72	18,238		18,166
Telephone	27			27	1,458		1,431
Gasoline	10			10		10	
Heating Oil	8			8	1,201		1,193
Fire Hydrant Service	4,784			4,784	17,097		12,313
Water	266			266	270		4
UNIFORM CONSTRUCTION CODE - APPROPRIATIONS OFFSET BY DEDICATED REVENUES (N.J.A.C. 5:23-4.17)							
State Uniform Construction							
Construction Code Officials							
Salaries and Wages	60		(60)	-			
Other Expenses	120		(120)	-			

BOROUGH OF BOGOTA
STATEMENT OF 2011 APPROPRIATION RESERVES

	Balance December 31, 2011	Encumbrances Cancelled	Transfers	Balance After Modification	Paid or Charged	Balance Lapsed	Over-Expended
OPERATIONS - EXCLUDED FROM "CAPS"							
Bergen County Utilities Authority							
Service Charges - Contractual	$ 8			$ 8		$ 8	
Maintenance of Free Public Library							
Salaries and Wages	271			271		271	
Other Expenses	7,194			7,194	$ 7,156	38	
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES (N.J.S. 40A:4-45.3(h))							
Recycling Tonnage Grant	92			92	92		
Clean Communities Program	82			82	82		
Reserve - Clean Communities Program	43			43	43		
Club 200	1,000			1,000		1,000	
FEMA Grant - Asst. To Firefighter	29,992			29,992	29,992		
FEMA Grant - Local Match Fire Dept.	5,765			5,765		5,765	
Reserve - Body Armor Replacement Program	4,647			4,647	1,965	2,682	
CDBG - Project Success	11,911	-	-	11,911	11,212	699	-
	$ 245,300	$ 10,435	$ -	$ 255,735	$ 261,071	$ 28,769	$ 34,105

EXHIBIT A-14

BOROUGH OF BOGOTA
STATEMENT OF ENCUMBRANCES PAYABLE

Balance, December 31, 2011		$	152,138
Increased by:			
Charges to 2012 Budget Appropriations			384,135
			536,273
Decreased by:			
Cash Disbursements	$ 141,703		
Cancelled to Appropriation Reserves	10,435		
			152,138
Balance, December 31, 2012		$	384,135

EXHIBIT A-15

STATEMENT OF COUNTY TAXES PAYABLE

Balance, December 31, 2011		$	297
Increased by:			
2012 Tax Levy			
County Tax (Abstract)	$ 1,749,516		
County Open Space Preservation	20,277		
County Tax for Added Taxes	741		
(54:4-63.1)			1,770,534
			1,770,831
Decreased by:			
Cash Disbursements			1,770,090
Balance, December 31, 2012		$	741

EXHIBIT A-16

BOROUGH OF BOGOTA
STATEMENT OF LOCAL DISTRICT SCHOOL TAXES

Balance, December 31, 2011 (Prepaid)	$	19,591
Increased by:		
Cash Disbursements		13,786,372
		13,805,963
Decreased by:		
Levy - Calendar Year 2012		13,806,381
Balance, December 31, 2012 (Due To)	$	418

EXHIBIT A-17

STATEMENT OF PREPAID TAXES

Balance, December 31, 2011	$	48,415
Increased by:		
Collection of 2013 Taxes		59,381
		107,796
Decreased by:		
Applied to 2012 Taxes Receivable		48,415
Balance, December 31, 2012	$	59,381

EXHIBIT A-18

STATEMENT OF FEES PAYABLE

Balance, December 31, 2011	$	43
Increased by:		
Cash Receipts		3,534
		3,577
Decreased by:		
Cash Disbursements		3,005
Balance, December 31, 2012	$	572

EXHIBIT A-19

BOROUGH OF BOGOTA
STATEMENT OF MISCELLANEOUS RESERVES

	Balance, December 31, 2011	Cash Receipts	Anticipated Revenue	Cancelled to Operations	Balance, December 31, 2012
Reserve for:					
Codification	$ 1,388			$ 1,388	
Police Vests	675			675	
Tax Sale Premiums	600			600	
Master Plan	1,800			1,800	
Police Fines	6,278			6,278	
Revaluation	3,387			3,387	
Recycling	41,173	$ 25,544	$ 41,000	-	$ 25,717
	$ 55,301	$ 25,544	$ 41,000	$ 14,128	$ 25,717

EXHIBIT A-20

STATEMENT OF UNAPPROPRIATED GRANT RESERVES

Grant	Balance, December 31, 2011	Cash Receipts	Balance, December 31, 2012
CDBG - Project Success	$ 2,161		$ 2,161
Alcohol Rehabilitation	1,618	$ 2,536	4,154
Body Armor	1,863	1,989	3,852
Safety Council	3,852	3,962	7,814
Recycling Tonnage Grant	3,281	-	3,281
	$ 12,775	$ 8,487	$ 21,262

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

Date Authorized	Purpose	Net Amount Authorized	1/5 of Net Amount Authorized	Balance, December 31, 2011	Added in 2012	Raised in 2012	Balance, December 31, 2012
4/17/2008	Revaluation of Real Property	$ 160,000	$ 32,000	$ 64,000		$ 32,000	$ 32,000
10/2/2008	Master Plan	17,400	3,480	6,960		3,480	3,480
10/21/2010	Terminal Pay	105,000	21,000	84,000		21,000	63,000
1/20/2011	Terminal Pay	32,000	6,400	32,000		6,400	25,600
11/10/2011	Terminal Pay	110,000	22,000	110,000		22,000	88,000
10/18/2012	Reassessment of Real Property	70,000	14,000		$ 70,000		70,000
11/8/2012	Hurricane Sandy	330,000	66,000	-	330,000	-	330,000
				$ 296,960	$ 400,000	$ 84,880	$ 612,080

EXHIBIT A-22

BOROUGH OF BOGOTA
STATEMENT OF TAX ANTICIPATION NOTES PAYABLE

Date of Issue	Date of Maturity	Interest Rate	Balance, December 31, 2011	Increased by Notes Issued	Decreased by Note Redemptions	Balance, December 31, 2012
4/15/2011	2/15/2012	1.45%	$ 950,000		$ 950,000	
2/25/2012	2/15/2013	0.75%	-	$ 950,000	-	$ 950,000
			$ 950,000	$ 950,000	$ 950,000	$ 950,000

