

BOGOTA BOARD OF EDUCATION
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Bogota, New Jersey

COMPREHENSIVE ANNUAL

FINANCIAL REPORT

of the

Bogota Board of Education

Bogota, New Jersey

For The Fiscal Year Ended June 30, 2015

Prepared by

Business Office

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INTRODUCTORY SECTION

BOGOTA PUBLIC SCHOOLS

Administrative Offices

One Henry C. Luthin Place, Bogota, New Jersey 07603
(201) 441-4800 Fax (201) 489-5759

November 24, 2015

Honorable President and
Members of the Board of Trustees
Bogota Board of Education
County of Bergen, New Jersey

Dear Board Members:

The Comprehensive Annual Financial Report of the Bogota Board of Education for the fiscal year ended June 30, 2015 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and the respective changes in financial position of the basic financial statements. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

Governmental Accounting Standards Board (GASB) requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the "Independent Auditor's Report".

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the independent auditor's report, management's discussion and analysis (MD&A) and the basic financial statements including the district-wide financial statements. The basic financial statements also include individual financial statements; notes to the financial statements and required supplemental information (RSI). The statistical section includes selected financial and demographic information generally presented on a multi-year basis.

The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act and the U.S. Office of Management and Budget Circular A-133. "Audits of States, Local Governments and Non-Profit Organizations", and the State Treasury Circular OMB 15-08. Information related to this single audit, including the auditors' report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1) **REPORTING ENTITY AND ITS SERVICES:** The District provides a full range of educational services appropriate to grade levels Pre-K through 12. These include regular, vocational as well as special education for handicapped youngsters. The District completed the 2014-2015 fiscal year with an average daily enrollment of 1,090 students, which is 1.45% less than the previous year's enrollment.

<u>Fiscal Year</u>	<u>Average Daily Enrollment</u>	<u>Percent Change</u>
2014-15	1,090	(1.45)%
2013-14	1,106	(4.49)
2012-13	1,158	(0.43)
2011-12	1,163	(0.43)
2010-11	1,168	1.13
2009-10	1,155	(3.67)
2008-09	1,199	.33
2007-08	1,195	.34
2006-07	1,191	4.47
2005-06	1,140	11.22

2) **ECONOMIC CONDITION AND OUTLOOK:** The Borough of Bogota is fully developed. The existing number of businesses in the Borough has remained relatively stable. The residential area of the School District has experienced a turnover from homes with few school-aged children to families with two to three students. Due to strong budget controls and best practices, Fund Balance will be available for taxpayer relief in the 2015-2016 and 2016-2017 Budget cycles.

3) **MAJOR INITIATIVES:**

The Bogota Board of Education had four primary goals for the 2014-2015 school year.

Goal I was to *Improve student achievement as measured by results from the 2015 PARCC assessments in English Language Arts and Mathematics for grade 11 by meeting school-wide proficiency goals.* Students exceeded both the State of NJ and PARCC states in English Language Arts for grade 11. The ELA average score for Bogota was 749 (750 denoted Met Expectations) while the state average was 740 and the PARCC average was 739. For Algebra II, which is comprised of both 10th and 11th grade students, Bogota's overall average was 717 while the state's average was 721 and the PARCC's average was 719. This goal was achieved.

Goal II was to *Develop additional courses related to technology that related to STEM initiatives and submit to the Board for adoption.* Students took courses in Robotics and STEM in grades seven and eight. The Graphic Arts program expanded to include 3D imaging and printing. These programs are expanding in the 15-16 school year. This goal was achieved.

Goal III was to *Improve district communication with parents including an enhanced website.* The District increased the use of Power Announcement and opened the Parent Portal module of PowerSchool in an effort to increase communication and to keep parents advised of student performance and progress. There was an overall increase in the use of PowerSchool as the point of contact between schools and home. The District's website was enhanced to facilitate use. This goal was achieved.

Goal IV stated that *During the 2013-2014 school year, all teachers were evaluated using Marzano Art and Science of Teaching Domain 1. In an effort to maintain high quality instruction for students and recognize that external factors have significant impact on classroom instruction, during the 2014-2015 school year the district will use Domain 2: Planning and Preparing; Domain 3: Reflecting and Teaching and Domain 4: Collegiality and Professionalism in the teacher evaluation process. Administrators will be trained on these domains in the summer of 2014 and turnkey this training to their respective staffs at the opening of the school year.* Teachers have been evaluated across all Domains of Marzano. This goal was achieved.

3) MAJOR INITIATIVES: (Continued)

In an effort to expose a greater number of high school seniors to college level work the District has created a partnership with Bergen Community College which began in the 2014-2015 school year, as a result of this continuing effort more than 20% of the senior class has taken one or more courses at Bergen Community College.

Technology was expanded in the areas of both infrastructure and hardware. This was necessary for the successful implementation of the PARCC tests. Significant purchases of: chrome books; SmartBoards; desktop computers; 3D printers; Vex robots and security cameras.

Major Textbooks purchases at the high school included: Social Studies; World Language; English IV and Geometry. The District also purchased the math textbook series Envision (2016) for grades K through six. This program is fully aligned to the Common Core. The elementary report card was changed and put into Power School to more accurately advise parents of students' progress. Additionally, co-curricular opportunities expanded to include Soccer; Varsity, JV, and middle school.

4) INTERNAL ACCOUNTING CONTROLS: Management of the Board is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal and state financial assistance, the Board also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the District management.

As part of the District's Single Audit described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

5) BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated Budget approved by the voters of the municipality. Annual appropriated Budgets are adopted for the General Fund, the Special Revenue Fund, and the Debt Service Fund. The final Budget amount as amended for the fiscal year is reflected in the budgetary comparison schedules of the required supplementary information.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of Fund Balance in the subsequent year. Those amounts to be reappropriated are reported as committed or assigned fund balance at June 30, 2015.

6) ACCOUNTING SYSTEM AND REPORTS: The District's accounting records reflect accounting principles generally accepted in the United States of America, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Financial Statements".

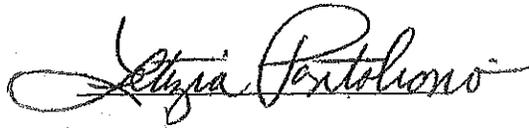
7) **CASH MANAGEMENT:** The investment policy of the District is guided in large part by State Statute as detailed in "Notes to the Financial Statements". The District has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

8) **RISK MANAGEMENT:** The Board carries various forms of insurance, including but not limited to General Liability, Automobile Liability and Comprehensive/Collision, Hazard and Theft insurance on property and contents, and fidelity bonds.

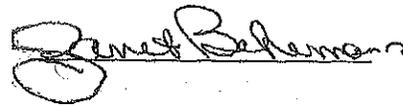
9) **OTHER INFORMATION: Independent Audit** - State Statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Lerch, Vinci and Higgins, LLP, CPAs was selected by the Board, approved at the Organization Meeting and posted on the District website. In addition to meeting the requirements set forth in State Statutes, the audit also was designed to meet the requirements of the Single Audit Act and the related OMB Circular A-133 and State Treasury Circular Letter 15-08 OMB. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the Single Audit are included in the Single Audit Section of this Report.

10) **ACKNOWLEDGMENTS:** We would like to express our appreciation to the members of the Bogota School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school District and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this Report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,



Dr. Letizia Pantoliano
Superintendent



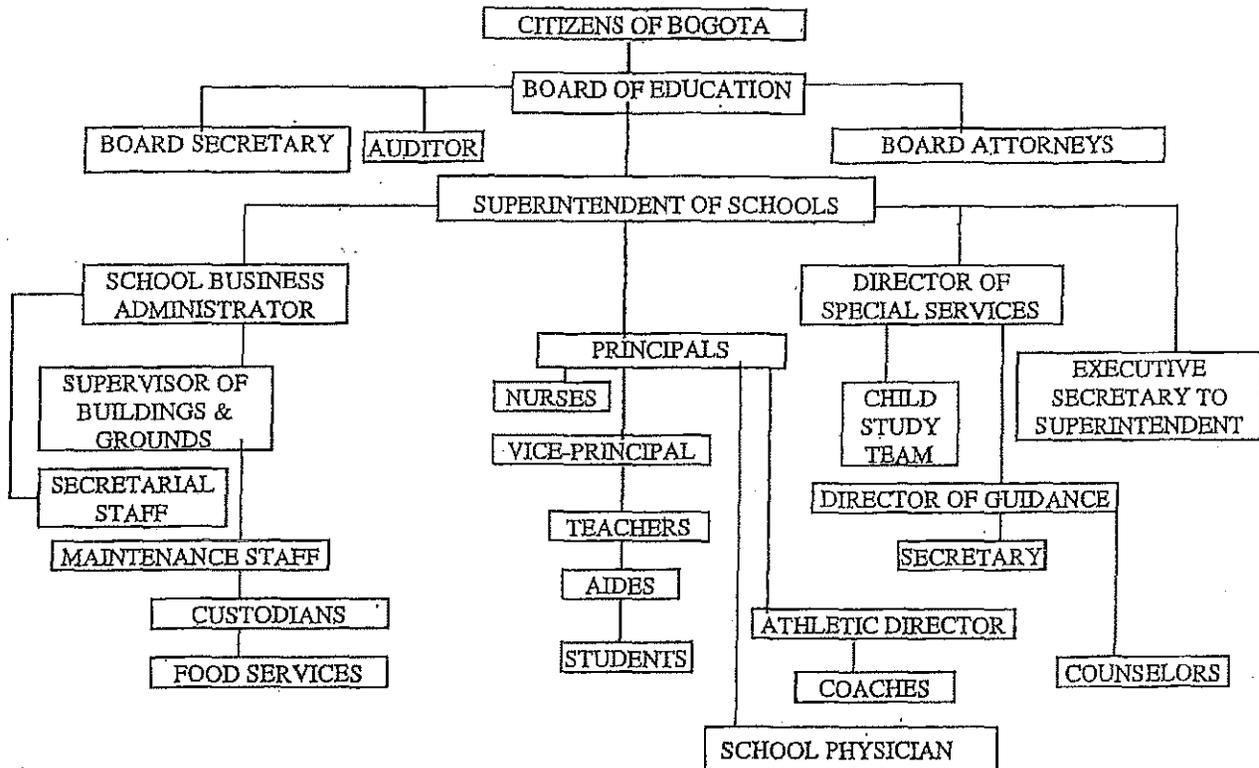
Janet Behrmann
Business Administrator

POLICY

BOGOTA BOARD OF EDUCATION

ADMINISTRATION
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Organizational Chart

1110 ORGANIZATIONAL CHART



Adopted: 25 August 2003



**BOGOTA BOARD OF EDUCATION
ROSTER OF OFFICIALS
AS OF JUNE 30, 2015**

Members of the Board of Education

Mary Ellen Murphy, President

Charles Severino, Vice President

Michael Connors

Kathryn Van Buren

Patrick McHale

James Moore

Gloria Clark

Pauline McDonnell

Consuelo Carpenter

Other Officials

Dr. Letizia Pantoliano, Superintendent of Schools

Janet Behrmann, School Business Administrator/Board Secretary

**BOGOTA BOARD OF EDUCATION
CONSULTANTS AND ADVISORS**

AUDIT FIRM

Lerch, Vinci & Higgins, LLP
17-17 Route 208
Fair Lawn, New Jersey 07410

ATTORNEY

Richard Brovarone, Esq.
14 Route 4 West
River Edge, New Jersey 07661

OFFICIAL DEPOSITORY

Valley National Bank
Government Banking Services
925 Allwood Road
Clifton, New Jersey

FINANCIAL SECTION

REQUIRED SUPPLEMENTARY INFORMATION – PART I



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

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

DEBRA GOLLE, CPA
CINDY JANACEK, CPA, RMA
MARK SACO, CPA
SHERYL M. NICOLOSI, CPA
KATHLEEN WANG, CPA
ROBERT AMPONSAH, CPA

ELIZABETH A. SHICK, CPA, RMA, PSA
ANDREW PARENTE, CPA, RMA, PSA
ROBERT W. HAAG, CPA, PSA
DEBORAH K. LERCH, CPA, PSA
RALPH M. PICONE, CPA, RMA, PSA

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Trustees
Bogota Board of Education
Bogota, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Bogota Board of Education as of and for the fiscal year ended June 30, 2015 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in the Government Auditing Standards, issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, 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.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Bogota Board of Education as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Adoption of New Accounting Pronouncement

As discussed in Note 1 to the financial statements, in the fiscal year ended June 30, 2015, the Bogota Board of Education adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and, budgetary comparison information, and pension information be presented to supplement the basic financial statements. Such 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Bogota Board of Education's basic financial statements. The introductory section, combining fund financial statements, financial schedules, statistical section, schedule of expenditures of federal awards as required by U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Bogota Board of Education.

The combining fund financial statements, 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining fund financial statements, schedules of expenditures of federal awards and state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section, financial schedules and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated November 24, 2015 on our consideration of the Bogota Board of Education'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 Bogota Board of Education's internal control over financial reporting and compliance.


LERCH, VINCI & HIGGINS, LLP
Certified Public Accountants
Public School Accountants


Gary J. Vinci
Public School Accountant
PSA Number CS00829

Fair Lawn, New Jersey
November 24, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS

BOGOTA BOARD OF EDUCATION

Management's Discussion and Analysis

This discussion and analysis of the Bogota School District's financial performance provides an overall review of its financial activities for the fiscal year ended June 30, 2015. The intent of this is to look at the District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

Management's Discussion and Analysis (MD&A) is an element of the Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 – Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments. Certain comparative information between the current year (2014-2015) and the prior year (2013-2014) is required to be presented in the MD&A.

Financial Highlights

Key financial highlights for 2014/15 are as follows:

- The assets and deferred outflows of resources of the Bogota Board of Education exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$9,630,735. (Net Position)
- The District's total net position increased by \$1,548,877.
- Overall District revenues were \$25,304,687. General revenues accounted for \$19,552,974 or 77% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$5,751,713 or 23% of total revenues.
- The school district had \$23,315,418 in expenses for governmental activities; only \$5,273,290 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes) of \$19,552,974 were adequate to provide for these programs.
- As of the close of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$3,594,812.
- The General Fund fund balance at June 30, 2015 was \$3,540,830, an increase of \$1,064,947 compared to the ending fund balance at June 30, 2014 of \$2,475,883.
- The General Fund unassigned budgetary fund balance at June 30, 2015 was \$404,263, which represents an increase of \$11,924 compared to the ending unassigned budgetary fund balance at June 30, 2014 of \$392,339.

BOGOTA BOARD OF EDUCATION

Management's Discussion and Analysis

Using this Comprehensive Annual Financial Report (CAFR)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so that the reader can understand the District as an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Position and Statement of Activities provide information about the activities of the entire District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements show how services were financed in the short-term as well as what remains for future spending. The fund financial statements present significant funds with all other non-major funds presented in one total column. The General Fund is by far the most significant fund.

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While this document reports on all funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and ask the question, "How did we do financially during 2014/15?" The Statement of Net Position and the Statement of Activities answer that question. These statements include all assets (and deferred outflows of resources) and liabilities (and deferred inflows of resources) using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting recognizes all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net position and changes in net position. This change is important because it tells the reader that, for the school district as a whole, its financial position improved or diminished. The causes of this change may be the result of many factors. Non-financial factors include the District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

In the Statement of Net Position and the Statement of Activities, the District is divided into two distinct kinds of activities:

- **Governmental Activities** – All programs and services are reported here including instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- **Business-Type Activity** – This service is provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. The Food Service Program Enterprise Fund is reported as a business activity.

BOGOTA BOARD OF EDUCATION

Management's Discussion and Analysis

Reporting the District's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the District's funds. The District's governmental funds include General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund.

Governmental Funds

The District's activities are reported in governmental funds. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental Fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Enterprise Fund

The enterprise fund used the same basis of accounting as business-type activities; therefore, these statements are essentially the same as the District-wide statements.

The District as a Whole

The Statement of Net Position provides one perspective of the District as a whole.