EXHIBIT A-23

STATEMENT OF SPECIAL EMERGENCY/ EMERGENCY NOTES PAYABLE

Date of Issue	Date of Maturity	Interest Rate	Balance, December 31, 2011	Increased by Notes Issued	Decreased by Note Redemptions	Balance, December 31, 2012
Special Emergency						
6/17/2011	6/15/2012	1.25%	$ 180,000		$ 180,000	
6/14/2012	6/14/2013	0.74%		$ 208,600		$ 208,600
12/20/2012	5/17/2013	0.85%		400,000		400,000
Emergency Note						
12/20/2012	5/17/2013	0.85%	-	260,000	-	260,000
			$ 180,000	$ 868,600	$ 180,000	$ 868,600

EXHIBIT A-24

STATEMENT OF TAX OVERPAYMENTS

Balance, December 31, 2011	$ 9,744
Increased by:	
Cash Receipts	20,173
	29,917
Decreased by:	
Cash Disbursements	8,039
Balance, December 31, 2012	$ 21,878

BOROUGH OF BOGOTA
STATEMENT OF APPROPRIATED GRANT RESERVES

	Balance, December 31, 2011	Transferred from Appropriation Reserves	Cash Disbursed	Cancelled	Balance, December 31, 2012
Municipal Alliance Grant	$ 7,791				$ 7,791
Body Armor	7,290		$ 2,145	$ 5,145	
CDBG - Senior Bus	12,749				12,749
DCA Housing	6,603				6,603
Drunk Driving Enforcement Fund	15,062			15,062	
Emergency Management Grant	847			847	
Hepatitis B	1,860			1,860	
Recycling Tonnage	63				63
Development Rights Feasibility Grant	16,000				16,000
Bergen County 200 Club	3,100	-	-	3,100	-
	$ 71,365	$ -	$ 2,145	$ 26,014	$ 43,206

EXHIBIT A-26

STATEMENT OF ACCOUNTS PAYABLE

Balance, December 31, 2011	$ 7,884
Decreased by:	
Cancelled to Operations	7,884
Balance, December 31, 2012	$ -

TRUST FUND

BOROUGH OF BOGOTA
STATEMENT OF TRUST CASH AND INVESTMENTS - TREASURER

	Animal Control Fund		Other Trust Fund		Recreation Trust Fund		Library Trust Fund	
Balance, December 31, 2011		$ 5,080		$ 390,944		$ 24,577		$ 27,437
Increased by Receipts:								
Animal Control Licenses	$ 2,166							
State Fees Collected	554							
Miscellaneous Reserves			$ 472,826					
Interest on Deposits	40		38		$ 140		$ 108	
Budget Appropriation - Unemployment			20,000					
Payroll Deposits			4,018,335					
Recreation Fees					252,282			
Current Fund Receipts	12,689							
Library Collections	-		-		-		25,696	
		15,449		4,511,199		252,422		25,804
		20,529		4,902,143		276,999		53,241
Decreased by Disbursements:								
Unemployment Claims			12,520					
Miscellaneous Reserves			478,169					
Library Expenditures							30,134	
Payments to Current Fund	34		34		127			
Anticipated Revenue - Current Fund					18,985			
Expenditures Under R.S. 4:19-15.1								
Recreation Expenditures					228,686			
Payroll Deductions Payable			4,010,018					
Payments to State of New Jersey	554		-		-		-	
		588		4,500,741		247,798		30,134
Balance, December 31, 2012		$ 19,941		$ 401,402		$ 29,201		$ 23,107

EXHIBIT B-3

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

Balance, December 31, 2011		$ 26
Balance, December 31, 2012		$ 26

EXHIBIT B-4

STATEMENT OF DUE TO CURRENT FUND
ANIMAL CONTROL TRUST FUND

Balance, December 31, 2011		$ 15
Increased by:		
Interest Earned	$ 40	
Statutory Excess	3,037	
Current Fund Receipts Deposited in Animal Control Trust Fund	12,689	
		15,766
		15,781
Decreased by:		
Payments to Current Fund		34
Balance, December 31, 2012		$ 15,747

EXHIBIT B-5

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

Balance, December 31, 2011	$ 181
Increased by:	
State Fees Collected	554
	735
Decreased by:	
Payments to State of New Jersey	554
Balance, December 31, 2012	$ 181

BOROUGH OF BOGOTA
STATEMENT OF RESERVE FOR ANIMAL CONTROL EXPENDITURES

Balance, December 31, 2011		$ 4,910
Increased by:		
Dog License Fees Collected	$ 2,136	
Late Fees	30	
		2,166
		7,076
Decreased by:		
Statutory Excess		3,037
Balance, December 31, 2012		$ 4,039

EXHIBIT B-7

STATEMENT OF DUE TO/FROM CURRENT FUND
OTHER TRUST FUND

Balance, December 31, 2011 (Due From)		$ 1,928
Increased by:		
Payments to Current Fund	$ 34	
Other Trust Fund Receipts Deposited in Current Fund	1,212	
		1,246
		3,174
Decreased by:		
Interest Earned	38	
Anticipated as Current Fund Revenue - Police Off Duty Reimbursement	17,000	
Payroll Expenditures Paid by Current Fund	16,718	
Other Trust Expenditures Paid by Current Fund	60,007	
		93,763
Balance, December 31, 2012 (Due To)		$ 90,589

EXHIBIT B-8

BOROUGH OF BOGOTA
STATEMENT OF RESERVE FOR UNEMPLOYMENT EXPENDITURES

Balance, December 31, 2011		$ 3,662
Increased by:		
Budget Appropriation - Insurance -Unemployment Trust Fund		20,000
		23,662
Decreased by:		
Unemployment Claims		16,928
Balance, December 31, 2012		$ 6,734

EXHIBIT B-9

STATEMENT OF PAYROLL DEDUCTIONS PAYABLE

Balance, December 31, 2011		$ 57,637
Increased by:		
Payroll Deposits		4,018,335
		4,075,972
Decreased by:		
Payroll Expenditures Paid by Current Fund	$ 16,718	
Payroll Disbursements	4,010,018	
		4,026,736
Balance, December 31, 2012		$ 49,236

EXHIBIT B-10

STATEMENT OF DUE TO STATE OF NEW JERSEY
UNEMPLOYMENT COMPENSATION

Balance, December 31, 2011		$ 1,401
Increased by:		
Unemployment Claims		16,928
		18,329
Decreased by:		
Payments to State of New Jersey		12,520
Balance, December 31, 2012		$ 5,809

BOROUGH OF BOGOTA
STATEMENT OF MISCELLANEOUS RESERVES

	Balance, December 31, 2011	Increases	Decreases	Balance, December 31, 2012
Reserved for:				
Escrow Deposits	$ 54,620	$ 17,118	$ 7,513	$ 64,225
Street Opening Deposits	12,675			12,675
Municipal Court - POAA	29,584	1,212		30,796
Municipal Court - Public Defender	3,625			3,625
Police Vests	(2,240)	320	303	(2,223)
Uniform Fire Safety	8,609	3,950	1,450	11,109
D.A.R.E.	1,554			1,554
Tax Title Liens	200,542	282,437	392,034	90,945
Medical Contributions	1,288	43,286	41,144	3,430
Outside Police Duty	17,645	125,715	112,732	30,628
	$ 327,902	$ 474,038	$ 555,176	$ 246,764

Cash Receipts	$ 472,826
Due from Current Fund	1,212
	$ 474,038

Cash Disbursements	$ 478,169
Due to Current Fund	77,007
	$ 555,176

EXHIBIT B-12

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

Balance, December 31, 2011		$ 18,985
Increased by:		
Interest Earned		140
		19,125
Decreased by:		
Anticipated as Current Fund Revenue	$ 18,985	
Payments to Current Fund	127	
		19,112
Balance, December 31, 2012		$ 13

EXHIBIT B-13

STATEMENT OF RESERVE FOR RECREATION EXPENDITURES

Balance, December 31, 2011	$ 5,592
Increased by:	
Recreation Fees Collected	252,282
	257,874
Decreased by:	
Cash Disbursements	228,686
Balance, December 31, 2012	$ 29,188

EXHIBIT B-14

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

Balance, December 31, 2011		$ 27,437
Increased by:		
Library Collections	$ 25,696	
Interest Earned	108	
		25,804
		53,241
Decreased by:		
Library Disbursements		30,134
Balance, December 31, 2012		$ 23,107

EXHIBIT B-15

STATEMENT OF RESERVE FOR TERMINAL PAY

Balance, December 31, 2011	$ 2,244
Balance, December 31, 2012	$ 2,244

GENERAL CAPITAL FUND

BOROUGH OF BOGOTA
STATEMENT OF GENERAL CAPITAL CASH - TREASURER

Balance, December 31, 2011		$ 960,360
Increased by Receipts:		
Serial Bond Proceeds	$ 3,295,000	
Premium on Serial Bonds	31,004	
Budget Appropriation - Capital Improvement Fund	60,000	
Grant Proceeds	462,151	
Reserve for Payment of Debt	12,484	
Receipts from Current Fund	1,700,000	
Interest Earned	3,790	
		5,564,429
		6,524,789
Decreased by Disbursements:		
Improvement Authorizations	941,252	
Payment of Bond Anticipation Note	2,300,000	
Contracts Payable	281,878	
Payments to Current Fund	1,703,252	
		5,226,382
Balance, December 31, 2012		$ 1,298,407

BOROUGH OF BOGOTA
ANALYSIS OF GENERAL CAPITAL CASH

Ord. No.		Balance, December 31, 2012
	Reserve for Payment of Debt	$ 14,890
	Encumbrances Payable	163,160
	Grants Receivable	(195,194)
	Due to Current Fund	148,006
	Capital Improvement Fund	2,005
	Fund Balance	32,360
	Improvement Authorizations	
924	Construction of Recreation Building	(2,314)
991/1019	Oakland Avenue Improvements	(5,073)
1089/1140	Improvement of Palisade Avenue	(5)
1090	Various Improvements	(531)
1183	Various Public Improvements	(977)
1204	Acq. Of New, Additional or Replacement Equipment or Machinery	(814)
1259	Various Improvements	925
1261	Refunding of Pension Liabilities	(1,500)
1311/1358	Various Public Improvements	809
1325/1336	Various Public Improvements	(215)
1337	Various Public Improvements and Acquisition of New Communication and Signal Equipment	8,879
1359	Stormwater Sewer Improvements	22
1366	Municipal Complex Roof Repairs	8,491
1369/1390	Various Public Improvements and Acquisitions	71,791
1372	Stormwater Inlet Improvements	89,706
1388	Various Public Improvements and Acquisitions	10,537
1397	Resurfacing of Various Roads	7,147
1398	Various Improvements	(74,277)
1404	Various Public Improvements and Acquisitions	57,104
1419	Various Public Improvements and Acquisitions	963,475
		$ 1,298,407

EXHIBIT C-4

BOROUGH OF BOGOTA
STATEMENT OF DUE FROM (TO) CURRENT FUND

Balance, December 31, 2011 (Due From)		$ 34,450
Increased by:		
Budget Appropriation - Bond Anticipation Note Principal	$ 60,012	
Cash Disbursements	1,703,252	
Bond Anticipation Notes Received in Current Fund	2,300,000	
		4,063,264
		4,097,714
Decreased by:		
Cash Receipts	1,700,000	
Bond Anticipation Notes Paid by Current Fund	2,539,710	
General Capital Expenditures Paid by Current Fund	2,220	
Interest Earned	3,790	
		4,245,720
Balance, December 31, 2012 (Due To)		$ 148,006

EXHIBIT C-5

STATEMENT OF PROSPECTIVE ASSESSMENTS RAISED BY TAXATION

Balance, December 31, 2011	$ 2,500
Decreased by:	
Cancellation	$ 2,500

EXHIBIT C-6

STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

Balance, December 31, 2011		$ 3,878,000
Increased by:		
Serial Bonds Issued	$ 3,295,000	
BCIA Revenue Refunding Bonds	34,000	
		3,329,000
		7,207,000
Decreased by:		
Current Fund Budget Appropriations		
Serial Bond Principal	445,000	
Capital Lease Principal	51,000	
		496,000
Balance, December 31, 2012		$ 6,711,000