BOGOTA BOARD OF EDUCATION

Management's Discussion and Analysis

A summary of the District's net position as of June 30, 2015 and 2014 is as follows:

	<u>2015</u>	<u>2014</u> (Restated)
ASSETS		
Current and Other Assets	\$ 4,438,515	\$ 3,886,894
Capital Assets	<u>12,053,928</u>	<u>11,906,352</u>
Total Assets	<u>16,492,443</u>	<u>15,793,246</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Amounts on Refunding of Debt	101,544	120,610
Deferred Amounts on Net Pension Liability	<u>125,806</u>	<u>-</u>
Total Deferred Outflows of Resources	<u>227,350</u>	<u>120,610</u>
Total Assets and Deferred Outflows of Resources	<u>16,719,793</u>	<u>15,913,856</u>
LIABILITIES		
Long-Term Liabilities	6,100,585	6,479,373
Other Liabilities	<u>909,609</u>	<u>1,351,791</u>
Total Liabilities	<u>7,010,194</u>	<u>7,831,164</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred Amounts on Net Pension Liability	77,781	
Deferred Commodities Revenue	<u>1,083</u>	<u>834</u>
Total Deferred Inflows of Resources	<u>78,864</u>	<u>834</u>
Total Liabilities and Deferred Inflows of Resources	<u>7,089,058</u>	<u>7,831,998</u>
NET POSITION		
Net Investment in Capital Assets	7,497,113	6,916,727
Restricted	2,597,010	1,690,254
Unrestricted	<u>(463,388)</u>	<u>(525,123)</u>
Total Net Position	<u>\$ 9,630,735</u>	<u>\$ 8,081,858</u>

BOGOTA BOARD OF EDUCATION**Management's Discussion and Analysis**

The changes in net position for fiscal years ended June 30, 2015 and 2014 are as follows:

	<u>2015</u>	<u>2014</u>
REVENUES		
Program Revenues		
Charges for Services	\$ 248,553	\$ 155,639
Operating Grants and Contributions	5,503,160	3,723,053
Capital Grants and Contributions		20,840
General Revenues		
Property Taxes	14,672,508	14,301,706
State and Federal Aid- Unrestricted/Restricted	4,758,551	4,717,233
Other	<u>121,915</u>	<u>119,520</u>
Total Revenues	<u>25,304,687</u>	<u>23,037,991</u>
PROGRAM EXPENSES		
Instruction	15,445,494	14,551,484
Support Services		
Students and Instructional Staff	2,678,526	2,271,056
General Administration, School Administration	2,126,627	1,396,841
Business Operations and Maintenance of Facilities	2,184,210	2,219,052
Pupil Transportation	673,795	722,488
Interest on Debt and Other Charges	206,766	226,973
Food Services	<u>440,392</u>	<u>417,664</u>
Total Expenses	<u>23,755,810</u>	<u>21,805,558</u>
Increase in Net Position	1,548,877	1,232,433
Net Position, Beginning of Year	8,081,858	8,081,376
Prior Period Adjustment	<u>-</u>	<u>(1,231,951)</u>
Net Position, End of Year	<u>\$ 9,630,735</u>	<u>\$ 8,081,858</u>

BOGOTA BOARD OF EDUCATION

Management's Discussion and Analysis

District as a Whole

The funding of schools are primarily through property taxes in New Jersey. Property taxes made up 58 percent of revenues for the Bogota Board of Education in fiscal year 2014/15. The District's total revenues were \$25,304,687 for the fiscal year ended June 30, 2015. Federal, state, and local grants for programs accounted for another 41 percent of revenue. The total cost of all programs and services was \$23,755,810. Instruction comprises 65 percent of District expenses.

Business-Type Activities

Revenues for the District's business-type activities (food service program) were comprised of charges for services and state and federal reimbursements.

Food Service Program

- Food service revenues exceeded expenses by \$38,031.
- Charges for services or \$205,362 represent 43 percent of revenue.
- Revenues include lunches and ala carte meals paid for by the students and partial or total reimbursement provided by the district's participation in the National School Lunch Program.

Governmental Activities

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. The schedule below summarizes the total cost of services and the net cost of services. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

	<u>Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Instruction	\$ 15,445,494	\$ 14,551,484	\$ 11,187,703	\$ 11,585,165
Support Services				
Students and Instructional Staff	2,678,526	2,271,056	2,120,179	1,968,319
General Administration, School Administration	2,126,627	1,396,841	1,828,980	1,283,146
Business Operations and Maintenance of Facilities	2,184,210	2,219,052	2,072,056	2,131,601
Pupil Transportation	673,795	722,488	626,444	675,356
Interest and Fiscal Charges	206,766	226,973	206,766	226,973
Total Governmental Activities	<u>\$ 23,315,418</u>	<u>\$ 21,387,894</u>	<u>\$ 18,042,128</u>	<u>\$ 17,870,560</u>

BOGOTA BOARD OF EDUCATION

Management's Discussion and Analysis

Governmental Activities (Continued)

Instruction expenses include activities directly dealing with the teaching of pupils and the interactions between teacher and student, including extracurricular activities.

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development.

General administration, school administration, and business include expenses associated with administrative and financial supervision of the District.

Operation and maintenance of facilities involve keeping the school grounds, buildings, and equipment in an effective working condition.

Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by state law.

Interest on debt involves the transactions associated with the payment of interest and other related charges to debt of the District.

The District's Funds

All governmental funds (i.e., general fund, special revenue fund, capital projects fund and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$23,016,576 and expenditures were \$22,073,595 for the fiscal year ended June 30, 2015.

The following schedule presents a summary of the governmental fund revenues for the fiscal years ended June 30, 2015 and 2014.

	<u>Amount</u>		<u>Amount of</u>	<u>Percent</u>
	<u>2015</u>	<u>2014</u>	<u>Increase</u>	<u>Increase</u>
			<u>(Decrease)</u>	<u>(Decrease)</u>
Local Sources	\$ 14,839,517	\$ 14,432,188	\$ 407,329	2.8%
State Sources	7,535,389	7,352,689	182,700	2.5%
Federal Sources	<u>641,670</u>	<u>870,670</u>	<u>(229,000)</u>	-26.3%
Total Revenues	<u>\$ 23,016,576</u>	<u>\$ 22,655,547</u>	<u>\$ 361,029</u>	1.6%

BOGOTA BOARD OF EDUCATION

Management's Discussion and Analysis

The District's Funds (Continued)

The following schedule represents a summary of general fund, special revenue fund, capital projects fund, and debt service fund expenditures for the fiscal year ended June 30, 2015 and 2014.

<u>Expenditures</u>	<u>Amount</u>		<u>Amount of Increase (Decrease)</u>	<u>Percent Increase (Decrease)</u>
	<u>2015</u>	<u>2014</u>		
Current:				
Instruction	\$ 14,024,226	\$ 14,595,597	\$ (571,371)	-3.9%
Support Services	6,743,493	6,144,783	598,710	9.7%
Capital Outlay	659,209	1,081,186	(421,977)	-39.0%
Debt Service:				
Principal	455,000	541,968	(86,968)	-16.0%
Interest and Other Charges	<u>191,667</u>	<u>209,178</u>	<u>(17,511)</u>	-8.4%
Total Expenditures	<u>\$ 22,073,595</u>	<u>\$ 22,572,712</u>	<u>\$ (499,117)</u>	-2.2%

General Fund Budgeting Highlights

The District's budget is prepared according to New Jersey law, and is based on accounting for certain transactions on the basis of cash receipts, disbursements and encumbrances. The most significant budgetary fund is the General Fund.

Over the course of the year, the District revised the annual operating budget several times.

- Salary accounts were adjusted to reflect: changes in staff assignments; retirements, resignations and the resulting new hires; program adjustments necessitated by student population changes.
- Tuition for special education students is budgeted based on the existing and known incoming students at the time the budget is submitted. Students move into and out of the District during the summer as well as the school year, which necessitates transferring funds to the appropriate account to pay these special education costs.
- Special education costs increased significantly for occupational and physical therapy and Applied Behavioral Analysis.

BOGOTA BOARD OF EDUCATION

Management's Discussion and Analysis

General Fund Budgeting Highlights (Continued)

- Property, liability, and medical insurances were renewed at higher rates than budgeted. This represents a national trend in all major areas of the insurance industry.
- TPAF, which is the state's contribution to the pension fund and social security is neither a revenue item nor an expenditure item to the district but is required to be reflected in the financial statements.

Capital Assets – Governmental Activities

At the end of fiscal years 2015 and 2014, the District had \$12,022,089 and \$11,869,062, respectively, invested in land, buildings, furniture, equipment and vehicles used for governmental activities. A comparison of the year end balances is as follows:

Capital Assets (Net of Depreciation) at June 30

	<u>2015</u>	<u>2014</u>
Land	\$ 69,852	\$ 69,852
Construction in Progress		751,625
Building and Building Improvements	11,803,869	10,807,285
Improvements Other than Buildings	2,929	3,335
Machinery and Equipment	<u>145,439</u>	<u>236,965</u>
Total	<u>\$ 12,022,089</u>	<u>\$ 11,869,062</u>

Overall capital assets increased by \$153,027 from fiscal year 2014 to fiscal year 2015 due to the capital asset additions of \$659,209 exceeding this year's depreciation expense of \$506,182.

Additional information about the District's capital assets can be found in the notes to the financial statements.

BOGOTA BOARD OF EDUCATION

Management's Discussion and Analysis

Debt Administration

At June 30, 2015 and 2014, the District had \$6,100,585 and \$6,479,373, respectively of outstanding debt, which consists of serial bonds issued for school construction, capital leases and compensated absences.

Outstanding Debt at June 30

	<u>2015</u>	<u>2014</u> (Restated)
General Obligation Bonds (Net)	\$ 4,658,359	\$ 5,110,235
Compensated Absences	137,062	137,187
Net Pension Liability	<u>1,305,164</u>	<u>1,231,951</u>
	<u>\$ 6,100,585</u>	<u>\$ 6,479,373</u>

At June 30, 2015 and 2014, the District's overall legal debt capacity was \$24,463,530 and \$25,354,239, respectively.

Additional information about the District's long-term debt can be found in the notes to this report.

For the Future

Everyone associated with the Bogota Board of Education is grateful for the community support of the schools. A major concern is the financial support required to maintain appropriate class sizes and services. This, in an environment of flat state aid support, means an ever-increasing reliance on local property taxes.

In conclusion, the Bogota Board of Education has committed itself to financial and educational excellence. Its system for financial planning, budgeting, and internal financial controls is audited annually and it plans to continue to manage its finances in order to meet the many challenges ahead.

Contacting the District's Financial Management

If you have questions about this report or need additional information, contact the School Business Administrator at the Bogota Board of Education, 1 Henry C. Luthin Place, Bogota, NJ 07603.

DISTRICT-WIDE FINANCIAL STATEMENTS

BOGOTA BOARD OF EDUCATION
STATEMENT OF NET POSITION
AS OF JUNE 30, 2015

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash	\$ 3,211,108	\$ 26,578	\$ 3,237,686
Receivables, net:			
Receivables from Other Governments	924,583	20,750	945,333
Internal Balances	20,642	(20,642)	
Other	229,994	21,391	251,385
Inventory		4,111	4,111
Capital Assets:			
Not Being Depreciated	69,852		69,852
Being Depreciated, Net	11,952,237	31,839	11,984,076
Total Assets	<u>16,408,416</u>	<u>84,027</u>	<u>16,492,443</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amounts on Refunding of Debt	101,544		101,544
Deferred Amounts on Net Pension Liability	125,806	-	125,806
Total Deferred Outflows of Resources	<u>227,350</u>	<u>-</u>	<u>227,350</u>
Total Assets and Deferred Outflows of Resources	<u>16,635,766</u>	<u>84,027</u>	<u>16,719,793</u>
LIABILITIES			
Accounts Payable and Other Current Liabilities	720,539	30,125	750,664
Intergovernmental Payables	53,157		53,157
Accrued Interest Payable	84,302		84,302
Unearned Revenue	17,819	3,667	21,486
Noncurrent Liabilities :			
Due Within One Year	536,862		536,862
Due Beyond One Year	5,563,723	-	5,563,723
Total Liabilities	<u>6,976,402</u>	<u>33,792</u>	<u>7,010,194</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Amounts on Net Pension Liability	77,781		77,781
Deferred Commodities Revenue	-	1,083	1,083
Total Deferred Inflows of Resources	<u>77,781</u>	<u>1,083</u>	<u>78,864</u>
Total Liabilities and Deferred Inflows of Resources	<u>7,054,183</u>	<u>34,875</u>	<u>7,089,058</u>
NET POSITION			
Net Investment in Capital Assets	7,465,274	31,839	7,497,113
Restricted for			
Capital Projects	2,347,010		2,347,010
Other Purposes	250,000	-	250,000
Unrestricted	(480,701)	17,313	(463,388)
Total Net Position	<u>\$ 9,581,583</u>	<u>\$ 49,152</u>	<u>\$ 9,630,735</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

**BOGOTA BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	
Governmental Activities							
Instruction							
Regular	\$ 8,967,657	\$ 43,191	\$ 2,338,106		\$ (6,586,360)		\$ (6,586,360)
Special Education	5,550,933		1,779,986		(3,770,947)		(3,770,947)
Other Instruction	375,913		96,508		(279,405)		(279,405)
School Sponsored Activities and Athletics	550,991				(550,991)		(550,991)
Support Services							
Student and Instruction Related Services	2,678,526		558,347		(2,120,179)		(2,120,179)
General Administrative Services	902,449		63,438		(839,011)		(839,011)
School Administrative Services	1,224,178		234,209		(989,969)		(989,969)
Plant Operations and Maintenance	1,809,925		64,843		(1,745,082)		(1,745,082)
Pupil Transportation	673,795		47,351		(626,444)		(626,444)
Central Services	374,285		47,311		(326,974)		(326,974)
Interest on Long-Term Debt and Other Charges	206,766	-	-	-	(206,766)	-	(206,766)
Total Governmental Activities	23,315,418	43,191	5,230,099	-	(18,042,128)	-	(18,042,128)
Business-Type Activities							
Food Service	440,392	\$ 205,362	273,061	-	-	\$ 38,031	38,031
Total Business-Type Activities	440,392	205,362	273,061	-	-	38,031	38,031
Total Primary Government	\$ 23,755,810	\$ 248,553	\$ 5,503,160	\$ -	(18,042,128)	38,031	(18,004,097)
General Revenues							
Property Taxes, General					14,026,842		14,026,842
Property Taxes, Debt Service					645,666		645,666
State - Unrestricted					4,758,551		4,758,551
Miscellaneous Income					121,915	-	121,915
Total General Revenues					19,552,974	-	19,552,974
Change in Net Position					1,510,846	38,031	1,548,877
Net Position, Beginning of Year (Restated)					8,070,737	11,121	8,081,858
Net Position, End of Year					\$ 9,581,583	\$ 49,152	\$ 9,630,735

The accompanying Notes to the Financial Statements are an Integral Part of this Statement

FUND FINANCIAL STATEMENTS

**BOGOTA BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2015**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
ASSETS					
Cash	\$ 3,211,108				\$ 3,211,108
Due from Other Funds	897,945				897,945
Receivables from Other Governments	33,044	\$ 428,419	\$ 463,120		924,583
Receivables- Other	62,806	408	-	-	63,214
	<u>4,204,903</u>	<u>428,827</u>	<u>463,120</u>	<u>-</u>	<u>5,096,850</u>
Total Assets	<u>\$ 4,204,903</u>	<u>\$ 428,827</u>	<u>\$ 463,120</u>	<u>\$ -</u>	<u>\$ 5,096,850</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	\$ 460,244	\$ 82,259	\$ 14,746		\$ 557,249
Due to Other Funds	163,290	316,131	394,392		873,813
Payable to State Government	40,539	12,618			53,157
Unearned Revenue	-	17,819	-	-	17,819
	<u>664,073</u>	<u>428,827</u>	<u>409,138</u>	<u>-</u>	<u>1,502,038</u>
Fund Balances					
Restricted					
Capital Reserve	2,293,028				2,293,028
Emergency Reserve	250,000				250,000
Maintenance Reserve	250,000				250,000
Capital Projects			53,982		53,982
Excess Surplus Designated for Subsequent Year's Budget	375,000				375,000
Excess Surplus	429,174				429,174
Committed					
Encumbrances	65,000				65,000
Assigned					
Encumbrances	142,520				142,520
ARRA/SEMI - Designated for Subsequent Year's Budget	4,776				4,776
Unassigned					
General Fund	(268,668)	-	-	-	(268,668)
	<u>3,540,830</u>	<u>-</u>	<u>53,982</u>	<u>-</u>	<u>3,594,812</u>
Total Fund Balances	<u>3,540,830</u>	<u>-</u>	<u>53,982</u>	<u>-</u>	<u>3,594,812</u>
Total Liabilities and Fund Balances	<u>\$ 4,204,903</u>	<u>\$ 428,827</u>	<u>\$ 463,120</u>	<u>\$ -</u>	

**BOGOTA BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2015**

Total Fund Balances (Exhibit B-1)	\$	3,594,812
<p>Amounts reported for governmental activities in the statement of net assets (A-1) are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$18,215,765 and the accumulated depreciation is \$6,193,676.</p>		12,022,089
<p>The District has financed capital assets through the issuance of serial bonds and long-term lease obligations. The interest accrual at year end is:</p>		(84,302)
<p>Amounts resulting from the refunding of debt are reported as deferred outflows of resources on the statement of net position and amortized over the life of the debt.</p>		101,544
<p>Certain amounts resulting from the measurement of the net pension liability are reported as either deferred inflows of resources or deferred outflows of resources on the statement of net position and deferred over future years.</p>		
<p>Deferred Outflows of Resources</p>	\$ 125,806	
<p>Deferred Inflows of Resources</p>	<u>(77,781)</u>	
		48,025
<p>Long-term liabilities, including bonds payable, compensated absences and net pension liability are not due and payable in the current period and therefore are not reported as liabilities in the funds. These items are as follows:</p>		
<p>Bonds Payable (net)</p>	\$ (4,658,359)	
<p>Compensated Absences</p>	(137,062)	
<p>Net Pension Liability</p>	<u>(1,305,164)</u>	
		<u>(6,100,585)</u>
Net Position of Governmental Activities (Exhibit A-1)	\$	<u>9,581,583</u>

**BOGOTA BOARD OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
REVENUES					
Local Sources					
Property Tax Levy	\$ 14,026,842			\$ 645,666	\$ 14,672,508
Miscellaneous	165,106	\$ 1,903	-	-	167,009
Total - Local Sources	14,191,948	1,903	-	645,666	14,839,517
State Sources	7,340,155	195,234			7,535,389
Federal Sources	18,115	623,555	-	-	641,670
Total Revenues	<u>21,550,218</u>	<u>820,692</u>	<u>-</u>	<u>645,666</u>	<u>23,016,576</u>
EXPENDITURES					
Current					
Regular Instruction	7,577,453	251,799			7,829,252
Special Education Instruction	4,871,178	452,908			5,324,086
Other Instruction	324,088				324,088
School-Sponsored Activities and Athletics	546,800				546,800
Support Services					
Student and Instruction Related Services	2,304,839	115,985			2,420,824
General Administrative Services	858,432				858,432
School Administrative Services	1,076,150				1,076,150
Plant Operations and Maintenance	1,376,147				1,376,147
Pupil Transportation	664,842				664,842
Central Services	347,098				347,098
Debt Service					
Principal				455,000	455,000
Interest and Other Charges				191,667	191,667
Capital Outlay	441,966	-	\$ 217,243	-	659,209
Total Expenditures	<u>20,388,993</u>	<u>820,692</u>	<u>217,243</u>	<u>646,667</u>	<u>22,073,595</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>1,161,225</u>	<u>-</u>	<u>(217,243)</u>	<u>(1,001)</u>	<u>942,981</u>
OTHER FINANCING SOURCES (USES)					
Transfers In			96,278		96,278
Transfers Out	(96,278)	-	-	-	(96,278)
Total Other Financing Sources and Uses	<u>(96,278)</u>	<u>-</u>	<u>96,278</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	1,064,947	-	(120,965)	(1,001)	942,981
Fund Balance, Beginning of Year	2,475,883	-	174,947	1,001	2,651,831
Fund Balance, End of Year	<u>\$ 3,540,830</u>	<u>\$ -</u>	<u>\$ 53,982</u>	<u>\$ -</u>	<u>\$ 3,594,812</u>

The accompanying Notes to the Financial Statements are an Integral Part of this Statement

**BOGOTA BOARD OF EDUCATION
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
WITH THE DISTRICT-WIDE STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Net Change in Fund Balances - Governmental Funds (Exhibit B-2) \$ 942,981

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement and allocated over their estimated useful lives as annual depreciation expense.

Capital Outlay	\$ 659,209	
Depreciation Expense	<u>(506,182)</u>	
		153,027

In the statement of activities, certain operating expenses - compensated absences and pension expense are measured by the amounts earned or accrued during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (paid):

Decrease in Compensated Absences	125	
Increase in Pension Expense	<u>(25,188)</u>	
		(25,063)

In the statement of activities, costs related to the issuance of long term debt are deferred and amortized over the term of the debt. In the governmental funds, the issuance costs are reported upon issuance of the debt. This amount represents the current year amortization of the costs related to the issuance of long term debt in previous years.

Original Issue Discount	(3,124)	
Deferred Amount on Refunding	<u>(19,066)</u>	
		(22,190)

The issuance of long-term debt (e.g. bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Principal Repayments:		
Bonds Payable	<u>455,000</u>	
		455,000

Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.

Decrease in Accrued Interest		<u>7,091</u>
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Change in Net Position of Governmental Activities (Exhibit A-2) \$ 1,510,846

**BOGOTA BOARD OF EDUCATION
PROPRIETARY FUNDS
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF NET POSITION
AS OF JUNE 30, 2015**

ASSETS

Current Assets	
Cash	\$ 26,578
Intergovernmental Receivable:	
State	401
Federal	20,349
Other Accounts Receivable	21,391
Inventories	<u>4,111</u>
Total Current Assets	<u>72,830</u>
Capital Assets	
Equipment	103,125
Less: Accumulated Depreciation	<u>(71,286)</u>
Total Capital Assets, Net	<u>31,839</u>
Total Assets	<u>104,669</u>

LIABILITIES

Current Liabilities	
Accounts Payable	30,125
Due to Other Funds	20,642
Unearned Revenue	<u>3,667</u>
Total Current Liabilities	<u>54,434</u>

DEFERRED INFLOWS OF RESOURCES

Deferred Commodities Revenue	<u>1,083</u>
Total Liabilities and Deferred Inflows of Resources	<u>55,517</u>

NET POSITION

Investment in Capital Assets	31,839
Unrestricted	<u>17,313</u>
Total Net Position	<u>\$ 49,152</u>

The accompanying Notes to the Financial Statements are an Integral Part of this Statement

**BOGOTA BOARD OF EDUCATION
 PROPRIETARY FUND
 FOOD SERVICE ENTERPRISE FUND
 STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

OPERATING REVENUES

Charges for Services	
Daily Sales	\$ 205,362
	<hr/>
Total Operating Revenues	205,362

OPERATING EXPENSES

Cost of Sales	200,488
Salaries and Employee Benefits	189,481
Supplies and Materials	17,325
Insurance	10,009
Depreciation	5,451
Management Fee	14,352
Other Purchased Services	2,409
Miscellaneous	877
	<hr/>
Total Operating Expenses	440,392

Operating (Loss)	<hr/> (235,030)
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NONOPERATING REVENUES

Interest Earnings	266
State Sources	
School Lunch Program	4,988
Federal Sources	
National School Lunch Program	209,954
National School Breakfast Program	31,411
USDA Commodities- Non Cash Assistance	26,442
	<hr/>
Total Nonoperating Revenues	273,061

Change in Net Position	38,031
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Net Position, Beginning of Year	<hr/> 11,121
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Net Position, End of Year	<hr/> <hr/> \$ 49,152
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The accompanying Notes to the Financial Statements are an Integral Part of this Statement

**BOGOTA BOARD OF EDUCATION
 PROPRIETARY FUNDS
 FOOD SERVICE ENTERPRISE FUND
 STATEMENT OF CASH FLOWS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

CASH FLOWS FROM OPERATING ACTIVITIES

Cash Received from Customers	\$ 205,362
Cash Payments for Employees' Salaries and Benefits	(189,481)
Cash Payments to Suppliers for Goods and Services	<u>(316,313)</u>

Net Cash (Used for) Operating Activities (300,432)

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Cash Received from State and Federal Subsidy Reimbursements 269,914

Net Cash Provided by Noncapital Financing Activities 269,914

CASH FLOWS FROM INVESTING ACTIVITIES

Interest Earnings 266

Net Cash Provided by Investing Activities 266

Net Change in Cash and Cash Equivalents (30,252)

Cash and Cash Equivalents, Beginning of Year 56,830

Cash and Cash Equivalents, End of Year \$ 26,578

**RECONCILIATION OF OPERATING (LOSS) TO NET CASH
(USED FOR) OPERATING ACTIVITIES**

Operating (Loss) \$ (235,030)

Adjustments to Reconcile Operating (Loss) to
Net Cash Used for Operating Activities

Depreciation 5,451

USDA Commodities- Non Cash Assistance 26,442

Change in Assets and Liabilities

Increase/(Decrease) in Deferred Inflows of Resources 249

Increase/(Decrease) in Accounts Payable (79,930)

Increase/(Decrease) in Unearned Revenue 3,667

(Increase)/Decrease in Other Accounts Receivable (21,391)

(Increase)/Decrease in Inventory 110

Total Adjustments (65,402)

Net Cash (Used for) Operating Activities \$ (300,432)

Non-Cash Financing Activities

Fair Value of Food Distribution Program - National School Lunch \$ 26,691

The accompanying Notes to the Financial Statements are an Integral Part of this Statement

**BOGOTA BOARD OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
AS OF JUNE 30, 2015**

	Unemployment Compensation <u>Trust</u>	<u>Agency Fund</u>
ASSETS		
Cash	\$ 233,834	\$ 356,766
Intergovernmental Receivable Due from Other Funds	<u>163,290</u>	<u>3,075</u>
Total Assets	<u>397,124</u>	<u>\$ 359,841</u>
LIABILITIES		
Payroll Deductions and Withholdings		\$ 113,129
Accrued Salaries and Wages		6,924
Intergovernmental Payable	4,474	
Due to Other Funds	3,075	166,780
Due to Student Groups	<u>-</u>	<u>73,008</u>
Total Liabilities	<u>7,549</u>	<u>\$ 359,841</u>
NET POSITION		
Held in Trust for Unemployment Claims	<u>\$ 389,575</u>	

The accompanying Notes to the Financial Statements are an Integral Part of this Statement

**BOGOTA BOARD OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Unemployment Compensation <u>Trust</u>
ADDITIONS	
Contributions	
Employees	\$ 25,231
Employer	148,290
Interest Earned	<u>580</u>
Total Additions	<u>174,101</u>
 DEDUCTIONS	
Unemployment Claims and Contributions	<u>33,872</u>
Total Deductions	<u>33,872</u>
Change in Net Position	140,229
Net Position, Beginning of Year	<u>249,346</u>
Net Position, End of Year	<u>\$ 389,575</u>

The accompanying Notes to the Financial Statements are an Integral Part of this Statement

NOTES TO THE FINANCIAL STATEMENTS

**BOGOTA BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Bogota Board of Education (the “Board” or the “District”) is an instrumentality of the State of New Jersey, established to function as an education institution. The Board consists of nine elected officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District. Under existing statutes, the Board's duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property.

The Board also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls.

The reporting entity is composed of the primary government, component units, and other organizations that are included to ensure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the Bogota Board of Education this includes general operations, food service and student related activities of the District.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes. Based on the foregoing criteria, the District has no component units. Furthermore, the District is not includable in any other reporting entity as a component unit.

B. New Accounting Standards

During fiscal year 2015, the District adopted the following GASB statements:

- GASB 68, *Accounting and Financial Reporting for Pensions*. The objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria.
- GASB 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, should be applied simultaneously with the provisions of Statement No. 68. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

**BOGOTA BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

Other accounting standards that the District is currently reviewing for applicability and potential impact on the financial statements include:

- GASB 72, *Fair Value Measurement and Application*, will be effective beginning with the fiscal year ending June 30, 2016. This Statement addresses accounting and financial reporting issues related to fair value measurements. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.
- GASB 73, *Accounting and Financial Reporting for Pensions and Related Assets that Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, will be effective beginning with the fiscal year ending June 30, 2017. The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability.
- GASB 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, will be effective beginning with the fiscal year ending June 30, 2017. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability.
- GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, will be effective beginning with the fiscal year ending June 30, 2018. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities.
- GASB 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, will be effective beginning with the fiscal year ending June 30, 2016. The objective of this Statement is to identify – in the context of the current governmental financial reporting environment – the hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP.

C. Basis of Presentation - Financial Statements

The financial statements include both district-wide financial statements (based on the District as a whole) and fund financial statements (based on specific District activities or objectives). Both the district-wide and fund financial statements categorize activities as either governmental activities or business-type activities. While separate district-wide and fund financial statements are presented, they are interrelated. In the district-wide financial statements, the governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the District’s enterprise funds. Fiduciary funds are excluded from the district-wide financial statements.

**BOGOTA BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

District-Wide Financial Statements

The district-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Board of Education. All fiduciary activities are reported only in the fund financial statements. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by property taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. In the statement of net position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) reflect on a full accrual economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or other governmental entities, including other school districts, who purchase, use, or directly benefit from goods or services provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Property taxes, unrestricted state aid and other items not properly included among program revenues are reported instead as general revenues.

As a general rule the effect of interfund activity has been eliminated from the district-wide financial statements. Exceptions to this general rule are charges between the Board's proprietary and fiduciary funds since elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Fund Financial Statements

Separate fund financial statements are provided for governmental, proprietary, and fiduciary activities, even though the latter are excluded from the district-wide financial statements. The emphasis of fund financial statements is on major individual governmental and enterprise funds, each reported as separate columns in the fund financial statements. The District considers all of its governmental and enterprise funds to be major funds.

The District reports the following major governmental funds:

The *general fund* is the School District's primary operating fund. It accounts for all financial resources of the District, except those to be accounted for in another fund.

The *special revenue fund* accounts for the proceeds of specific revenue sources legally restricted to expenditures for specified purposes. This fund accounts for federal, state and local financial programs, with the exception of grants for major capital projects and the child nutrition programs.

The *capital projects fund* accounts for the proceeds from the sale of bonds, lease purchases and other revenues used for the acquisition or construction of capital facilities and other capital assets, other than those financed by the proprietary funds.

The *debt service fund* accounts for the accumulation of resources that are restricted, committed or assigned for the payment of principal and interest on long-term general obligation debt of governmental funds.

**BOGOTA BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

Fund Financial Statements (Continued)

The District reports the following major proprietary funds which are organized to be self-supporting through user charges:

The *food service fund* accounts for the activities of the school cafeteria, which provides food service to students as well as a la carte and catering services for teachers and special events.

Additionally, the government reports the following fund types:

The *fiduciary trust fund* is used to account for resources legally held in trust for the state unemployment insurance claims, payroll related activities and student related activities which are supported and controlled by student organizations and clubs. All resources of the fund, including any earnings on invested resources, may be used to support the intended purpose. There is no requirement that any portion of these resources be preserved as capital.

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the district-wide financial statements as "internal balances".

Reclassifications

Certain amounts presented in the prior year data may have been reclassified in order to be consistent with the current year's presentation.

D. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The district-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements with the exception of the agency fund which does not have a measurement focus. All assets, all liabilities and all deferred outflows/inflows of resources associated with these operations (with the exception of the fiduciary funds) are included on the Statement of Net Position. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when susceptible to accrual (i.e. when they are both measurable and available). Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Board considers revenues to be available if they are collected within 60 days after year-end. Expenditures are recorded when a liability is incurred, as under accrual basis of accounting, with the exception of debt service expenditures as well as expenditures related to compensated absences and claims and judgments which are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

**BOGOTA BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

Property taxes, tuition, unrestricted state aid, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements (formula-type grants and aid) are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source. Expenditure-driven grants and similar awards (reimbursement-type grants and awards) are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements imposed by the grantor or provider have been met, and the amount is received during the period or within the availability period for this revenue source. All other revenue items are considered to be measurable and available only when cash is received by the District.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

1. Cash, Cash Equivalents and Investments

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are reported at fair value and are limited by N.J.S.A. 18A:20-37.

2. Receivables

All receivables are reported at their gross value, and where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

3. Inventories

The cost of inventories of the governmental fund types are recorded as expenditures at the time individual inventory items are purchased.

Food Service Fund inventories, exclusive of the federal commodities, are valued at cost, using the first-in first-out (FIFO) method and consist of food and expendable supplies. The cost of such inventories is recorded as expenses when consumed rather than when purchased. The United States Department of Agriculture (USDA) commodity portion of the Food Service Fund inventory consists of food donated by the USDA. It is valued at estimated market prices by the USDA. The amount of unused commodities at year-end is reported as deferred inflows of resources.

4. Capital Assets

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the district-wide financial statements. Capital assets are defined by the Board as assets with an initial, individual cost of \$2,000 and an estimated useful life in excess of two years. The District was able to estimate the historical cost for the initial reporting of these capital assets through back trending. As the District constructs or acquires additional capital assets each period, they are capitalized and reported at historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized.

**BOGOTA BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

4. *Capital Assets (Continued)*

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Land and construction in progress are not depreciated. The other property, plant, and equipment of the District, as well as the component units, is depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	40
Building Improvements	40
Site Improvements	10-20
Office Equipment and Furniture	10-20
Computer Equipment	5
Vehicles	8-15

5. *Deferred Outflows/Inflows of Resources*

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Board has two items which arise only under the accrual basis of accounting that qualify for reporting in this category. One item is the deferred amounts on refunding of debt which results from the loss on a debt refunding reported in the district-wide statement of net position. Deferred amounts on debt refunding result from the loss on the transaction when the debt's reacquisition price is greater than the carrying value of the refunded debt. These amounts are deferred and amortized over the shorter of the life of the refunded or refunding debt. The other item that qualifies for reporting in this category is the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; (4) changes in proportion and differences between employer contributions and proportionate share of contributions; and (5) contributions made subsequent to the measurement date. These amounts are deferred and amortized over future years.

**BOGOTA BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

5. Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Board has two types of items which arise only under the accrual basis of accounting that qualify for reporting in this category. Accordingly, one item is the deferred commodities revenue, reported in both the district-wide and the proprietary funds statements of net position. The deferred commodities revenue represents the estimated market value of the donated and unused Federal commodities at year end. This amount is deferred and recognized as an inflow of resources in the period the commodities are consumed. The other item that qualifies for reporting in this category are the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; and (4) changes in proportion and differences between employer contributions and proportionate share of contributions. These amounts are deferred and amortized over future years.

6. Compensated Absences

It is the District's policy to permit employees to accumulate (with certain restrictions) earned but unused sick leave benefits. A long-term liability of accumulated sick leave and salary related payments has been recorded in the governmental activities in the district-wide financial statements, representing the Board's commitment to fund such costs from future operations. Proprietary Funds do not permit the accrual of unused sick leave. A liability is reported in the governmental funds only to the amount actually due at year end as a result of employee resignations and retirements.

7. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the retirement systems sponsored and administered by the State of New Jersey and additions to/deductions from these retirement systems' fiduciary net position have been determined on the same basis as they are reported by the retirement systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

In the governmental fund financial statements, net pension liabilities represent amounts normally expected to be liquidated with expendable available financial resources for required pension contributions that are due and payable at year end. Pension expenditures are recognized based on contractual pension contributions that are required to be made to the pension plan during the fiscal year.

8. Long-Term Obligations

In the district-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Gains resulting from debt refundings are classified as deferred inflows of resources and losses are reported as deferred outflows or resources. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Gains and losses resulting from debt refundings are also deferred and amortized over the life of the refunded bonds or new bonds whichever is less using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs (other than for prepaid insurance) are treated as an expense.