EXHIBIT C-7

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

Ord. No.	Description	Balance, December 31, 2011	2012 Authorizations	Funded by Budget	Funded by Serial Bonds	Funded by Grant Proceeds	Balance, December 31, 2012	Analysis of Balance: Expenditures	Analysis of Balance: Unexpended Improvement Authorizations
924	Construction of Recreation Building	$ 2,314					$ 2,314	$ 2,314	
991/1019	Oakland Avenue Improvements	5,073					5,073	5,073	
1089/1140	Improvement of Palisade Avenue	5					5	5	
1090	Various Improvements	531					531	531	
1183	Various Public Improvements	977					977	977	
1204	Acq. Of New, Additional or Replacement Equipment or Machinery	814					814	814	
1261	Refunding of Pension Liabilities	18,000					18,000	1,500	$ 16,500
1320	Acq. Of Two Engine Pumpers								
1311/1358	Various Public Improvements	28,500		$ 1,127	$ 27,373				
1325/1336	Various Public Improvements	46,200		8,143	37,842		215	215	
1337	Various Public Improvements and Acquisition of New Communication and Signal Equipment	94,864		11,422	83,442				
1359	Stormwater Sewer Improvements	16,625		574	16,051				
1366	Municipal Complex Roof Repairs	19,000		1,000	18,000				
1369/1390	Various Public Improvements and Acquisitions	799,310		37,746	758,254	$ 3,093	217		217
1372	Stormwater Inlet Improvements	1,100,000			595,997		504,003		504,003
1388	Various Public Improvements and Acquisitions	227,053			195,322	16,153	15,578		15,578
1397	Resurfacing of Various Roads	142,800			42,800	79,943	20,057		20,057
1398	Various Improvements	525,000			63,814	362,962	98,224	74,277	23,947
1404	Various Public Improvements and Acquisitions	342,800			342,800				
1419	Various Public Improvements and Acquisitions	-	$ 1,113,305	-	1,113,305	-	-	-	-
		$ 3,369,866	$ 1,113,305	$ 60,012	$ 3,295,000	$ 462,151	$ 666,008	$ 85,706	$ 580,302

BOROUGH OF BOGOTA
STATEMENT OF GRANTS RECEIVABLE

Balance, December 31, 2011		$ 979,021
Increased by:		
Grant Awards		
Community Development Block Grant - Ord. 1419	$ 100,000	
County of Bergen Open Space - Ord. 1419	40,000	
		140,000
		1,119,021
Decreased by:		
Cash Receipts		462,151
Balance, December 31, 2012		$ 656,870

Analysis of Balance

Department of Transportation		
Ord. 1230 - Larch Avenue	$ 31,086	
Ord. 1259 - Resurface Larch & Elm Ave.	73,207	
Ord. 1311 - Improvements to Queen Anne Road	30,887	
Ord. 1325 - Resurfacing of Palisade Avenue	15,010	
Ord. 1337 - Resurfacing of Palisade Avenue (Reserve)	39,364	
Ord. 1398 - Intersection Improvements (Reserve)	90,000	
		$ 279,554
Bergen County Open Space Trust		
Ord. 1252 - Acquisition of Property	25,000	
Ord. 1419 - Improvements to Olsen Park (Reserve)	40,000	
		65,000
Community Development Block Grant		
Prior Year Unallocated	19,903	
Ord. 1369 - Bogert Lane / Olsen Park (Reserve)	165,217	
Ord. 1397 - Resurfacing of Various Streets (Reserve)	20,057	
Ord. 1398 - Resurfacing of Palisade Avenue (Reserve)	7,038	
Ord. 1419 - Improvements to North Ave & Sewer Improvements (Reserve)	100,000	
		312,215
Department of Community Affairs		
Ord. 1285 - Public Library/Municipal Court Improvements		101
		$ 656,870
Pledged to Ordinances		$ 195,194
Pledged to Reserve		461,676
		$ 656,870

EXHIBIT C-9

BOROUGH OF BOGOTA
STATEMENT OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Description	Ordinance Date	Amount	Balance, December 31, 2011 Funded	Balance, December 31, 2011 Unfunded	2012 Authorizations	Expended	Balance, December 31, 2012 Funded	Balance, December 31, 2012 Unfunded
1259	Various Improvements	12/19/2002	$ 750,000	$ 925				$ 925	
1261	Refunding of Pension Liabilities	12/19/2002	725,000		$ 16,500				$ 16,500
1311/1358	Various Public Improvements	8/3/2006/2009	867,500		3,809		$ 3,000	809	
1337	Various Public Improvements and Acquisition of New Communication and Signal Equipment	5/15/2008	228,000		8,879			8,879	
1359	Stormwater Sewer Improvements	2/19/2009	17,500		22			22	
1366	Municipal Complex Roof Repairs	6/18/2009	20,000		8,491			8,491	
1369/1390	Various Public Improvements and Acquisitions	7/16/2009	969,000		92,989		20,981	71,791	217
1372	Stormwater Inlet Improvements	9/17/2009	1,100,000		912,483		318,774	89,706	504,003
1388	Various Public Improvements and Acquisitions	12/2/2010	274,000		67,411		41,296	10,537	15,578
1397	Resurfacing of Various Roads	4/20/2011	150,000		61,528		34,324	7,147	20,057
1398	Roadway/Intersection Improvements	4/20/2011	525,000		453,619		429,672		23,947
1404	Various Public Improvements and Acquisitions of Equipment	8/18/2011	360,000		107,264		50,160	57,104	
1419	Various Public Improvements and Acquisitions	8/16/2012	1,171,900	-	-	$ 1,171,900	208,425	963,475	-
				$ 925	$ 1,732,995	$ 1,171,900	$ 1,106,632	$ 1,218,886	$ 580,302

Deferred Charges Unfunded	$ 1,113,305
Capital Improvement Fund	58,595
	$ 1,171,900

Cash Disbursements	$ 941,252
Due to Current Fund	2,220
Encumbrances Payable	163,160
	$ 1,106,632

EXHIBIT C-10

BOROUGH OF BOGOTA
STATEMENT OF ENCUMBRANCES PAYABLE

Balance, December 31, 2011	$	281,878
Increased by:		
Charges to Improvement Authorizations		163,160
		445,038
Decreased by:		
Cash Disbursements		281,878
Balance, December 31, 2012	$	163,160

EXHIBIT C-11

STATEMENT OF CAPITAL IMPROVEMENT FUND

Balance, December 31, 2011	$	600
Increased by:		
Cash Receipts - Budget Appropriations		60,000
		60,600
Decreased by:		
Appropriated to Finance Improvement Authorizations		58,595
Balance, December 31, 2012	$	2,005