**BOGOTA BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

8. *Long-Term Obligations (Continued)*

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

9. *Net Position/Fund Balance*

District-Wide Statements

In the district-wide statements, there are three classes of net position:

- **Net Investment in Capital Assets** – consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources attributable to the acquisition, construction or improvement of those assets or related debt also should be included.
- **Restricted Net Position** – reports net position when constraints placed on the residual amount of noncapital assets are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted Net Position** – any portion of net position not already classified as either net investment in capital assets or net position – restricted is classified as net position – unrestricted.

Governmental Fund Statements

Fund balance categories are designed to make the nature and extent of the constraints placed on the District's fund balance more transparent. These categories are comprised of a hierarchy based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

Restricted Fund Balance – Amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

Capital Reserve – This restriction was created by the District in accordance with NJAC 6A:23A-14.1 to fund future capital expenditures (See Note 2c.)

Emergency Reserve – This restriction was created in accordance with NJAC 6A:23A-14.4(A)1 to accumulate funds in accordance with State statute to finance unanticipated general fund expenditures required for a thorough and efficient education.

Maintenance Reserve – This restriction was created by the Board in accordance with NJAC 6A:23A-14.2 to accumulate funds for the required maintenance of school facilities in accordance with the EFCA (NJSA 18A:7G-9) for a thorough and efficient education.

**BOGOTA BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

9. Net Position/Fund Balance (Continued)

Governmental Fund Statements (Continued)

Restricted Fund Balance (Continued)

Excess Surplus – Designated for Subsequent Year’s Budget - This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2014 audited excess surplus that was appropriated in the 2015/2016 original budget certified for taxes.

Excess Surplus – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2015 audited excess surplus that is required to be appropriated in the 2016/2017 original budget certified for taxes.

Capital Projects – Represents fund balance restricted specifically for capital acquisitions and improvements in the Capital Projects Fund.

Committed Fund Balance – Amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint.

Encumbrances – Represents outstanding purchase orders at year end for contracts awarded by formal action of the Board of Trustee’s for specific purposes from available resources of the current year for which the goods and materials have not yet been received or the services have not yet been rendered at June 30.

Assigned Fund Balance – Amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.

Encumbrances – Represent outstanding purchase orders for goods or services approved by management for specific purposes from available resources of the current year for which the goods and materials have not yet been received or the services have not yet been rendered at June 30.

ARRA/SEMI – Designated for Subsequent Year’s Budget – This designation was created to dedicate the portion of the ARRA/SEMI revenue that is unexpended at June 30, 2015 that will be appropriated either by Board resolution into the 2015/2016 budget or in the adopted 2016/2017 budget certified for taxes.

Unassigned Fund Balance – Represents fund balance that has not been restricted, committed or assigned to specific purposes within the governmental funds.

F. Revenues and Expenditures/Expenses

1. Program Revenues

Amounts reported as program revenues in the district-wide statement of activities include 1) charges to customers or applicants for goods or services, provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes, unrestricted state aid, investment earnings and miscellaneous revenues.

**BOGOTA BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Revenues and Expenditures/Expenses (Continued)

2. *Property Taxes*

Property taxes are levied pursuant to law and are collected by the municipality and are transferred to the District as requested. Property tax revenues are recognized in the year they are levied and become available. Property taxes collected in advance of the year-end for which they are levied and transferred to the District are reported as deferred inflows of resources. The tax bills are mailed annually in June by the municipal tax collector and are levied and due in four quarterly installments on August 1, November 1, February 1 and May 1 of the fiscal year. When unpaid, taxes or any other municipal lien, or part thereof, on real property, remains in arrears on April 1st in the year following the calendar year levy when the same became in arrears, the tax collector of the municipality shall, subject to the provisions of New Jersey Statute, enforce the lien by placing the property on a tax sale. The municipality may institute annual "in rem" tax foreclosure proceedings to enforce the tax collection or acquisition of title to the property.

3. *Tuition Revenues and Expenditures*

Tuition Revenues - Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs are determined and certified by the State Department of Education.

Tuition Expenditures - Tuition charges for the fiscal years 2013-2014 and 2014-2015 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

4. *Proprietary Funds, Operating and Non-Operating Revenues and Expenses*

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the food service enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. Federal and State subsidies for the food service operation are considered nonoperating revenues.

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

In accordance with the requirements of the New Jersey Department of Education ("the Department"), the District annually prepares its operating budget for the forthcoming year. The budget, except for the general fund and special revenue fund, which is more fully explained below and in the notes to the required supplementary information, is prepared in accordance with accounting principles generally accepted in the United States of America and serves as a formal plan for expenditures and the proposed means for financing them. Capital lease transactions are accounted for on the GAAP basis.

The annual budget is adopted in the spring of the preceding year for the general, special revenue and debt service funds. The District is not required to adopt an annual budget for the capital projects fund. The budget is submitted to the county superintendent for review and approval prior to adoption. On January 17, 2012, Chapter 202 of the Laws of P.L. 2011 was approved which established procedures for moving the date of a school district's annual school election from April to the general election in November. Under the new law, districts that have their school board members elected in November no longer have to submit their budgets that meet levy cap requirements for voter approval beginning with the 2012/2013 budget year. Only a school board decision to exceed the tax levy cap would require voter approval for the additional amount on the November ballot. On February 14, 2012, the Board adopted a resolution to move its annual election to the date of the general elections in accordance with the law; therefore voter approval of the annual budget is not required.

**BOGOTA BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgetary Information (Continued)

Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2014/2015. Also, during 2014/2015 the Board increased the original budget by \$512,473. The increase was funded by grant awards and the reappropriation of prior year general fund encumbrances. During the fiscal year the Board authorized and approved additional fund balance appropriations of \$96,278 and \$33,500 from the General Fund on September 2, 2014 and December 15, 2014 respectively.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America, with the exception of the legally mandated revenue recognition of certain state aid payments for budgetary purposes only and the treatment of encumbrances in the special revenue fund as described in the Notes to Required Supplementary Information (RSI). Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

Encumbrance accounting is employed in the governmental funds. Under encumbrance accounting, purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the special revenue fund are reported as committed and/or assigned fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services which are reappropriated and honored during the subsequent fiscal year.

B. Deficit Fund Equity (Continued)

The District has an unassigned fund deficit of \$268,668 in the General Fund as of June 30, 2015 as reported in the fund financial statements (modified accrual basis). NJSA 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record these delayed state aid payments as revenue, for budget purposes only, in the current school budget year. The statute provides legal authority for school districts to recognize this revenue in the current budget year. GASB Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions", requires that intergovernmental transactions (revenue, expenditure, asset, liability) should be recognized in symmetry (i.e., if one government recognizes an asset, the other government recognizes a liability). Since the State of New Jersey is recording certain 2014/2015 budgeted state aid payments in the subsequent fiscal year, the school district cannot recognize such payments on the GAAP (fund) financial statements until the year the State records the payable. Due to the timing difference of recording these delayed state aid payments, the General Fund deficit does not alone indicate that the District is facing financial difficulties; however, unless the State of New Jersey budgets the delayed payments in future years, the District may also report fund deficits in the future.

Pursuant to NJSA 18A:22-44.2, any negative unreserved, undesignated (i.e., unassigned) general fund balance that is reported as a direct result of a delay in the payment of state aid until the following fiscal year, is not considered as a violation of New Jersey Statute or regulation and is not considered an item in need of corrective action. The District's deficit in the GAAP (fund) financial statements of \$268,668 in the General Fund is less than the delayed state aid payments.

**BOGOTA BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

C. Capital Reserve

A capital reserve account was established by the District. The accumulation of funds will be used for capital outlay expenditures in subsequent fiscal years. The capital reserve is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve are restricted to capital projects in the district’s approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the Department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-14.1(g), the balance in the reserve cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the fiscal year ended June 30, 2015 is as follows:

Balance, July 1, 2014	\$ 1,389,306
Increased by	
Deposits Approved by Board Resolution	<u>1,000,000</u>
	2,389,306
Withdrawals	
Authorized Transfers	<u>96,278</u>
Balance, June 30, 2015	<u>\$ 2,293,028</u>

D. Maintenance Reserve

A maintenance reserve account was established by the District. The accumulation of funds will be used for required maintenance of school facilities expenditures in subsequent fiscal years. The maintenance reserve is maintained in the General Fund and its activity is included in the General Fund annual budget.

Funds placed in the maintenance reserve are restricted to required maintenance activities for a school facility as reported in the comprehensive maintenance plan. A District may appropriate funds into the maintenance reserve in the annual General Fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line item appropriation amounts or both. Pursuant to N.J.A.C. 6A:23A-14.2(g), the balance in the reserve cannot at any time exceed four percent of the replacement cost of the school district’s school facilities for the current year.

**BOGOTA BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

D. Maintenance Reserve (Delete if no Maintenance Reserve)

The activity of the maintenance reserve for the fiscal year ended June 30, 2015 is as follows:

Balance, July 1, 2014	\$ 125,000
Increased by	
Deposits Approved by Board Resolution	125,000
Balance, June 30, 2015	\$ 250,000

The June 30, 2015 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$995,480. The withdrawals from the maintenance reserve were for use in required maintenance activities for school facilities.

E. Emergency Reserve

An emergency reserve account was established by the District. The accumulation of funds will be used to finance unanticipated General Fund current expenditures required for a thorough and efficient education in subsequent fiscal years.

Funds placed in the emergency reserve are restricted to finance reasonably unforeseeable costs and shall not include additional costs due to poor planning. A District may appropriate funds into the emergency reserve in the annual General Fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line item appropriation amounts or both. Withdrawals from the reserve require the approval of the Commissioner unless the withdrawal is necessary to meet an increase in total health care costs in excess of four percent. Pursuant to NJAC 6A:23A-14.4(A), the balance in the reserve cannot at any time exceed the greater of \$250,000 or one percent of the school district's General Fund budget as certified for taxes up to a maximum of \$1,000,000.

The activity of the emergency reserve for the fiscal year ended June 30, 2015 is as follows:

Balance, July 1, 2014	\$ 250,000
Increased by	
Deposits Approved by Board Resolution	33,500
	283,500
Withdrawals	
Authorized Transfers	33,500
Balance, June 30, 2015	\$ 250,000

**BOGOTA BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

F. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance in excess of 2% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The excess fund balance at June 30, 2015 is \$804,174. Of this amount, \$375,000 was designated and appropriated in the 2015/2016 original budget certified for taxes and the remaining amount of \$429,174 will be appropriated in the 2016/2017 original budget certified for taxes.

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Cash Deposits and Investments

Cash Deposits

The Board'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 Board is required to deposit their funds in a depository which is protecting such funds pursuant to GUDPA. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to pledge collateral equal to at least 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of the lesser of 75% of its capital funds or \$200 million for all deposits not covered by the FDIC.

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2015, the book value of the Board's deposits were \$3,828,286 and bank and brokerage firm balances of the Board's deposits amounted to \$3,099,613. The Board's deposits which are displayed on the various fund balance sheets as "cash" are categorized as:

Depository Account

Insured	\$ <u>3,099,613</u>
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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 Board does not have a policy for custodial credit risk. As of June 30, 2015 the Board has no bank balances exposed to custodial credit risk.

Investments

The Board is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 18A:20-37. Examples of the allowable investments are 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 school district or bonds or other obligations of the local unit or units within which the school district is located, Local Government investment pools, and agreements or the repurchase of fully collateralized securities, if transacted in accordance with the above statute.

As of June 30, 2015, the Board had no outstanding investments.

Investment and interest earnings in the Capital Projects Fund are assigned to the General Fund in accordance with Board policy.

**BOGOTA BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

B. Receivables

Receivables as of June 30, 2015 for the district’s individual major in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Food Service</u>	<u>Total</u>
Receivables:					
Federal	\$ 5,769	\$426,971		\$ 20,349	\$ 453,089
State	27,275	1,448	\$ 463,120	401	492,244
Other	<u>62,806</u>	<u>408</u>	<u>-</u>	<u>-</u>	<u>63,214</u>
Gross Receivables	95,850	428,827	463,120	20,750	1,008,547
Less: Allowance for Uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Total Receivables	<u>\$ 95,850</u>	<u>\$428,827</u>	<u>\$ 463,120</u>	<u>\$ 20,750</u>	<u>\$ 1,008,547</u>

C. Unearned Revenue

Governmental funds report unearned revenue in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of unearned revenue reported in the governmental funds were as follows:

Special Revenue Fund	
Unencumbered Grant Draw Downs	<u>\$ 17,819</u>

**BOGOTA BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2015 was as follows:

	Balance, July 1, 2014	Increases	Decreases	Transfers	Balance, June 30, 2015
Governmental Activities:					
Capital Assets, Not Being Depreciated:					
Land	\$ 69,852				\$ 69,852
Construction in Progress	751,625	-	-	\$ (751,625)	-
Total Capital Assets, Not Being Depreciated	821,477	-	-	(751,625)	69,852
Capital Assets, Being Depreciated:					
Buildings	15,454,177	\$ 659,209		751,625	16,865,011
Improvements Other Than Buildings	87,706				87,706
Machinery and Equipment	1,193,196	-	-	-	1,193,196
Total Capital Assets Being Depreciated	16,735,079	659,209	-	751,625	18,145,913
Less Accumulated Depreciation for:					
Buildings	(4,646,892)	(414,250)			(5,061,142)
Improvements Other Than Buildings	(84,371)	(406)			(84,777)
Machinery and Equipment	(956,231)	(91,526)	-	-	(1,047,757)
Total Accumulated Depreciation	(5,687,494)	(506,182)	-	-	(6,193,676)
Total Capital Assets, Being Depreciated, Net	11,047,585	153,027	-	751,625	11,952,237
Governmental Activities Capital Assets, Net	\$ 11,869,062	\$ 153,027	\$ -	\$ -	\$ 12,022,089
	Balance, July 1, 2014	Increases	Decreases		Balance, June 30, 2015
Business-Type Activities:					
Capital Assets, Being Depreciated:					
Machinery and Equipment	\$ 103,125	-	-	\$	103,125
Total Capital Assets Being Depreciated	103,125	-	-		103,125
Less Accumulated Depreciation for:					
Machinery and Equipment	(65,835)	\$ (5,451)	-		(71,286)
Total Accumulated Depreciation	(65,835)	(5,451)	-		(71,286)
Total Capital Assets, Being Depreciated, Net	37,290	(5,451)	-		31,839
Business-Type Activities Capital Assets, Net	\$ 37,290	\$ (5,451)	\$ -	\$	31,839

**BOGOTA BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

Depreciation expense was charged to functions/programs of the District as follows:

Governmental Activities:

Instruction	
Regular	\$ <u>17,966</u>
Total Instruction	<u>17,966</u>
Support Services	
Student and Instruction Related Services	22,385
General Administration	7,200
School Administration	24,070
Plant Operations and Maintenance	427,061
Pupil Transportation	<u>7,500</u>
Total Support Services	<u>488,216</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 506,182</u>
Business-Type Activities:	
Food Service Fund	<u>\$ 5,451</u>
Total Depreciation Expense-Business-Type Activities	<u>\$ 5,451</u>

**BOGOTA BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

Construction and Other Significant Commitments

The District has the following active construction projects as of June 30, 2015:

<u>Project</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Board Office and Athletic Field House	\$ 713,646	\$ 52,639
Upgrade Two Lifts at the HS	-	65,500
	<u>\$ 713,646</u>	<u>\$ 118,139</u>

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2015, is as follows:

Due to/from other funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Capital Projects Fund	\$ 394,392
General Fund	Agency Fund	166,780
General Fund	Food Service Fund	20,642
General Fund	Special Revenue Fund	316,131
Unemployment Compensation Fund	General Fund	163,290
Agency Fund	Unemployment Compensation Fund	<u>3,075</u>
Total		<u>\$ 1,064,310</u>

The above balances are the result of revenues earned or other financing sources received in one fund which are due to another fund and/or expenditures paid by one fund on behalf of another fund and/or to cover cash balances which were in an overdraft position.

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

**BOGOTA BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

E. Interfund Receivables, Payables, and Transfers (Continued)

Interfund transfers

	<u>Transfer In:</u>
	<u>Capital Projects</u>
<u>Transfer Out:</u>	
General Fund	\$ 96,278
	<u>\$ 96,278</u>

The Board authorized the above transfer from General Fund Capital Reserve to the Capital Projects fund to finance additional costs for the Administrative Offices and Athletic Field House.

F. Leases

Operating Leases

The District leases copies under noncancelable operating leases. Lease payments for the fiscal year ended June 30, 2015 were \$22,393. The future minimum lease payments for these operating leases are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Governmental Activities</u>
2016	\$ 24,429
2017	24,429
2018	24,429
2019	24,429
2020	<u>2,036</u>
Present value of minimum lease payments	<u>\$ 99,752</u>

**BOGOTA BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

G. Long-Term Debt

General Obligation Bonds

The Board issued general obligation bonds to provide funds for the acquisition and construction of major capital facilities and other capital assets. The full faith and credit of the Board are irrevocably pledged for the payment of the principal of the bonds and the interest thereon.