EXHIBIT C-12

BOROUGH OF BOGOTA
STATEMENT OF GENERAL SERIAL BONDS

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2012 Date	Maturities of Bonds Outstanding December 31, 2012 Amount	Interest Rate	Balance, December 31, 2011	Increased	Decreased	Balance, December 31, 2012
2004 General Improvement Bonds	3/15/2004	$ 1,840,000	3/15/2013	$ 190,000	3.00%				
			3/15/2014	195,000	3.00%				
			3/15/2015	195,000	3.20%				
			3/15/2016	200,000	4.00%				
			3/15/2017	205,000	4.00%	$ 1,170,000		$ 185,000	$ 985,000
2007 General Improvement Bonds	7/1/2007	2,677,000	7/1/2012	260,000	4.125%				
			7/1/2013	265,000	4.125%				
			7/1/2014	275,000	4.125%				
			7/1/2015	285,000	4.125%				
			7/1/2016	295,000	4.125%				
			7/1/2017	305,000	4.125%				
			7/1/2018	522,000	4.25%	2,207,000		260,000	1,947,000
2012 General Improvement Bonds	12/1/2012	3,295,000	12/1/2013	160,000	0.55%				
			12/1/2014	165,000	0.70%				
			12/1/2015	175,000	1.00%				
			12/1/2016	180,000	1.50%				
			12/1/2017	185,000	2.00%				
			12/1/2018	190,000	2.00%				
			12/1/2019-2025	320,000	2.00-3.00%	-	$ 3,295,000	-	3,295,000
						$ 3,377,000	$ 3,295,000	$ 445,000	$ 6,227,000
			Paid by Budget Appropriation					$ 445,000	
			Serial Bonds Issued				$ 3,295,000		

BOROUGH OF BOGOTA
STATEMENT OF CAPITAL LEASES PAYABLE

Purpose	Issue Date	Original Issue	Maturities Outstanding December 31, 2012 Date	Maturities Outstanding December 31, 2012 Amount	Interest Rate	Balance, December 31, 2011	Increased	Decreased	Balance, December 31, 2012
Refund of Unfunded Pension Liabilities	3/31//2003	$ 707,000	3/1/2013	$ 57,000	5.25%	$ 501,000		$ 444,000	$ 57,000
BCIA Loan Refunding Revenue Bonds	5/17/2012	427,000	3/15/2013	11,000	0.43%				
			3/15/2014	74,000	0.62%				
			3/15/2015	77,000	0.84%				
			3/15/2016	83,000	1.24%				
			3/15/2017	88,000	1.64%				
			3/15/2018	94,000	2.11%	-	$ 427,000	-	427,000
						$ 501,000	$ 427,000	$ 444,000	$ 484,000
			Paid by Budget Appropriation					$ 51,000	
			Refunded					393,000	
								$ 444,000	

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, 2011	Increased	Decreased	Balance, December 31, 2012
1325/1336	Various Capital Improvements	6/17/2008	6/17/2011	6/15/2012	1.25 %	$ 45,985		$ 45,985	
			6/14/2012	12/14/2012	0.74		$ 37,842	37,842	
1337	Various Capital Improvements & Acq. of New Communication & Signal Equip.	6/17/2008	6/17/2011	6/15/2012	1.25 %	205,500		205,500	
			6/14/2012	12/14/2012	0.74		83,442	83,442	
1311/1358	Various Public Improvements	6/17/2009	6/17/2011	6/15/2012	1.25 %	28,500		28,500	
			6/14/2012	12/14/2012	0.74		27,373	27,373	
1359	Stormwater Sewer Improvements	6/17/2009	6/17/2011	6/15/2012	1.25 %	16,625		16,625	
			6/14/2012	12/14/2012	0.74		16,051	16,051	
1366	Municipal Complex Roof Repairs	9/30/2009	6/17/2011	6/15/2012	1.25 %	19,000		19,000	
			6/14/2012	12/14/2012	0.74		18,000	18,000	
1369	Various Public Improvements and Acquisitions	9/30/2009	6/17/2011	6/15/2012	1.25 %	796,000		796,000	
			6/14/2012	12/14/2012	0.74		758,254	758,254	
1372	Stormwater Inlet Improvements	6/17/2011	6/17/2011	6/15/2012	1.25 %	500,000		500,000	
			6/14/2012	12/14/2012	0.74		500,000	500,000	
1388	Various Public Improvements and Acquisitions	6/17/2011	6/17/2011	6/15/2012	1.25 %	260,300		260,300	
			6/14/2012	12/14/2012	0.74		195,322	195,322	
1397	Resurfacing of Various Roads	6/17/2011	6/17/2011	6/15/2012	1.25 %	142,800		142,800	
			6/14/2012	12/14/2012	0.74		70,614	70,614	
1398	Various Improvements	6/17/2011	6/17/2011	6/15/2012	1.25 %	525,000		525,000	
			6/14/2012	12/14/2012	0.74		255,000	255,000	
1404	Various Public Improvements and Acquisitions	6/14/2012	6/14/2012	12/14/2012	0.74 %	-	338,102	338,102	-
						$ 2,539,710	$ 2,300,000	$ 4,839,710	$ -
						Renewals	$ 2,300,000	$ 2,300,000	
						Paid with Serial Bond Proceeds		2,300,000	
						Paid from Current Fund Budget		60,012	
						Paid with Excess Proceeds	-	179,698	
							$ 2,300,000	$ 4,839,710	

EXHIBIT C-15

BOROUGH OF BOGOTA
STATEMENT OF RESERVE FOR PAYMENT OF DEBT

Balance, December 31, 2011	$	2,406
Increased by:		
Grant Receipts - Ord 1388 Olsen Park		12,484
Balance, December 31, 2012	$	14,890

EXHIBIT C-16

STATEMENT OF RESERVE FOR PROSPECTIVE ASSESSMENTS

Balance, December 31, 2011	$	2,500
Decreased by:		
Cancellation	$	2,500

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

Ord. No.	Description	Balance, December 31, 2011	2012 Authorizations	Notes Not Reissued	Serial Bonds Issued	Grant Receipts	Balance, December 31, 2012
924	Construction of Recreation Building	$ 2,314					$ 2,314
991/1019	Oakland Avenue Improvements	5,073					5,073
1089/1140	Improvement of Palisade Avenue	5					5
1090	Various Improvements	531					531
1183	Various Public Improvements	977					977
1204	Acq. Of New, Additional or Replacement Equipment or Machinery	814					814
1261	Refunding of Pension Liabilities	18,000					18,000
1325/1336	Various Public Improvements	215					215
1369/1390	Various Public Improvements and Acquisitions	3,310				$ 3,093	217
1372	Stormwater Inlet Improvements	600,000			$ 95,997		504,003
1388	Various Public Improvements and Acquisitions			$ 15,578			15,578
1397	Resurfacing of Various Roads			20,057			20,057
1398	Various Improvements			98,224			98,224
1404	Various Public Improvements and Acquisitions	342,800			342,800		
1419	Various Public Improvements and Acquisitions	-	$ 1,113,305	-	1,113,305	-	-
		$ 974,039	$ 1,113,305	$ 133,859	$ 1,552,102	$ 3,093	$ 666,008

PUBLIC ASSISTANCE FUND

EXHIBIT D-1

BOROUGH OF BOGOTA
STATEMENT OF PUBLIC ASSISTANCE CASH - TREASURER

	Total	Account #1 (75%)	Account #2 (100%)
Balance, December 31, 2011	$ 3,017	$ 3,017	$ -
Balance, December 31, 2012	$ 3,017	$ 3,017	$ -

EXHIBIT D-2

STATEMENT OF RESERVE FOR PUBLIC ASSISTANCE EXPENDITURES

	Total	Account #1 (75%)	Account #2 (100%)
Balance, December 31, 2011	$ 3,017	$ 3,017	$ -
Balance, December 31, 2012	$ 3,017	$ 3,017	$ -

BOROUGH OF BOGOTA

COUNTY OF BERGEN

PART II

GOVERNMENT AUDITING STANDARDS

YEAR ENDED DECEMBER 31, 2012

LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

17 - 17 ROUTE 208
FAIR LAWN, NJ 07410
TELEPHONE (201) 791-7100
FACSIMILE (201) 791-3035
WWW.LVHCPA.COM

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
GARY W. HIGGINS, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
DONNA L. JAPHET, CPA, PSA
JULIUS B. CONSONI, CPA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA
ANDREW PARENTE, CPA, RMA, PSA
ROBERT W. HAAG, CPA, PSA
DEBORAH K. LERCH, CPA, PSA
DEBRA GOLLE, CPA
CINDY JANACEK, CPA, RMA
RALPH M. PICONE, CPA, RMA, PSA
EDWARD N. KERE, CPA
LORI T. MANUKIAN, CPA, PSA
MARK SACO, CPA

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements – regulatory basis of the Borough of Bogota, as of and for the year ended December 31, 2012, and the related notes to the financial statements, and have issued our report thereon dated May 6, 2013. Our report on the financial statements – regulatory basis indicated that the financial statements were not prepared and presented in accordance with accounting principles generally accepted in the United States of America but rather prepared and presented 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 requirements of the State of New Jersey for municipal government entities as described in Note 1.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2012-1 that we consider to be a significant deficiency in internal control over financial reporting.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough of Bogota'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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under Government Auditing Standards and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and which is described in the accompanying schedule of findings and questioned costs as item 2012-1.

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

Borough of Bogota's Responses to Findings

The Borough of Bogota's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Borough of Bogota's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 & Higgins, LLP

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

Dieter P. Lerch
Registered Municipal Accountant
RMA Number CR00398

Fair Lawn, New Jersey
May 6, 2013

LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

17 - 17 ROUTE 208
FAIR LAWN, NJ 07410
TELEPHONE (201) 791-7100
FACSIMILE (201) 791-3035
WWW.LVHCPA.COM

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
GARY W. HIGGINS, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
DONNA L. JAPHET, CPA, PSA
JULIUS B. CONSONI, CPA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA
ANDREW PARENTE, CPA, RMA, PSA
ROBERT W. HAAG, CPA, PSA
DEBORAH K. LERCH, CPA, PSA
DEBRA GOLLE, CPA
CINDY JANACEK, CPA, RMA
RALPH M. PICONE, CPA, RMA, PSA
EDWARD N. KERE, CPA
LORI T. MANUKIAN, CPA, PSA
MARK SACO, CPA

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY U.S. OMB CIRCULAR A-133 AND SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE AS REQUIRED BY NEW JERSEY OMB CIRCULAR 04-04

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major Federal Program

We have audited the Borough of Bogota's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on each of the Borough of Bogota's major federal programs for the year ended December 31, 2012. The Borough of Bogota's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Borough of Bogota's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance 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; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards and Circulars require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Borough of Bogota's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the Borough of Bogota's compliance.

Opinion on Each Major Federal Program

In our opinion, the Borough of Bogota complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2012.

Report on Internal Control Over Compliance

Management of the Borough of Bogota is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Borough of Bogota's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Borough of Bogota's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements - regulatory basis of the Borough of Bogota as of and for the year ended December 31, 2012, and the related notes to the financial statements and have issued our report thereon dated May 6, 2013, which contained a modified opinion on those financial statements because they were not prepared and presented in accordance with accounting principles generally accepted in the United States of America and also contained an unmodified opinion on those financial statements prepared and presented in accordance with the regulatory basis of accounting. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards as required by OMB Circular A-133 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the financial statements as a whole.

Lerch Vinci & Higgins LLP

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

Dieter P. Lerch
Registered Municipal Accountant
RMA Number CR00398

Fair Lawn, New Jersey
May 6, 2013

Schedule A

BOROUGH OF BOGOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2012

Grant Program	Grant Year	Federal CFDA Number	State Acct Number	Current Year Receipts	Grant Award Amount	Balance, December 31, 2011	Revenue Realized	Expenditures	Balance, December 31, 2012	Cumulative Expenditures
U.S. Department of Housing and Urban Development										
(Passed through County Dept. of Community Development)		14.218								
Community Development Block Grants										
Senior Bus Program	2006				$ 14,500	$ 442			$ 442	$ 14,058
Senior Bus Program	2007				14,500	2,307			2,307	12,193
Senior Bus Program	2009				10,000	10,000			10,000	
Senior Bus Program	2012			$ 10,000	10,000		$ 10,000	$ 6,000	4,000	6,000
Project Success	2011				18,000	11,911		11,212	699	17,301
Project Success	2012			17,831	18,000		18,000	16,896	1,104	16,896
Resurfacing of Various Roads - Ord 1397	2011			79,943	100,000	18,728		18,728		100,000
Resurfacing Palisade Ave and Related Imprvts - Ord 1398	2011			92,962	100,000	28,619		28,619		100,000
Various Public Improvements and Acquisitions - Ord 1419	2012				100,000		100,000		100,000	
FEMA - Assistance to Firefighter Grant	2011				109,535	29,992		29,992		109,535
U.S. Department of Homeland Security										
(Passed through Depart of Law and Public Safety - N.J. State Police)		97.036								
Disaster Grant - Public Assistance -Severe Snowstorm	2013		066-1200-100-A77	130,018	130,019		130,018	130,018		130,019
Disaster Grant - Public Assistance -Hurricane Irene	2012		066-1200-100-A70	23,827	23,827		23,827	23,827		23,827
U.S. Department of Transportation										
Highway Planning and Construction (Pass through N.J. Department of Transportation)		20.205								
Resurfacing Palisade Ave and Related Imprvts - Ord 1398	2012		078-6320-480-AKL	210,000	210,000	210,000		210,000		210,000
Resurfacing Palisade Ave and Related Imprvts - Ord 1398	2012		078-6320-480-AK3	60,000	150,000	150,000	-	150,000	-	150,000
						$ 461,999	$ 281,845	$ 625,292	$ 118,552	

Note: This schedule was subject to Single Audit requirements of OMB A-133.