Bonds payable at June 30, 2015 are comprised of the following issues:

\$7,460,000, 2005 Bonds, due in annual installments of \$470,000 to \$545,000 through July 15, 2023, interest at 3.70% to 4.10%	<u>\$4,675,000</u>
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The Board's schedule of principal and interest for long-term debt issued and outstanding is as follows:

Governmental Activities:

Fiscal Year Ending June 30,	Serial Bonds		Total
	Principal	Interest	
2016	\$ 470,000	\$ 174,532	\$ 644,532
2017	505,000	155,790	660,790
2018	525,000	136,604	661,604
2019	520,000	116,750	636,750
2020	515,000	96,440	611,440
2021-2024	<u>2,140,000</u>	<u>174,090</u>	<u>2,314,090</u>
	<u>\$ 4,675,000</u>	<u>\$ 854,206</u>	<u>\$ 5,529,206</u>

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2015 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 29,138,530
Less: Net Debt	<u>4,675,000</u>
Remaining Borrowing Power	<u>\$ 24,463,530</u>

**BOGOTA BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

H. Other Long-Term Liabilities

Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2015, was as follows:

	Balance, July 1, 2014 <u>(Restated)</u>	<u>Additions</u>	<u>Reductions</u>	Balance, June 30, 2015	Due Within <u>One Year</u>
Governmental Activities:					
Bonds Payable	\$ 5,130,000		\$ (455,000)	\$ 4,675,000	\$ 470,000
Less:					
Unamortized Discount	<u>(19,765)</u>	-	<u>3,124</u>	<u>(16,641)</u>	-
Sub-total Bonds Payable	5,110,235	-	(451,876)	4,658,359	470,000
Compensated Absences	137,187	\$ 5,857	(5,982)	137,062	
Net Pension Liability	<u>1,231,951</u>	<u>73,213</u>	<u>-</u>	<u>1,305,164</u>	<u>66,862</u>
Governmental Activity Long-Term Liabilities	<u>\$ 6,479,373</u>	<u>\$ 79,070</u>	<u>\$ (457,858)</u>	<u>\$ 6,100,585</u>	<u>\$ 536,862</u>

For the governmental activities, the liabilities for compensated absences are generally liquidated by the general fund.

NOTE 4 OTHER INFORMATION

A. Risk Management

The District is exposed to various risks of loss related to property, general liability, automobile coverage, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; student accident; termination of employees and natural disasters. The Board has obtained commercial insurance coverage to guard against these events to minimize the exposure to the District should they occur. A complete schedule of insurance coverage can be found in the statistical section of this Comprehensive Annual Financial Report.

The District is a member of the New Jersey Schools Insurance Group (NJSIG). The Group is a risk sharing public entity pool, established for the purpose of insuring against worker's compensation claims.

The relationship between the Board and the insurance fund is governed by a contract and by-laws that have been adopted by resolution of each unit's governing body. The Board is contractually obligated to make all annual and supplementary contributions to the funds, to report claims on a timely basis, 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 they were a member.

NJSIG provides its members with risk management services, including the defense of and settlement of claims and to establish reasonable and necessary loss reduction and prevention procedures to be followed by the members. Complete financial statements of the respective insurance funds are on file with the School's Business Administrator.

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

**BOGOTA BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 OTHER INFORMATION (Continued)

A. Risk Management (Continued)

The District has elected to fund its New Jersey Unemployment Compensation Insurance under the “Benefit Reimbursement Method”. Under this plan the District 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 District is billed quarterly for amounts due to the State. The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District’s fiduciary trust fund for the current and previous two years:

<u>Fiscal Year Ended June 30,</u>	<u>Employer Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2015	\$ 148,290	\$ 25,231	\$ 33,872	\$ 389,575
2014		25,093	45,283	249,346
2013	150,000	23,902	104,329	268,944

B. Contingent Liabilities

A former employee has filed a complaint against the District alleging discrimination. The Board could be assessed damages if the claim is not dismissed. If the former employee is successful in her suit, the District’s liability could potentially exceed \$130,000.

The District is a party defendant in some lawsuits, none of a kind unusual for a school district of its size and scope of operation. In the opinion of the Board's Attorney, there are no other potential claims against the District not covered by insurance policies that would not materially affect the financial condition of the District.

Federal and State Awards – The Board 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 Board may be required to reimburse the grantor government. As of June 30, 2015, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Board believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

C. Federal Arbitrage Regulations

The District 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 June 30, 2015, the District had no estimated arbitrage earnings due to the IRS.

**BOGOTA BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans

The State of New Jersey sponsors and administers the following contributory defined benefit public employee retirement systems (retirement systems) covering substantially all eligible Board employees:

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 health care, 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 25 years for post-retirement health care coverage. PERS is a cost sharing multi-employer defined benefit pension plan.

Teachers' Pension and Annuity Fund (TPAF) – Established in January 1955, under the provisions of N.J.S.A. 18A:66 to provide coverage including post-retirement health care to substantially all full time certified teachers or professional staff of the public school systems in the State. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for post-retirement health care coverage. TPAF is a cost sharing plan with special funding situations.

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

Defined Contribution Retirement Program (DCRP) – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected, certain appointed officials, and certain Board employees not eligible for enrollment in PERS or TPAF. Effective July 1, 2007 membership is mandatory for such individuals with vesting occurring after one (1) year of membership. DCRP is a defined contribution pension plan.

Other Pension Funds

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

The cost of living increase for PERS and TPAF, 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. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

**BOGOTA BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Basis of Accounting

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

Investment Valuation

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

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

Funding Status and Funding Progress

As of July 1, 2013, the most recent actuarial valuation date, the aggregate funded ratio for all the State administered retirement systems including TPAF and PERS, is 62.8 percent with an unfunded actuarial accrued liability of \$51.0 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded systems is 54.2 percent and \$37.3 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS and Police and Firemen's Retirement System ("PFRS") is 75.4 percent and \$13.7 billion, respectively.

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 financing reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and members in the future.

Actuarial Methods and Assumptions

In the July 1, 2013 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) an investment rate of return for the retirement systems of 7.90 percent and (b) projected salary increases of 4.24 percent for the PERS and 3.33 percent for TPAF.

**BOGOTA BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan member 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 retirement systems require employee contributions based on 6.9% for PERS, 6.9% for TPAF and 5.50% for DCRP of the employee’s annual compensation.

Annual Pension Costs (APC)

Per the requirements of GASB Statement No. 27 *Accounting for Pensions by State and Local Government Employees*, for the fiscal year ended June 30, 2015 for TPAF, which is a cost sharing plan with special funding situations, the annual pension cost differs from the annual required contribution. For PERS, which is a cost sharing multi-employer defined benefit pension plan, the annual pension cost equals contributions made. TPAF employer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution.

During the fiscal years ended June 30, 2015, 2014 and 2013 the Board was required to contribute for PERS and DCRP and the State of New Jersey was required to contribute for TPAF for normal cost pension and accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Year Ended <u>June 30,</u>	<u>PERS</u>	On-behalf <u>TPAF</u>	<u>DCRP</u>
2015	\$ 55,225	\$ 390,462	\$ 1,469
2014	48,569	323,635	1,723
2013	76,452	501,926	2,673

For fiscal years 2014/2015 and 2012/2013, the state contributed \$390,462 and \$501,926, respectively for normal cost pension, accrued liability and the NCGI premium. For fiscal year 2013/2014 the State did not contribute to the TPAF for accrued liability but did contribute \$323,635 for normal cost pension and NCGI premium.

The PERS contributions are recognized in the fund financial statements (modified accrual basis) as an expenditure. The on-behalf TPAF contributions are recognized in the fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB No. 24. The DCRP contributions are recognized in the fund financial statements (modified accrual basis) as an expenditure, as well as, the district-wide financial statements (accrual basis) as an expense.

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$563,694 during the fiscal year ended June 30, 2015 for the employer’s share of social security contributions for TPAF members as calculated on their base salaries. This amount has been recognized in the district-wide financial statements (accrual basis) and the fund financial statements (modified accrual basis) as a revenue and expense/expenditure in accordance with GASB No. 24.

**BOGOTA BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS)

At June 30, 2015, the District reported in the statement of net position (accrual basis) a liability of \$1,305,164 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2014 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportionate share of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2014, the District's proportionate share was .00697 percent, which was an increase of .00053 percent from its proportionate share measured as of June 30, 2013.

For the fiscal year ended June 30, 2015, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$80,413 for PERS. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience		
Changes of Assumptions	\$ 41,041	
Net Difference Between Projected and Actual		
Earnings on Pension Plan Investments		\$ 77,781
Changes in Proportion and Differences Between		
District Contributions and Proportionate Share		
of Contributions	<u>84,765</u>	<u>-</u>
 Total	 <u>\$ 125,806</u>	 <u>\$ 77,781</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense as follows:

Fiscal Year Ending <u>June 30,</u>	
2016	\$ 3,681
2017	3,681
2018	3,681
2019	3,681
2020	23,126
Thereafter	<u>10,175</u>
	 <u>\$ 48,025</u>

**BOGOTA BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013, which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	<u>PERS</u>
Inflation Rate	3.01%
Salary Increases:	
2012-2021	2.15-4.40%
	Based on Age
Thereafter	3.15-5.40%
	Based on Age
Investment Rate of Return	7.90%
Mortality Rate Table	RP-2000
Period of Actuarial Experience	July 1, 2008 -
Study Upon Which Actuarial	June 30, 2011
Assumptions were Based	

Assumptions for mortality improvements are based on Society of Actuaries Scale AA.

**BOGOTA BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.80%
Core Bonds	1.00%	2.49%
Intermediate-Term Bonds	11.20%	2.26%
Mortgages	2.50%	2.17%
High Yield Bonds	5.50%	4.82%
Inflation-Indexed Bonds	2.50%	3.51%
Broad US Equities	25.90%	8.22%
Developed Foreign Equities	12.70%	8.12%
Emerging Market Equities	6.50%	9.91%
Private Equity	8.25%	13.02%
Hedge Funds/Absolute Return	12.25%	4.92%
Real Estate (Property)	3.20%	5.80%
Commodities	2.50%	5.35%

Discount Rate

The discount rate used to measure the total pension liabilities of the PERS plan was as follows:

<u>Plan</u>	<u>Discount Rate</u>
PERS	5.39%

**BOGOTA BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF)

In accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, the District is not required to recognize a net pension liability for TPAF. The State of New Jersey is the only entity that has a legal obligation to make employer contributions to TPAF on behalf of the District. Accordingly, the District's proportionate share percentage determined under Statement No. 68 is zero percent and the State's proportionate share is 100% for TPAF. Therefore, in addition, the District does not recognize any portion of the TPAF collective deferred outflows of resources and deferred inflows of resources.

For the fiscal year ended June 30, 2015, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$2,200,150 for TPAF. This amount has been included in the district-wide statement of activities (accrual basis) as a revenue and expense in accordance with GASB No. 24.

At June 30, 2015 the State's proportionate share of the net pension liability attributable to the District is \$40,887,852. The nonemployer allocation percentages are based on the ratio of the State's contributions made as an employer and nonemployer towards the actuarially determined contribution amount adjusted by locations who participated in the State early retirement incentives to total contributions to TPAF during the year ended June 30, 2014.

Actuarial Assumptions

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013, which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

	<u>TPAF</u>
Inflation Rate	2.50%
Salary Increases:	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment Rate of Return	7.90%
Mortality Rate Table	RP-2000
Period of Actuarial Experience	July 1, 2009 - June 30, 2012
Study Upon Which Actuarial Assumptions were Based	

Assumptions for mortality improvements are based on Society of Actuaries Scale AA.

**BOGOTA BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.50%
Core Fixed Income	0.00%	2.19%
Core Bonds	1.00%	1.38%
Short-Term Bonds	0.00%	1.00%
Intermediate-Term Bonds	11.20%	2.60%
Long-Term Bonds	0.00%	3.23%
Mortgages	2.50%	2.84%
High Yield Bonds	5.50%	4.15%
Non-US Fixed Income	0.00%	1.41%
Inflation-Indexed Bonds	2.50%	1.30%
Broad US Equities	25.90%	5.88%
Large Cap US Equities	0.00%	5.62%
Mid Cap US Equities	0.00%	6.39%
Small Cap US Equities	0.00%	7.39%
Developed Foreign Equities	12.70%	6.05%
Emerging Market Equities	6.50%	8.90%
Private Equity	8.25%	9.15%
Hedge Funds/Absolute Return	12.25%	3.85%
Real Estate (Property)	3.20%	4.43%
Real Estate (REITS)	0.00%	5.58%
Commodities	2.50%	3.60%
Long Credit Bonds	0.00%	3.74%

**BOGOTA BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District at June 30, 2014. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2014 was not provided by the pension system.

Pension Plan Fiduciary Net Position

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

E. Post-Retirement Medical Benefits

The State of New Jersey sponsors and administers the post-retirement health benefit program plans for school districts. The Plans are classified as either single employer plans or cost sharing multiple employer defined benefit plans depending on the plan the eligible employee is covered under.

As a result of implementing Governmental Accounting Standards Board (GASB) Statement No. 43, *Financial Reporting for Post-employment Benefit Plans Other than Pension Plans* (OPEB), effective for Fiscal Year 2007, the State Health Benefits Program (SHBP), and the Prescription Drug Program (PDP), and Post-Retirement Medical (PRM) of the PERS and TPAF are combined and reported as Pension and Other employee Benefit Trust Funds in the State's Comprehensive Annual Financial Report (CAFR). Specifically, SHBP-State, and the PRM of the PERS are combined and reported as a Health Benefits Program Fund – State classified as a single employer plan. The SHBP-Local, PDP-Local, and the PRM of the TPAF-Local are combined and reported as Health Benefits Program Fund –Local Government classified as a cost-sharing multiple-employer plan in the State's CAFR. The post-retirement benefit programs had a total of 590 state and local participating employers and contributing entities for Fiscal Year 2014.

The State of New Jersey sponsors and administers the following health benefit programs covering certain state and local government employees, including those Board employees and retirees eligible for coverage.

Health Benefits Program Fund (HBPF) – Local Education (including Prescription Drug Program Fund) – The State of New Jersey provides paid coverage to members of the Teachers' Pension and Annuity Fund who retire from a board of education or county college with 25 years of service or on a disability retirement. Under the provisions of P.L. 1992, c.126, the State also provides paid coverage to members of the Public Employees' Retirement System and Alternate Benefits Program who retire from a board of education or county college with 25 years of service or on a disability retirement if the member's employer does not provide this coverage. Certain local participating employers also provide post-retirement medical coverage to their employees. Retirees who are not eligible for state paid health coverage at retirement can continue in the program if their employer participates in this program or if they are participating in the health benefits plan of their former employer and are enrolled in Medicare parts A and B by paying the cost of the insurance for themselves and their covered dependents. Also, education employees are eligible for the PDP coverage after 60 days of employment.

**BOGOTA BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Health Benefits Program Fund (HBPF) – Local Education (including Prescription Drug Program Fund) (Continued)

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

Basis of Accounting

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

Significant Legislation

P.L. 2011, c.78, effective October 2011, sets new employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to this new legislation's effective date with a minimum contribution required to be at least 1.5% of salary.

Investment Valuation

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

Funded Status and Funding Progress

As of July 1, 2013, the most recent actuarial valuation date, the State had a \$53.0 billion unfunded actuarial accrued liability for other post-employment benefits (OPEB) which is made up to \$19.7 billion for state active and retired members and \$33.3 billion for education employees and retirees that become the obligation of the State of New Jersey upon retirement.

The funded status and funding progress of the OPEB includes 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 OPEB in effect at the time of each valuation and also consider the pattern of the sharing of costs between the employer and members at the point in time. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and members in the future.

Actuarial Methods and Assumptions

In the July 1, 2013, OPEB actuarial valuation, the projected unit credit was used as the actuarial cost method. The actuarial assumptions included an assumed investment rate of return of 4.50 percent.

**BOGOTA BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Post-Retirement Medical Benefits Contributions

P.L. 1987, c. 384 and P.L. 1990, c.6 required the Teachers' Pension and Annuity Fund (TPAF) and Public Employees' Retirement System (PERS), respectively to fund post-retirement medical benefits for those State employees and education employees who retire after accumulating 25 years of credited service or on a disability retirement. As of June 30, 2014, there were 103,432, retirees receiving post-retirement medical benefits and the State contributed \$1.04 billion on their behalf. The cost of these benefits is funded through contributions by the State and in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$165.8 million toward Chapter 126 benefits for 18,122 eligible retired members in Fiscal Year 2014.

The State sets the contribution rate based on a pay as you go basis and not on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contributions to the State Health Benefits Program Fund for TPAF retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2015, 2014 and 2013 were \$619,859, \$530,640 and \$567,552, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey.

F. Subsequent Events

On August 25, 2015, the District approved the sale of Refunding School Bonds in the amount of \$4,025,000 dated September 24, 2015. The bonds will be due in annual installments of \$490,000 to \$520,000 through July 15, 2023, with interest rates of 2% to 4%.