BOROUGH OF BOGOTA
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2012

State Grant Program	Grant Number	Grant Year	Grant Award	Current Year Receipts	Balance, December 31, 2011	2012 Revenue Realized	Expended	Adjustments (1)	Balance, December 31, 2012	Cumulative Expenditures
Environmental Protection Agency										
Clean Communities	4900-765-042-4900-004	2011	$ 20,343		$ 125		$ 125			$ 20,343
Clean Communities	4900-765-042-4900-004	2012	9,700			$ 9,700			$ 9,700	-
Green Communities - State Forestry Services	4870-100-038-2010-2004	2009	3,000		3,000			$ (3,000)		3,000
Recycling Tonnage	4030-752-050550-50	2009	18,005		7,500			(7,437)	63	17,942
Recycling Tonnage	4030-752-050550-50	2011	15,126		92		92			15,126
Recycling Tonnage	4030-752-050550-50	2012	11,013	$ 11,013		11,013			11,013	-
Highlands Protection Act										
Development Rights Feasibility Study	2078-100-032-2010-2010	2010	38,000		16,000				16,000	22,000
Department of Community Affairs										
Housing Grant	100-022-8020-074-022710	2007	1,000		50				50	950
Housing Grant	100-022-8020-074-022710	2008	1,709		1,709				1,709	-
Housing Grant	100-022-8020-074-022710	2009	4,844		4,844				4,844	-
Department of Health and Human Services										
Hepatitis B Program	N/A	2002	936		936			(936)		-
Hepatitis B Program	N/A	2003	468		240			(240)		228
Hepatitis B Program	N/A	2004	684		684			(684)		-
Department of Law and Public Safety										
Drunk Driving Enforcement Fund	1110-101-030000-129040	2008	15,062		15,062			(15,062)		
Body Armor Replacement Fund	1020-718-066-1020-001	2004	2,352		880		880			2,352
Body Armor Replacement Fund	1020-718-066-1020-001	2005	3,417		3,417		1,265	(2,152)		1,265
Body Armor Replacement Fund	1020-718-066-1020-001	2007	1,431		1,431			(1,431)		-
Body Armor Replacement Fund	1020-718-066-1020-001	2008	1,562		1,562			(1,562)		-
Body Armor Replacement Fund	1020-718-066-1020-001	2011	4,647		4,647		1,965		2,682	1,965
Emergency Management Grant	N/A	2004	2,406		847			(847)		1,559
Municipal Alliance on Alcoholism and Drug Abuse	N/A	2010	10,356		7,791	-	-	-	7,791	2,565
Total State Financial Assistance					$ 70,817	$ 20,713	$ 4,327	$ (33,351)	$ 53,852	

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

(1) - Cancelled in current and prior year

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

BOROUGH OF BOGOTA
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 1 GENERAL

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

NOTE 2 BASIS OF ACCOUNTING

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

NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS

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

	Federal	State	Total
Current Fund	$ 181,845	$ 20,713	$ 202,558
General Capital	100,000	-	100,000
Total Financial Awards	$ 281,845	$ 20,713	$ 302,558

NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

BOROUGH OF BOGOTA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2012

Part I – Summary of Auditor's Results

Financial Statements

Type of auditors' report issued on financial statements	Unqualified			
Internal control over financial reporting:				
1) Material weakness(es) identified		yes	X	no
2) Significant deficiency(ies) that are not considered to be material weakness(es)?	X	yes		none
Noncompliance material to the financial statements noted?		yes	X	no

Federal Awards Section

Dollar threshold used to determine Type A programs:	$ 300,000			
Auditee qualified as low-risk auditee?		yes	X	no
Type of auditors' report on compliance for major programs:	Unqualified			
Internal Control over compliance:				
1) Material weakness(es) identified?		yes	X	no
2) Were significant deficiencies identified that are not considered to be material weaknesses?		yes	X	no
Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133 (section.510(a)		yes	X	no

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
20.205	Department of Transportation

BOROUGH OF BOGOTA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2012

Part I – Summary of Auditor's Results

State Awards Section

NOT APPLICABLE

BOROUGH OF BOGOTA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2012

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 Paragraph 5.18-5.20 of *Government Auditing Standards.*

Finding 2012-1

Our audit revealed that certain budgetary line items were overexpended. It was also noted that the Current Fund had an operating deficit at year end.

Criteria or specific requirement:

N.J.S.A. 40A:4-1 et seq. Local Budget Law.

Condition:

The 2012 budget line items were overexpended by $42,215. The 2011 appropriation reserve budget line items were overexpended by $34,105. The Current Fund operating deficit was $268,989.

Questioned Costs:

None.

Cause:

Unknown.

Context:

See Condition.

Effect:

The overexpenditures and operating deficit resulted in deferred charges that were required to be funded in the 2013 budget.

Recommendation:

Internal controls be enhanced to prevent budgetary overexpenditures and to eliminate operating deficit in the Current Fund.

Management's Response:

Management has reviewed this finding and has indicated that corrective action will be taken.

BOROUGH OF BOGOTA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2012

Part 3 – Schedule of Federal and State Award Findings and Questioned Costs

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 OMB Circular A-133 and New Jersey OMB's Circular 04-04, as amended.

CURRENT YEAR FEDERAL AWARDS

There are none.

CURRENT YEAR STATE AWARDS

Not Applicable.

BOROUGH OF BOGOTA

PART III

SUPPORTING DATA

LETTER OF COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2012

BOROUGH OF BOGOTA
SUPPORTING DATA

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

	Year 2012		Year 2011	
	Amount	Percent	Amount	Percent
REVENUE AND OTHER INCOME REALIZED				
Miscellaneous - From Other Than Local Property Tax Levies	$ 1,565,991	6.59%	$ 1,677,456	7.27%
Collection of Delinquent Taxes and Tax Title Liens	7,127	0.03%	7,425	0.03%
Collection of Current Tax Levy	22,119,163	93.04%	21,368,642	92.60%
Other Credits	79,832	0.34%	23,217	0.10%
Total Income	23,772,113	100.00%	23,076,740	100.00%
EXPENDITURES				
Budget Expenditures				
Municipal Purposes	8,870,942	35.86%	8,201,320	34.98%
County Taxes	1,770,534	7.16%	1,778,971	7.59%
Local School Taxes	13,806,381	55.81%	13,315,304	56.79%
Other Expenditures	289,298	1.17%	151,633	0.65%
Total Expenditures	24,737,155	100.00%	23,447,228	100.00%
Less: Expenditures to be Raised by Future Revenue	718,715		329,373	
Total Adjusted Expenditures	24,018,440		23,117,855	
Deficit in Operations	$ 246,327		$ 41,115	
Excess in Revenue				
Fund Balance, January 1	$ 186,191		$ 186,191	
	186,191		186,191	
Less Utilization as Anticipated Revenue	-		-	
Fund Balance, December 31	$ 186,191		$ 186,191	