NOTE 5 RESTATEMENT

On July 1, 2014, the Board implemented GASB Statement No. 68, "Accounting and Financial Reporting for Pensions. The Board has determined that the effect of implementing this accounting change on the financial statements previously reported as of and for the fiscal year ended June 30, 2014 was to recognize the District's proportionate share of the Public Employees' Retirement System's (PERS) net pension liability, deferred outflows of resources and deferred inflows of resources with a corresponding reduction in the unrestricted component of net position in the amount of \$1,231,951. The result of this restatement is to reduce total net position of Governmental Activities at June 30, 2014 from \$9,302,688 as originally reported to \$8,070,737 as adjusted for the effects of the change in accounting principle.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISONS

**BOGOTA BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Budgeted Amounts			Actual	Variance
	Original	Adjustments	Final		Final To
REVENUES					
Local Sources					
Local Property Tax Levy	\$ 14,026,842		\$ 14,026,842	\$ 14,026,842	
Interest Earned on Capital Reserve Funds	500		500		\$ (500)
Interest Income				10,357	10,357
Tuition from Other LEAs				43,191	43,191
Miscellaneous	23,000	-	23,000	111,558	88,558
Total Local Sources	14,050,342	-	14,050,342	14,191,948	141,606
State Sources					
Special Education Aid	757,950		757,950	757,950	
Equalization Aid	4,656,216		4,656,216	4,656,216	
School Choice Aid	33,438		33,438	33,438	
Transportation Aid	47,315		47,315	47,315	
Security Aid	64,794		64,794	64,794	
Additional Adjustment Aid	47,038		47,038	47,038	
PARCC Readiness Aid	11,100		11,100	11,100	
Per Pupil Growth Aid	11,100		11,100	11,100	
Extraordinary Aid	150,417		150,417	176,455	26,038
On-Behalf TPAF					
Normal Cost				364,255	364,255
NCGI Premium				26,207	26,207
Post Retirement Medical Contributions				619,859	619,859
Social Security Contributions - Non-Budget	-	-	-	563,694	563,694
Total State Sources	5,779,368	-	5,779,368	7,379,421	1,600,053
Federal Sources					
ARRA/SEMI Reimbursement				4,776	4,776
Medicaid Reimbursement	15,683	-	15,683	13,339	(2,344)
Total Federal Sources	15,683	-	15,683	18,115	2,432
Total Revenues	19,845,393	-	19,845,393	21,589,484	1,744,091
EXPENDITURES					
CURRENT					
Instruction - Regular Programs					
Salaries of Teachers					
Kindergarten	237,909	\$ 9,180	247,089	247,060	29
Grades 1-5	1,888,355	17,620	1,905,975	1,896,543	9,432
Grades 6-8	794,999	400	795,399	763,291	32,108
Grades 9-12	2,067,012	(51,550)	2,015,462	1,943,955	71,507
Regular Programs - Home Instruction					
Salaries of Teachers	35,000	-	35,000	12,360	22,640
Purchased Professional -Educational Services	5,000	-	5,000	2,382	2,618
Regular Programs - Undistributed Instruction					
Purchased Professional -Educational Services	310,503	(298,661)	11,842	6,204	5,638
Other Purchased Services	10,465	(2,687)	7,778	4,484	3,294
General Supplies	336,788	22,461	359,249	344,010	15,239
Textbooks	23,700	68,849	92,549	83,618	8,931
Total Regular Programs	5,709,731	(234,388)	5,475,343	5,303,907	171,436

(Continued)

**BOGOTA BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Budgeted Amounts			Actual	Variance
	Original	Adjustments	Final		Final To Actual
EXPENDITURES					
CURRENT (Continued)					
Special Education (Continued)					
Learning and Language Disabilities					
Salaries of Teachers	\$ 181,199	\$ 149,450	\$ 330,649	\$ 330,620	\$ 29
Other Salaries for Instruction	358,250	(19,000)	339,250	292,610	46,640
General Supplies	1,750	-	1,750	828	922
Total Learning and Language Disabilities	541,199	130,450	671,649	624,058	47,591
Multiple Disabilities					
Other Salaries for Instruction	14,250	-	14,250	612	13,638
Total Multiple Disabilities - Instruction	14,250	-	14,250	612	13,638
Resource Room/Resource Center					
Salaries of Teachers	670,603	(115,880)	554,723	543,696	11,027
Other Salaries for Instruction	15,000	-	15,000	5,703	9,297
Total Resource Room/Resource Center	685,603	(115,880)	569,723	549,399	20,324
Preschool Disabilities - Full Time					
Salaries of Teachers	84,536	2,730	87,266	87,266	-
Other Salaries for Instruction	14,227	-	14,227	13,631	596
General Supplies	1,000	-	1,000	1,000	-
Total Preschool Disabilities - Full Time	99,763	2,730	102,493	101,897	596
Total Special Education	1,340,815	17,300	1,358,115	1,275,966	82,149
Bilingual Education					
Salaries of Teachers	217,346	7,050	224,396	224,391	5
General Supplies	5,500	-	5,500	4,188	1,312
Total Bilingual Education	222,846	7,050	229,896	228,579	1,317
School Sponsored Co-Curricular Activities					
Salaries	88,725	(3,425)	85,300	81,762	3,538
Purchased Services	3,500	150	3,650	779	2,871
Supplies and Materials	8,900	4,637	13,537	9,572	3,965
Other Objects	19,300	(3,100)	16,200	13,950	2,250
Total School Sponsored Co-Curricular Activities	120,425	(1,738)	118,687	106,063	12,624
School Sponsored Athletics - Instruction					
Salaries	164,772	3,425	168,197	168,195	2
Purchased Services	136,174	(27,874)	108,300	108,300	-
Supplies and Materials	20,400	60,828	81,228	51,635	29,593
Miscellaneous Expenditures	22,125	448	22,573	22,573	-
Total School Sponsored Athletics - Instruction	343,471	36,827	380,298	350,703	29,595
Total - Instruction	7,737,288	(174,949)	7,562,339	7,265,218	297,121

(Continued)

**BOGOTA BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Budgeted Amounts			Actual	Variance
	Original	Adjustments	Final		Final To Actual
EXPENDITURES					
CURRENT (Continued)					
Undistributed Expenditures					
Instruction					
Tuition to Other LEAs Within the State - Special	\$ 577,868	\$ 69,000	\$ 646,868	\$ 626,208	\$ 20,660
Tuition to County Vocational Schools- Regular	201,250	(59,344)	141,906	132,070	9,836
Tuition to County Vocational Schools- Special	827,415	(126,000)	701,415	544,585	156,830
Tuition to CSSD and Regional Day Schools	878,561	(57,000)	821,561	768,073	53,488
Tuition Private School for the Disabled					
Within State	726,150	99,853	826,003	664,225	161,778
Tuition - Other	730,216	(157,609)	572,607	470,255	102,352
	<u>3,941,460</u>	<u>(231,100)</u>	<u>3,710,360</u>	<u>3,205,416</u>	<u>504,944</u>
Total Undistributed Expenditures - Instruction					
Health Services					
Salaries	221,589	(4,850)	216,739	203,355	13,384
Purchased Professional - Technical Services	13,000	-	13,000	12,724	276
Supplies and Materials	5,650	(1,400)	4,250	2,009	2,241
	<u>240,239</u>	<u>(6,250)</u>	<u>233,989</u>	<u>218,088</u>	<u>15,901</u>
Total Health Services					
Speech/Occupational Therapy/Physical Therapy and Related Svcs.					
Purchased Professional - Educational Services	432,022	-	432,022	335,586	96,436
General Supplies	3,700	-	3,700	3,107	593
Miscellaneous Expenditures	750	-	750	750	-
	<u>436,472</u>	<u>-</u>	<u>436,472</u>	<u>339,443</u>	<u>97,029</u>
Total Speech/Occup. Therapy/Physical Therapy and Related Svcs.					
Guidance Services					
Salaries of Other Professional Staff	404,855	(45,697)	359,158	320,985	38,173
Other Salaries	1,200	-	1,200	-	1,200
Purchased Professional - Educational Services	1,995	(5)	1,990	1,990	-
Other Purchased Prof. And Tech. Services	11,400	(525)	10,875	8,148	2,727
Other Purchased Services		52,697	52,697	52,697	-
Supplies and Materials	15,208	1,000	16,208	14,402	1,806
	<u>434,658</u>	<u>7,470</u>	<u>442,128</u>	<u>398,222</u>	<u>43,906</u>
Total Guidance Services					
Child Study Team					
Salaries of Other Professional Staff	473,180	22,000	495,180	494,741	439
Purchased Professional - Educational Services	110,000	(110,000)	-	-	-
Other Purchased Prof. And Tech. Services	1,500	-	1,500	524	976
Other Purchased Services	4,650	47,369	52,019	49,711	2,308
Supplies and Materials	14,525	80,311	94,836	30,669	64,167
Miscellaneous Expenditures	11,378	-	11,378	8,783	2,595
	<u>615,233</u>	<u>39,680</u>	<u>654,913</u>	<u>584,428</u>	<u>70,485</u>
Total Child Study Team					

(Continued)

**BOGOTA BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Budgeted Amounts			Actual	Variance
	Original	Adjustments	Final		Final To Actual
EXPENDITURES					
CURRENT (Continued)					
Undistributed Expenditures (Continued)					
Improvement of Instructional Services					
Salaries of Supervisor of Instruction	\$ 79,182	\$ 14,850	\$ 94,032	\$ 94,000	\$ 32
Salaries of Other Professional Staff	8,000	-	8,000		8,000
Purchased Professional Educational Services	10,000	(6,786)	3,214	3,214	-
Other Purchased Services	300	(300)			
Supplies and Materials	2,000	7,086	9,086	5,740	3,346
Other Objects	2,000	-	2,000	1,521	479
Total Improvement of Instructional Services	101,482	14,850	116,332	104,475	11,857
Educational Media Services/School Library					
Salaries	118,806	-	118,806	118,806	-
Other Purchased Services	9,000	-	9,000	6,056	2,944
Supplies and Materials	18,290	(556)	17,734	17,442	292
Other Objects	6,850	-	6,850	6,850	-
Total Educational Media Services/School Library	152,946	(556)	152,390	149,154	3,236
Support Services General Administration					
Salaries	282,967	36,807	319,774	319,774	-
Legal Services	91,000	(8,240)	82,760	82,760	-
Audit Fees	28,000	16,899	44,899	44,899	-
Purchased Technical Services	136,100	119,226	255,326	218,628	36,698
Communications/Telephone	72,300	(66,487)	5,813	3,364	2,449
BOE Other Purchased Services	5,500	(2,565)	2,935	2,935	
Misc. Purchased Services	3,500	-	3,500	3,461	39
General Supplies	2,000	(156)	1,844	1,844	-
Miscellaneous Expenditures	7,970	3,645	11,615	11,615	-
BOE Membership Dues and Fees	10,000	(1,275)	8,725	8,725	-
Total Support Services General Administration	639,337	97,854	737,191	698,005	39,186
Support Services School Administration					
Salaries of Principals/Assistant Principals	457,206	3,351	460,557	435,557	25,000
Salaries of Other Professional Staff		109,000	109,000	109,000	-
Other Purchased Services	65,520	206,388	271,908	270,564	1,344
Supplies and Materials	29,350	(7,208)	22,142	20,098	2,044
Other Objects	10,240	(1,093)	9,147	9,147	-
Total Support Services School Administration	562,316	310,438	872,754	844,366	28,388
Central Services					
Salaries	311,214	(54,571)	256,643	198,423	58,220
Purchased Professional Services	6,500	5,000	11,500	8,545	2,955
Purchased Technical Services	44,355	-	44,355	38,799	5,556
Miscellaneous Purchased Services	5,000	-	5,000	4,900	100
Supplies and Materials	19,000	(1,000)	18,000	12,573	5,427
Miscellaneous Expenditures	4,200	1,000	5,200	5,188	12
Total Central Services	390,269	(49,571)	340,698	268,428	72,270

(Continued)

**BOGOTA BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Budgeted Amounts			Actual	Variance
	Original	Adjustments	Final		Final To Actual
EXPENDITURES					
CURRENT (Continued)					
Undistributed Expenditures (Continued)					
Required Maintenance for School Facilities					
Salaries	\$ 78,800	\$ (5,245)	\$ 73,555	\$ 73,550	\$ 5
Cleaning, Repair, and Maintenance Services	200,000	63,200	263,200	262,416	784
General Supplies	40,000	-	40,000	39,982	18
Miscellaneous Expenditures	5,000	-	5,000	4,214	786
Total Required Maintenance for School Facilities	323,800	57,955	381,755	380,162	1,593
Custodial Services					
Salaries	304,100	18,545	322,645	316,106	6,539
Salaries Custodians/Lunch Aides	15,000	(560)	14,440	10,928	3,512
Purchased Professional and Technical Services	40,000	900	40,900	35,149	5,751
Cleaning, Repair, and Maintenance Services		71,300	71,300	85	71,215
Other Purchased Property Services	39,000	(10,000)	29,000	27,897	1,103
Insurance	147,000	-	147,000	146,894	106
Miscellaneous Purchased Services		-			-
General Supplies	30,000	22,000	52,000	33,105	18,895
Energy (Natural Gas)	100,000	(10,000)	90,000	88,359	1,641
Energy (Electricity)	210,000	(20,000)	190,000	188,845	1,155
Miscellaneous Expenditures	1,200	-	1,200	667	533
Total Custodial Services	886,300	72,185	958,485	848,035	110,450
Student Transportation Services					
Sal. For Pupil Trans(Bet Home & Sch) - Reg.	57,000	5,600	62,600	62,598	2
Cleaning, Repair & Maint. Services	29,000	(40)	28,960	21,524	7,436
Lease Purchase Payments - School Buses	6,000	(700)	5,300		5,300
Contracted Services (Between Home and School) - Vendors	15,000	(3,000)	12,000	3,545	8,455
Contracted Services (Between Home and School) Joint Agreement	135,000	700	135,700	129,965	5,735
Contracted Serv. (Spec.Ed Stud) - Joint Agreement	453,000	-	453,000	416,834	36,166
Transportation Supplies	6,000	3,000	9,000	7,829	1,171
Total Student Transportation Services	701,000	5,560	706,560	642,295	64,265
Unallocated Benefits- Employee Benefits					
Social Security Contributions	110,000	37,000	147,000	147,000	-
Other Retirement Contributions - PERS	105,000	(20,000)	85,000	55,225	29,775
Unemployment Compensation	150,000	(1,710)	148,290	148,290	-
Worker's Compensation	85,000	1,710	86,710	86,705	5
Health Benefits	2,149,000	(36,700)	2,112,300	1,878,479	233,821
Total Unallocated Benefits	2,599,000	(19,700)	2,579,300	2,315,699	263,601
On-Behalf TPAF					
Normal Costs				364,255	(364,255)
NCGI Premium				26,207	(26,207)
Post Retirement Medical Contributions				619,859	(619,859)
Social Security Contributions - Non-Budget	-	-	-	563,694	(563,694)
Total On-Behalf Benefits	-	-	-	1,574,015	(1,574,015)
Total Undistributed Expenditures	12,024,512	298,815	12,323,327	12,570,231	(246,904)
Total Current Expenditures	19,761,800	123,866	19,885,666	19,835,449	50,217

(Continued)

**BOGOTA BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Budgeted Amounts			Actual	Variance
	Original	Adjustments	Final		Final To Actual
EXPENDITURES					
CAPITAL OUTLAY					
Interest Deposit to Capital Reserve	\$ 500	-	\$ 500	-	\$ 500
Equipment					
Non Instructional Service	-	\$ 87,304	87,304	\$ 87,304	-
Total Equipment	-	87,304	87,304	87,304	-
Facilities Acquisition and Construction Services					
Construction Services	75,409	-	75,409	59,118	16,291
Land and Improvements	300,000	-	300,000	299,205	795
Assessment for Debt Service on SDA Funding	35,593	-	35,593	35,593	-
Total Facilities Acquisition and Construction Services	411,002	-	411,002	393,916	17,086
Total Capital Outlay	411,502	87,304	498,806	481,220	17,586
Transfer of Funds to Charter Schools	47,500	24,824	72,324	72,324	-
Total Expenditures	20,220,802	235,994	20,456,796	20,388,993	67,803
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	(375,409)	(235,994)	(611,403)	1,200,491	1,811,894
OTHER FINANCING SOURCES (USES)					
Transfer Out - Capital Projects	-	(96,278)	(96,278)	(96,278)	-
	-	(96,278)	(96,278)	(96,278)	-
Excess/(Deficiency)of Revenues and Other Financing					
Sources Over/(Under) Expenditures and Other					
Financing Uses	(375,409)	(332,272)	(707,681)	1,104,213	1,811,894
Fund Balances, Beginning of Year	3,109,548	-	3,109,548	3,109,548	-
Fund Balances, End of Year	\$ 2,734,139	\$ (332,272)	\$ 2,401,867	\$ 4,213,761	\$ 1,811,894
Recapitulation of Fund Balances:					
Restricted Fund Balance					
Capital Reserve				\$ 2,293,028	
Emergency Reserve				250,000	
Maintenance Reserve				250,000	
Excess Surplus - Designated for Subsequent Year's Budget				375,000	
Excess Surplus				429,174	
Committed					
Encumbrances				65,000	
Assigned					
Encumbrances				142,520	
ARRA/SEMI - Unreserved - Designated for Subsequent Year's Expenditures				4,776	
Unassigned Fund Balance				404,263	
				4,213,761	
Reconciliation to Governmental Fund Statements (GAAP)					
Less:					
State Aid Payments not Recognized on GAAP Basis				(672,931)	
Fund Balance per Governmental Funds (GAAP)				\$ 3,540,830	

**BOGOTA BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Budgeted Amounts			Actual	Variance Final to Actual
	Original	Adjustments	Final		
REVENUES					
Intergovernmental					
State	\$ 157,540	\$ 50,312	\$ 207,852	\$ 195,234	\$ (12,618)
Federal	639,065	115,209	754,274	633,132	(121,142)
Local Sources					
Miscellaneous	-	14,680	14,680	1,903	(12,777)
Total Revenues	<u>796,605</u>	<u>180,201</u>	<u>976,806</u>	<u>830,269</u>	<u>(146,537)</u>
EXPENDITURES					
Instruction					
Salaries of Teachers	419,996	(182,395)	237,601	183,594	54,007
Other Salaries for Instruction		23,000	23,000	14,386	8,614
Tuition	219,069	(19,069)	200,000	200,000	-
Purchased Professional & Technical Svc.		100,290	100,290	98,969	1,321
Other Purchased Services	148,045	36,545	184,590	171,972	12,618
General Supplies		24,478	24,478	22,227	2,251
Textbooks	9,495	5,639	15,134	15,134	-
Total Instruction	<u>796,605</u>	<u>(11,512)</u>	<u>785,093</u>	<u>706,282</u>	<u>78,811</u>
Support Services					
Personal Services - Employee Benefits		61,776	61,776	44,769	17,007
Purchased Professional & Technical Svs		30,500	30,500	13,201	17,299
Purchased Professional & Educational		50,871	50,871	38,860	12,011
Other Purchased Services		28,630	28,630	22,940	5,690
Supplies and Materials		18,404	18,404	4,217	14,187
Miscellaneous Expenditures	-	1,532	1,532	-	1,532
Total Support Services	<u>-</u>	<u>191,713</u>	<u>191,713</u>	<u>123,987</u>	<u>67,726</u>
Equipment					
Instructional Equipment	-	-	-	-	-
Non-Instructional Equipment	-	-	-	-	-
Total Facilities and Construction Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>796,605</u>	<u>180,201</u>	<u>976,806</u>	<u>830,269</u>	<u>146,537</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II

**BOGOTA BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America, with the exception of the legally mandated revenue recognition of certain state aid payments for budgetary purposes only and the treatment of encumbrances in the special revenue fund as described below. Encumbrance accounting is also employed as an extension of formal budgetary integration of the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

The accounting records of the Special Revenue Funds are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

The following presents a reconciliation of the General and Special Revenue Funds from the budgetary basis of accounting as presented in the Budgetary Comparison Schedule - General Fund and Special Revenue Fund to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds.

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/inflows of resources		
Revenues budgetary basis (Exhibits C-1 and C-2)	\$ 21,589,484	\$ 830,269
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized, net of cancellations		
June 30, 2015		(9,577)
State Aid payments recognized for GAAP purpose, not recognized for budgetary statements (2013/2014 State Aid)	633,665	
State Aid payments recognized for budgetary purpose, not recognized for GAAP statements (2014/2015 State Aid)	<u>(672,931)</u>	<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds. (Exhibit B-2)	<u>\$ 21,550,218</u>	<u>\$ 820,692</u>
Uses/outflows of resources		
Expenditures budgetary basis (Exhibits C-1 and C-2)	\$ 20,388,993	\$ 830,269
Differences - Budget to GAAP		
Encumbrances for goods and services ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the goods and services are received for financial reporting purposes.		
June 30, 2015	<u>-</u>	<u>(9,577)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 20,388,993</u>	<u>\$ 820,692</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III

**BOGOTA BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY**

**PUBLIC EMPLOYEES RETIREMENT SYSTEM
Last Two Fiscal Years ***

	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0.00697 %	0.00644 %
District's Proportionate Share of the Net Pension Liability (Asset)	1,305,164	1,231,951
District's Covered-Employee Payroll	360,784	419,103
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	362%	294%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.08%	48.72%

* The amounts presented for each fiscal year were determined as of the previous fiscal year end.

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 68. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

**BOGOTA BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS**

**PUBLIC EMPLOYEES RETIREMENT SYSTEM
Last Two Fiscal Years**

	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 55,225	\$ 48,569
Contributions in Relation to the Contractually Required Contributions	<u>55,225</u>	<u>48,569</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>
District's Covered- Employee Payroll	360,784	419,103
Contributions as a Percentage of Covered-Employee Payroll	15.31%	11.59%

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 68. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

**BOGOTA BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY**

**TEACHERS PENSION AND ANNUITY FUND
Last Two Fiscal Years ***

	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	- %	- %
District's Proportionate Share of the Net Pension Liability (Asset)	-	-
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>\$ 40,887,852</u>	<u>\$ 39,258,327</u>
District's Covered-Employee Payroll	7,098,027	7,081,819
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	0%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	33.64%	33.76%

* The amounts presented for each fiscal year were determined as of the previous fiscal year end.

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 68. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

**BOGOTA BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
AND SCHEDULE OF DISTRICT CONTRIBUTIONS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Change of Benefit Terms:

None.

Change of Assumptions:

The discount rate changed from the District's rate as of June 30, 2014 to the District's rate as of June 30, 2015, in accordance with GASB Statement No. 67.

SPECIAL REVENUE FUND

**BOGOTA BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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	<u>Miscellaneous</u>	<u>Home Instruction</u>	<u>Nonpublic Nursing</u>	<u>Nonpublic Technology</u>	<u>Nonpublic Textbooks</u>	<u>Chapter 192</u>			<u>Chapter 193</u>			<u>Exhibit E-1a Totals</u>	<u>Grand Totals</u>	
						<u>Comp. Ed.</u>	<u>Transportation</u>	<u>ESL</u>	<u>Exam. and Class</u>	<u>Corrective Speech</u>	<u>Suppl. Inst.</u>			
REVENUES														
Intergovernmental														
State		\$ 1,448	\$ 24,092	\$ 8,128	\$ 15,134	\$ 66,200	\$ 12,600	\$ 1,644	\$ 23,598	\$ 19,084	\$ 23,306		\$ 195,234	
Federal												\$ 633,132	633,132	
Local Sources														
Miscellaneous	\$ 1,903	-	-	-	-	-	-	-	-	-	-	-	1,903	
Total Revenues	<u>\$ 1,903</u>	<u>\$ 1,448</u>	<u>\$ 24,092</u>	<u>\$ 8,128</u>	<u>\$ 15,134</u>	<u>\$ 66,200</u>	<u>\$ 12,600</u>	<u>\$ 1,644</u>	<u>\$ 23,598</u>	<u>\$ 19,084</u>	<u>\$ 23,306</u>	<u>\$ 633,132</u>	<u>\$ 830,269</u>	
EXPENDITURES														
Instruction														
Salaries of Teachers												\$ 183,594	\$ 183,594	
Other Salaries for Instruction												14,386	14,386	
Tuition												200,000	200,000	
Purchased Professional & Technical Svs												98,969	98,969	
Other Purchased Services		\$ 1,448	\$ 24,092			\$ 66,200	\$ 12,600	\$ 1,644	\$ 23,598	\$ 19,084	\$ 23,306	-	171,972	
General Supplies				\$ 8,128								14,099	22,227	
Textbooks					\$ 15,134								15,134	
Total Instruction	<u>-</u>	<u>1,448</u>	<u>24,092</u>	<u>8,128</u>	<u>15,134</u>	<u>66,200</u>	<u>12,600</u>	<u>1,644</u>	<u>23,598</u>	<u>19,084</u>	<u>23,306</u>	<u>511,048</u>	<u>706,282</u>	
Support Services														
Personal Services - Employee Benefits												44,769	44,769	
Purchased Professional & Technical Svc												13,201	13,201	
Purchased Professional & Educational Svc	960											37,900	38,860	
Other Purchased Services												22,940	22,940	
General Supplies	943											3,274	4,217	
Total Support Services	<u>1,903</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>122,084</u>	<u>123,987</u>	
Total Expenditures	<u>\$ 1,903</u>	<u>\$ 1,448</u>	<u>\$ 24,092</u>	<u>\$ 8,128</u>	<u>\$ 15,134</u>	<u>\$ 66,200</u>	<u>\$ 12,600</u>	<u>\$ 1,644</u>	<u>\$ 23,598</u>	<u>\$ 19,084</u>	<u>\$ 23,306</u>	<u>\$ 633,132</u>	<u>\$ 830,269</u>	

**BOGOTA BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	NCLB			Individuals with Disabilities Education Act		Race to the Top	Total Exhibit E-1a
	Title I	Title IIA	Title III	Part B, Basic	Part B, Preschool		
REVENUES							
Intergovernmental							
Federal	\$ 272,800	\$ 14,038	\$ 13,819	\$ 318,189	\$ 7,178	\$ 7,108	\$ 633,132
Total Revenues	<u>\$ 272,800</u>	<u>\$ 14,038</u>	<u>\$ 13,819</u>	<u>\$ 318,189</u>	<u>\$ 7,178</u>	<u>\$ 7,108</u>	<u>\$ 633,132</u>
EXPENDITURES							
Instruction							
Salaries of Teachers	\$ 170,298		\$ 13,296				\$ 183,594
Other Salaries for Instruction	14,386						14,386
Tuition				\$ 200,000			200,000
Purchased Professional & Technical Svs.				91,791	\$ 7,178		98,969
Other Purchased Services							-
General Supplies	5,447	-	523	8,129	-	-	14,099
Total Instruction	<u>190,131</u>	<u>-</u>	<u>13,819</u>	<u>299,920</u>	<u>7,178</u>	<u>-</u>	<u>511,048</u>
Support Services							
Personal Services - Employee Benefits	44,769						44,769
Purchased Professional & Technical Svc.		\$ 4,932		8,269			13,201
Purchased Professional & Educational Svc	37,900						37,900
Other Purchased Services		8,525		10,000		\$ 4,415	22,940
General Supplies	-	581	-	-	-	2,693	3,274
Total Support Services	<u>82,669</u>	<u>14,038</u>	<u>-</u>	<u>18,269</u>	<u>-</u>	<u>7,108</u>	<u>122,084</u>
Total Expenditures	<u>\$ 272,800</u>	<u>\$ 14,038</u>	<u>\$ 13,819</u>	<u>\$ 318,189</u>	<u>\$ 7,178</u>	<u>\$ 7,108</u>	<u>\$ 633,132</u>

**BOGOTA BOARD OF EDUCATION
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL EDUCATION AID
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOT APPLICABLE

CAPITAL PROJECTS FUND

**BOGOTA BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

<u>Issue/ Project Title</u>	<u>Original Appropriation</u>	<u>Additional Appropriation/ Adjustment</u>	<u>Expenditures to Date</u>		<u>Balance June 30, 2015</u>
			<u>Prior Years</u>	<u>Current Year</u>	
Junior/High School Roof Replacement	\$ 805,540	\$ (4,964)	\$ 800,576	-	
Junior/Senior High School Window Replacement and Electrical Upgrades	897,500	74,475	972,474		
Construction of Board's Administrative Offices and Athletic Field House	857,107	96,278	<u>682,160</u>	<u>\$ 217,243</u>	<u>\$ 53,982</u>
Total			<u>\$ 2,455,210</u>	<u>\$ 217,243</u>	<u>\$ 53,982</u>

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Recapitulation of Fund Balance

Restricted	
Capital Projects	\$ 479
Committed	
Encumbrances	52,639
Assigned	
Encumbrances	<u>864</u>
Total Fund Balance - Restricted for Capital Projects	<u>\$ 53,982</u>

**BOGOTA BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Revenues and Other Financing Sources

Transfer In	\$ 96,278
Total Revenues and Other Financing Sources	<u>96,278</u>
Expenditures and Other Financing Uses	
Purchased Professional and Technical Services	5,726
Construction Services	210,465
Other Objects	<u>1,052</u>
Total Expenditures and Other Financing Uses	<u>217,243</u>
Excess of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	(120,965)
Fund Balance, Beginning of Year	<u>174,947</u>
Fund Balance, End of Year	<u>\$ 53,982</u>

Reconciliation to GAAP Fund Balance

Fund Balance, Budgetary Basis	\$ <u>53,982</u>
Fund Balance, GAAP Basis	<u>\$ 53,982</u>

**BOGOTA BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
JUNIOR/HIGH SCHOOL ROOF REPLACEMENT
FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 418,881		\$ 418,881	\$ 418,881
Transfer from Capital Reserve	<u>381,695</u>	<u>-</u>	<u>381,695</u>	<u>381,695</u>
 Total Revenues	 <u>800,576</u>	 <u>-</u>	 <u>800,576</u>	 <u>800,576</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	48,836		48,836	48,836
Construction Services	<u>751,740</u>	<u>-</u>	<u>751,740</u>	<u>751,740</u>
 Total Expenditures	 <u>800,576</u>	 <u>-</u>	 <u>800,576</u>	 <u>800,576</u>
 Excess of Revenues Over Expenditures	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ -</u>

Additional Project Information:

Project Number	0440-020-09-2001
Grant Date	July 15, 2009
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 805,540
Additional Authorized Cost	(4,964)
Revised Authorized Cost	800,576

Percentage Increase Over Original

Authorized Cost	N/A
Percentage Completion	100.00%
Original Target Completion Date	June 30, 2010
Revised Target Completion Date	June 30, 2010

**BOGOTA BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
JUNIOR/SENIOR HIGH SCHOOL - WINDOW REPLACEMENT AND ELECTRICAL UPGRADES
FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 463,120		\$ 463,120	\$ 463,120
Local Share - Transfer from Capital Reserve	<u>509,354</u>	<u>-</u>	<u>509,354</u>	<u>509,354</u>
 Total Revenues	 <u>972,474</u>	 <u>-</u>	 <u>972,474</u>	 <u>972,474</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	78,374		78,374	78,374
Construction Services	<u>894,100</u>	<u>-</u>	<u>894,100</u>	<u>894,100</u>
 Total Expenditures	 <u>972,474</u>	 <u>-</u>	 <u>972,474</u>	 <u>972,474</u>
 Excess of Revenues Over Expenditures	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ -</u>

Additional Project Information:

Project Number	0440-020-10-1001
Grant Date	September 27, 2010
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 897,500
Additional Authorized Cost	74,974
Revised Authorized Cost	972,474

Percentage Increase Over Original

Authorized Cost	8.35%
Percentage Completion	100.00%
Original Target Completion Date	June 30, 2012
Revised Target Completion Date	June 30, 2013

BOGOTA BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
CONSTRUCTION OF THE BOARD'S ADMINISTRATIVE OFFICES AND ATHLETIC FIELD HOUSE
FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Local Share - Transfer from Capital Reserve	\$ 857,107	\$ 96,278	\$ 953,385	\$ 953,385
 Total Revenues	 <u>857,107</u>	 <u>96,278</u>	 <u>953,385</u>	 <u>953,385</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	34,874	5,726	40,600	40,600
Construction Services	609,682	210,465	820,147	872,785
Other Objects	37,604	1,052	38,656	40,000
 Total Expenditures	 <u>682,160</u>	 <u>217,243</u>	 <u>899,403</u>	 <u>953,385</u>
 Excess of Revenues Over Expenditures	 <u>\$ 174,947</u>	 <u>\$ (120,965)</u>	 <u>\$ 53,982</u>	 <u>\$ -</u>

Additional Project Information:

Grant Date	December 17, 2013
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 857,107
Additional Authorized Cost	96,278
Revised Authorized Cost	953,385

Percentage Increase Over Original

Authorized Cost	11.23%
Percentage Completion	94.34%
Original Target Completion Date	June 30, 2015
Revised Target Completion Date	June 30, 2016

PROPRIETARY FUNDS

SCHEDULE G-1

**BOGOTA BOARD OF EDUCATION
PROPRIETARY FUND
COMBINING SCHEDULE OF NET POSITION
AS OF JUNE 30, 2015**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-4

SCHEDULE G-2

**COMBINING SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

SCHEDULE G-3

**COMBINING SCHEDULE OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-6

FIDUCIARY FUNDS

**BOGOTA BOARD OF EDUCATION
FIDUCIARY FUNDS
COMBINING SCHEDULE OF AGENCY NET POSITION
AS OF JUNE 30, 2015**

	<u>Student Activity</u>	<u>Payroll</u>	<u>Total Agency Funds</u>
ASSETS			
Cash	\$ 73,008	\$ 283,758	\$ 356,766
Due from Other Funds	<u>-</u>	<u>3,075</u>	<u>3,075</u>
Total Assets	<u>\$ 73,008</u>	<u>\$ 286,833</u>	<u>\$ 359,841</u>
LIABILITIES			
Payroll Deductions and Withholdings		\$ 113,129	\$ 113,129
Accrued Salaries and Wages		6,924	6,924
Due to Other Funds		166,780	166,780
Due to Student Groups	<u>\$ 73,008</u>	<u>-</u>	<u>73,008</u>
Total Liabilities	<u>\$ 73,008</u>	<u>\$ 286,833</u>	<u>\$ 359,841</u>

**BOGOTA BOARD OF EDUCATION
FIDUCIARY FUNDS
SCHEDULE OF CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

FINANCIAL STATEMENT IS PRESENTED ON EXHIBIT B-8

**STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Balance, July 1, 2014</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance June 30, 2015</u>
ELEMENTARY SCHOOLS				
Bixby	\$ 1,618	\$ 8,460	\$ 7,916	\$ 2,162
Steen	<u>4,564</u>	<u>4,128</u>	<u>4,029</u>	<u>4,663</u>
Total Elementary Schools	<u>6,182</u>	<u>12,588</u>	<u>11,945</u>	<u>6,825</u>
HIGH SCHOOL				
Student Activities	63,292	107,546	105,063	65,775
Athletic Account	<u>248</u>	<u>60,885</u>	<u>60,725</u>	<u>408</u>
Total High School	<u>63,540</u>	<u>168,431</u>	<u>165,788</u>	<u>66,183</u>
Total All Schools	<u>\$ 69,722</u>	<u>\$ 181,019</u>	<u>\$ 177,733</u>	<u>\$ 73,008</u>