BOROUGH OF BOGOTA
SUPPORTING DATA

Comparative Schedule Of Tax Rate Information

	2012	2011	2010
Tax Rate	$2.691	$2.574	$2.549
Apportionment of Tax Rate			
Municipal	.808	.759	.714
County	.212	.212	.212
County Open Space	.003	.003	.003
Local School	1.668	1.600	1.620
Assessed Valuation			
2012	$827,518,037		
2011		$832,201,254	
2010			$834,055,263

Comparison Of Tax Levies And Collection Currently

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

Year	Tax Levy	Cash Collections	Percentage of Collection
2012	$ 22,277,780	$ 22,119,163	99.28%
2011	21,424,412	21,368,642	99.73%
2010	21,262,077	21,156,555	99.49%

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.

December 31 Year	Amount of Tax Title Liens	Amount of Delinquent Taxes	Total Delinquent	Percentage of Tax Levy
2012	$ 16,837	$ 5,356	$ 22,193	0.10%
2011	5,054	66	5,120	0.02%
2010	3,950	4,969	8,919	0.04%

BOROUGH OF BOGOTA
SUPPORTING DATA

Property Acquired By Tax Title Lien Liquidation

No properties have been acquired in 2012 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:

Year	Amount
2012	$136,680
2011	136,680
2010	136,680

Comparative Schedule Of Fund Balances

	Year	Balance, December 31	Utilized In Budget of Succeeding Year
Current Fund	2012	$186,191	$ -0-
	2011	186,191	-0-
	2010	137,268	-0-

BOROUGH OF BOGOTA
SUPPORTING DATA

OFFICIALS IN OFFICE AND SURETY BONDS

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

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

(A) Blanket bond for all Municipal employees
(B) Blanket bond for all Court employees

BOROUGH OF BOGOTA
SUPPLEMENTARY DATA

GENERAL COMMENTS

Current Year Findings

Our audit revealed that certain bank reconciliations were not performed on a timely basis. Additionally, old outstanding checks should be reviewed and cleared of record. It is recommended that bank reconciliations be performed on a timely basis and old outstanding checks be reviewed and cleared of record.

Our audit of the General Capital Fund revealed old outstanding grants receivable exist at December 31, 2012. It is recommended that prior year General Capital Fund grants receivable be reviewed by the Borough Engineer and continued efforts be made to collect amounts due.

Our audit of the Other Trust Fund indicated old escrow deposits exist at December 31, 2012. It is recommended that old escrow deposits be reviewed and cleared of record.

Our audit of payroll revealed that certain employee pension withholdings as reflected on the quarterly payroll records were not in agreement with amounts remitted on the quarterly State pension reports. It is recommended that employees' pension withholdings be reconciled to the amounts remitted on the quarterly State pension reports.

Prior Year Findings Unresolved

Our audit of the Recreation Commission revealed the following:

- Recreation program fees are not deposited within forty-eight hours of receipt.
- Recreation program fees are not formally approved by the Commission.

It is recommended that:

- Recreation program fees be deposited in a timely manner.
- All recreation fees be formally approved by the Commission.

Our audit of the municipal court revealed the following:

- Numerous reconciling items on the fines account.
- Tickets assigned but not issued report revealed 291 tickets over six months old.

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

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

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

The Borough's third party payroll service provider, Ameripay, failed to remit $47,630 in payroll taxes to the Internal Revenue Service on the Borough's behalf during 2010. Ameripay has now filed for bankruptcy. The Borough continues to take action to negotiate with IRS actions against the Ameripay bankruptcy, hence no recommendation is warranted.

BOROUGH OF BOGOTA
SUPPLEMENTARY DATA

GENERAL COMMENTS

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

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

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

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

Sale of Cellular Communication Tower	2012 Road Improvements
Acquisition of Sewer Cleaner	

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

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

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

GENERAL COMMENTS (Continued)

Collection Of Interest On Delinquent Taxes And Assessments

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

The Governing Body on January 1, 2012 adopted the following resolution authorizing interest to be charged on delinquent taxes:

> "BE IT RESOLVED by the Mayor and Council of the Borough of Bogota, New Jersey, County of Bergen, that the rate of interest on all taxes delinquent is set at eight (8) percent for the first ($1,500) fifteen hundred dollars, and eighteen (18) percent on any amount in excess of ($1,500) fifteen hundred dollars, and
>
> "BE IT FURTHER RESOLVED, that no interest shall be charged if payment of any installment is made within ten (10) days after the date upon which the same is payable, and
>
> "BE IT RESOLVED, that in any case where the tax is not paid within those extended days the full penalty from this date due attaches."

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

Delinquent Taxes and Tax Title Liens

There was a tax sale held on December 30, 2012.

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

Year	Number of Liens
2012	1
2011	1
2010	1

BOROUGH OF BOGOTA
SUPPLEMENTARY DATA

RECOMMENDATIONS

It is recommended that:

* 1. The deferred charges in the General Capital Fund that remain unfunded for a period greater than five years be funded.

* 2. With respect to the Recreation Commission it is recommended that:

- Program fees be deposited in a timely manner.
- All recreation fees be formally approved by the Commission.

* 3. With respect to the Municipal Court:

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

4. With respect to the Borough's bank accounts:

   a) Bank reconciliations be performed on a timely basis.
   b) Old outstanding checks be reviewed and cleared of record.

5. Prior year General Capital Fund grants receivable be reviewed by the Borough Engineer and continued efforts be made to collect amounts due.

6. Old escrow deposits be reviewed and cleared of record.

7. The employees' pension withholdings be reconciled to the amounts remitted on the quarterly State pension reports.

8. Internal controls be enhanced to prevent budgetary overexpenditures and to eliminate operating deficit in the Current Fund.

Status of Prior Year's Audit Findings/Recommendations

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

* * * * * * * *

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

BOROUGH OF BOGOTA
SUPPLEMENTARY DATA

RECOMMENDATIONS

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 & Higgins LLP

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

Dieter P. Lerch
Registered Municipal Accountant
RMA Number CR00398