**BOGOTA BOARD OF EDUCATION
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Balance, July 1, <u>2014</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance, June 30, <u>2015</u>
Payroll Deductions and Withholdings	\$ 139,229	\$ 4,118,560	\$ 4,144,660	\$ 113,129
Due from Unemployment Trust Fund	(1,655)		1,420	(3,075)
Due to General Fund	4,137	162,643		166,780
Accrued Salaries and Wages	<u>6,466</u>	<u>5,599,763</u>	<u>5,599,305</u>	<u>6,924</u>
 Total	 <u>\$ 148,177</u>	 <u>\$ 9,880,966</u>	 <u>\$ 9,745,385</u>	 <u>\$ 283,758</u>

LONG-TERM DEBT

**BOGOTA BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Balance July 1, 2014</u>	<u>Retired</u>	<u>Balance, June 30, 2015</u>
Refunding Bonds	6/23/2005	7,460,000	7/15/2015	\$ 470,000	4.00 %	<u>5,130,000</u>	<u>455,000</u>	<u>\$ 4,675,000</u>
			7/15/2016	505,000	3.70			
			7/15/2017	525,000	3.75			
			7/15/2018	520,000	3.85			
			7/15/2019	515,000	4.00			
			7/15/2020	530,000	4.00			
			7/15/2021	525,000	4.00			
			7/15/2022	545,000	4.00			
			7/15/2023	540,000	4.10			
						<u>\$ 5,130,000</u>	<u>\$ 455,000</u>	<u>\$ 4,675,000</u>

**BOGOTA BOARD OF EDUCATION
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Budgeted Amounts</u>			<u>Actual</u>	<u>Variance Final to Actual</u>
	<u>Original</u>	<u>Adjustments</u>	<u>Final</u>		
REVENUES					
Local Sources					
Property Taxes	\$ 645,666	-	\$ 645,666	\$ 645,666	\$ -
Total Revenues	<u>645,666</u>	<u>-</u>	<u>645,666</u>	<u>645,666</u>	<u>-</u>
EXPENDITURES					
Regular Debt Service					
Principal	554,701	\$ (99,701)	455,000	455,000	
Interest	<u>91,966</u>	<u>99,701</u>	<u>191,667</u>	<u>191,667</u>	<u>-</u>
Total Expenditures	<u>646,667</u>	<u>-</u>	<u>646,667</u>	<u>646,667</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,001)		(1,001)	(1,001)	
Fund Balance, Beginning of Year	<u>1,001</u>	<u>-</u>	<u>1,001</u>	<u>1,001</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

STATISTICAL SECTION

This part of the Bogota Board of Education's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Contents

Exhibits

Financial Trends

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

J-1 to J-5

Revenue Capacity

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

J-6 to J-9

Debt Capacity

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

J-10 to J-13

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

J-14 and J-15

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

J-16 to J-20

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

BOGOTA BOARD OF EDUCATION
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Unaudited)
(accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
						(1)			(Restated)	
Governmental Activities										
Investment in Capital Assets	\$ 4,408,683	\$ 4,439,421	\$ 4,454,677	\$ 5,002,455	\$ 5,967,801	\$ 4,365,487	\$ 5,366,100	\$ 5,793,169	\$ 6,879,437	\$ 7,465,274
Restricted	255,668	105,452	109,146	187,995	192,973	292,973	591,234	1,457,205	458,303	2,597,010
Unrestricted	(447,461)	(217,941)	(82,621)	(300,530)	(445,026)	(325,968)	401,885	784,661	732,997	(480,701)
Total Governmental Activities Net Position	\$ 4,216,890	\$ 4,326,932	\$ 4,481,202	\$ 4,889,920	\$ 5,715,748	\$ 4,332,492	\$ 6,359,219	\$ 8,035,035	\$ 8,070,737	\$ 9,581,583
Business-Type Activities										
Investment in Capital Assets	\$ 8,221	\$ 7,175	\$ 6,129	\$ 5,083	\$ 42,280	\$ 54,762	\$ 48,694	\$ 42,873	\$ 37,290	\$ 31,839
Unrestricted	41,083	22,047	20,388	47,942	13,314	1,938	7,541	3,468	(26,169)	17,313
Total Business-Type Activities Net Position	\$ 49,304	\$ 29,222	\$ 26,517	\$ 53,025	\$ 55,594	\$ 56,700	\$ 56,235	\$ 46,341	\$ 11,121	\$ 49,152
District-Wide										
Investment in Capital Assets	\$ 4,416,904	\$ 4,446,596	\$ 4,460,806	\$ 5,007,538	\$ 6,010,081	\$ 4,420,249	\$ 5,414,794	\$ 5,836,042	\$ 6,916,727	\$ 7,497,113
Restricted	255,668	105,452	109,146	187,995	192,973	292,973	591,234	1,457,205	458,303	2,597,010
Unrestricted	(406,378)	(195,894)	(62,233)	(252,588)	(431,712)	(324,030)	409,426	788,129	706,828	(463,388)
Total District Net Position	\$ 4,266,194	\$ 4,356,154	\$ 4,507,719	\$ 4,942,945	\$ 5,771,342	\$ 4,389,192	\$ 6,415,454	\$ 8,081,376	\$ 8,081,858	\$ 9,630,735

Note 1 - Net Position at June 30, 2011 is restated to reflect the implementation of GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position" and GASB Statement No. 65, "Items Previously Reported in Assets and Liabilities".

**BOGOTA BOARD OF EDUCATION
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Unaudited)
(accrual basis of accounting)**

	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 7,334,952	\$ 7,480,789	\$ 8,007,192	\$ 8,328,788	\$ 8,225,228	\$ 8,071,997	\$ 8,382,081	\$ 7,798,699	\$ 9,262,246	\$ 8,967,657
Special Education	3,230,732	3,430,920	3,828,439	3,980,707	4,785,657	5,403,583	5,176,543	5,359,694	4,551,363	5,550,933
Other Instruction	340,769	315,805	334,699	334,889	344,556	312,379	297,318	380,752	263,840	375,913
School Sponsored Activities and Athletics	342,150	352,609	337,960	251,418	260,059	270,669	323,814	445,029	474,035	550,991
Support Services:										
Student & Instruction Related Services	1,365,810	1,391,890	1,396,377	1,597,411	1,795,306	1,873,574	1,988,118	1,985,599	2,271,056	2,678,526
School Administrative Services	578,768	989,824	1,006,124	996,703	1,109,618	942,836	661,409	787,239	736,590	1,224,178
General Administration	921,608	589,474	555,603	645,568	683,252	705,920	615,592	614,508	660,251	902,449
Plant Operations and Maintenance	1,340,943	1,460,127	1,511,666	1,724,472	1,667,159	1,273,465	1,236,440	1,650,872	1,640,177	1,809,925
Pupil Transportation	582,420	677,374	755,717	831,580	1,029,216	829,306	659,078	617,377	722,488	673,795
Central Services	357,514	373,181	412,141	366,136	459,500	428,516	444,735	529,913	578,875	374,285
Interest on Long-Term Debt	362,778	359,021	339,508	330,272	317,564	304,201	277,819	247,796	226,973	206,766
Total Governmental Activities Expenses	<u>16,758,444</u>	<u>17,421,014</u>	<u>18,485,426</u>	<u>19,387,944</u>	<u>20,677,115</u>	<u>20,416,446</u>	<u>20,062,947</u>	<u>20,417,478</u>	<u>21,387,894</u>	<u>23,315,418</u>
Business-Type Activities:										
Food Service	325,847	393,558	436,736	454,604	457,610	463,072	479,444	444,777	417,664	440,392
Total business-Type Activities Expense	<u>325,847</u>	<u>393,558</u>	<u>436,736</u>	<u>454,604</u>	<u>457,610</u>	<u>463,072</u>	<u>479,444</u>	<u>444,777</u>	<u>417,664</u>	<u>440,392</u>
Total District Expenses	<u>\$ 17,084,291</u>	<u>\$ 17,814,572</u>	<u>\$ 18,922,162</u>	<u>\$ 19,842,548</u>	<u>\$ 21,134,725</u>	<u>\$ 20,879,518</u>	<u>\$ 20,542,391</u>	<u>\$ 20,862,255</u>	<u>\$ 21,805,558</u>	<u>\$ 23,755,810</u>
Program Revenues										
Governmental Activities:										
Charges for Services:										
Instruction (Tuition)	\$ 198,497	\$ 153,063	\$ 14,793							
Operating Grants and Contributions	2,694,107	3,196,865	3,341,036	\$ 2,985,319	\$ 4,268,598	\$ 3,036,917	\$ 3,361,184	\$ 3,416,358	\$ 3,496,494	\$ 5,230,099
Capital Grants and Contributions	115,073	26,483	1,960	87,923	418,881		398,532	64,588	20,840	43,191
Total Governmental Activities Program Revenues	<u>3,007,677</u>	<u>3,376,411</u>	<u>3,357,789</u>	<u>3,073,242</u>	<u>4,687,479</u>	<u>3,036,917</u>	<u>3,759,716</u>	<u>3,480,946</u>	<u>3,517,334</u>	<u>5,273,290</u>
Business-Type Activities:										
Charges for Services										
Food Service	202,563	199,356	228,410	236,417	209,281	195,360	202,355	178,793	155,639	205,362
Operating Grants and Contributions	137,461	170,819	203,551	214,083	250,426	268,543	276,393	255,884	226,559	273,061
Total Business Type Activities Program Revenues	<u>340,024</u>	<u>370,175</u>	<u>431,961</u>	<u>450,500</u>	<u>459,707</u>	<u>463,903</u>	<u>478,748</u>	<u>434,677</u>	<u>382,198</u>	<u>478,423</u>
Total District Program Revenues	<u>\$ 3,347,701</u>	<u>\$ 3,746,586</u>	<u>\$ 3,789,750</u>	<u>\$ 3,523,742</u>	<u>\$ 5,147,186</u>	<u>\$ 3,500,820</u>	<u>\$ 4,238,464</u>	<u>\$ 3,915,623</u>	<u>\$ 3,899,532</u>	<u>\$ 5,751,713</u>
Net (Expense)/Revenue										
Governmental Activities	\$ (13,750,767)	\$ (14,044,603)	\$ (15,127,637)	\$ (16,314,702)	\$ (15,989,636)	\$ (17,379,529)	\$ (16,303,231)	\$ (16,936,532)	\$ (17,870,560)	\$ (18,042,128)
Business-Type Activities	14,177	(23,383)	(4,775)	(4,104)	2,097	831	(696)	(10,100)	(35,466)	38,031
Total District-Wide Net Expense	<u>\$ (13,736,590)</u>	<u>\$ (14,067,986)</u>	<u>\$ (15,132,412)</u>	<u>\$ (16,318,806)</u>	<u>\$ (15,987,539)</u>	<u>\$ (17,378,698)</u>	<u>\$ (16,303,927)</u>	<u>\$ (16,946,632)</u>	<u>\$ (17,906,026)</u>	<u>\$ (18,004,097)</u>

BOGOTA BOARD OF EDUCATION
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Unaudited)
(accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 8,905,350	\$ 10,238,743	\$ 11,051,878	\$ 11,821,544	\$ 12,294,405	\$ 12,783,703	\$ 12,939,377	\$ 13,198,165	\$ 13,593,934	\$ 14,026,842
Taxes Levied for Debt Service	747,167	576,161	734,685	734,904	720,478	730,059	709,199	709,999	707,772	645,666
State and Federal Aid - Unrestricted	3,233,817	3,228,165	3,426,222	4,117,791	3,768,363	4,160,485	4,432,253	4,677,324	4,705,827	4,758,551
State Aid - Restricted for Debt Service	13,643	13,229	14,099	13,627	14,438	12,912	12,410	11,908	11,406	
Gain (Loss) on Disposal of Capital Assets	(314,249)				(41,968)	(333)				
Investment Earnings	72,260	82,869	51,081	46,625						
Miscellaneous Income	16,427	15,478	3,942	18,929	59,748	27,751	24,455	14,952	119,274	121,915
Transfers				(30,000)						
Total Governmental Activities	<u>12,674,415</u>	<u>14,154,645</u>	<u>15,281,907</u>	<u>16,723,420</u>	<u>16,815,464</u>	<u>17,714,577</u>	<u>18,117,694</u>	<u>18,612,348</u>	<u>19,138,213</u>	<u>19,552,974</u>
Business-Type Activities:										
Transfers				30,000						
Investment Earnings	1,453	3,301	2,070	612	472	275	231	206	246	
Total Business-Type Activities	<u>1,453</u>	<u>3,301</u>	<u>2,070</u>	<u>30,612</u>	<u>472</u>	<u>275</u>	<u>231</u>	<u>206</u>	<u>246</u>	<u>-</u>
Total District-Wide	<u>\$ 12,675,868</u>	<u>\$ 14,157,946</u>	<u>\$ 15,283,977</u>	<u>\$ 16,754,032</u>	<u>\$ 16,815,936</u>	<u>\$ 17,714,852</u>	<u>\$ 18,117,925</u>	<u>\$ 18,612,554</u>	<u>\$ 19,138,459</u>	<u>\$ 19,552,974</u>
Change in Net Position										
Governmental Activities	\$ (1,076,352)	\$ 110,042	\$ 154,270	\$ 408,718	\$ 825,828	\$ 335,048	\$ 1,814,463	\$ 1,675,816	\$ 1,267,653	\$ 1,510,846
Business-Type Activities	15,630	(20,082)	(2,705)	26,508	2,569	1,106	(465)	(9,894)	(35,220)	38,031
Total District	<u>\$ (1,060,722)</u>	<u>\$ 89,960</u>	<u>\$ 151,565</u>	<u>\$ 435,226</u>	<u>\$ 828,397</u>	<u>\$ 336,154</u>	<u>\$ 1,813,998</u>	<u>\$ 1,665,922</u>	<u>\$ 1,232,433</u>	<u>\$ 1,548,877</u>

**BOGOTA BOARD OF EDUCATION
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Unaudited)
(modified accrual basis of accounting)**

	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund										
Restricted						\$ 307,414	\$ 754,402	\$ 2,366,110	\$ 2,514,715	\$ 3,597,202
Committed							92,817	43,722	155,832	65,000
Assigned						202,124	693,662	444,247	46,662	147,296
Unassigned						(173,342)	(217,674)	(285,585)	(241,326)	(268,668)
Reserved	\$ 263,292	\$ 4,454,677	\$ 432,177	\$ 427,216	\$ 329,615					
Unreserved	(108,246)	35,783	98,312	(81,629)	(213,796)					
Total General Fund	\$ 155,046	\$ 4,490,460	\$ 530,489	\$ 345,587	\$ 115,819	\$ 336,196	\$ 1,323,207	\$ 2,568,494	\$ 2,475,883	\$ 3,540,830
All Other Governmental Funds										
Restricted						\$ 4,964	\$ 65,527	\$ 502	\$ 175,948	\$ 53,982
Committed										
Reserved	\$ 33,432	\$ 2,506								
Unreserved	170,810	(19,868)	\$ (22,402)		\$ 4,964					
Total All Other Governmental Funds	\$ 204,242	\$ (17,362)	\$ (22,402)	\$ -	\$ 4,964	\$ 4,964	\$ 65,527	\$ 502	\$ 175,948	\$ 53,982

Beginning with Fiscal Year 2011, the District implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions". The Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. This Statement established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Reclassification of prior year fund balance amounts to comply with Statement No. 54 is not required.

BOGOTA BOARD OF EDUCATION
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Unaudited)
(modified accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Property Tax Levy	\$ 9,652,517	\$ 10,814,904	\$ 11,786,563	\$ 12,556,448	\$ 13,014,883	\$ 13,513,762	\$ 13,648,576	\$ 13,908,164	\$ 14,301,706	\$ 14,672,508
Tuition Charges	198,497	153,063	14,793							
Interest Earnings	72,260	82,869	51,081	46,625						
Miscellaneous	16,427	15,478	3,942	18,929	65,968	94,908	71,174	19,858	130,482	167,009
State Sources	5,563,333	5,895,473	6,302,274	6,480,028	6,632,806	6,395,370	7,295,392	7,553,692	7,352,689	7,535,389
Federal Sources	493,307	569,269	481,043	724,632	1,831,254	747,787	862,268	611,580	870,670	641,670
Total Revenue	15,996,341	17,531,056	18,639,696	19,826,662	21,544,911	20,751,827	21,877,410	22,093,294	22,655,547	23,016,576
Expenditures										
Instruction										
Regular Instruction	7,066,273	7,353,871	7,758,584	8,151,403	8,055,814	7,884,433	8,078,332	7,836,748	9,307,269	7,829,252
Special Education Instruction	3,160,108	3,380,880	3,777,870	3,936,232	4,744,098	5,344,012	5,167,575	5,378,691	4,550,663	5,324,086
Other Instruction	327,081	304,349	323,458	243,478	253,046	261,021	297,318	379,143	263,630	324,088
School Sponsored Activities and Athletics	340,769	352,609	337,960	327,076	337,783	304,446	323,814	445,029	474,035	546,800
Support Services:										
Student & Inst. Related Services	1,315,844	1,349,391	1,353,862	1,560,203	1,760,899	1,832,053	1,960,523	1,963,459	2,242,814	2,420,824
General Administration	562,888	571,317	537,626	971,650	673,650	693,733	608,392	627,671	653,051	858,432
School Administrative Services	890,797	967,221	982,975	633,196	1,085,290	918,061	634,077	775,512	711,610	1,076,150
Plant Operations and Maintenance	1,275,646	1,410,483	1,462,955	1,699,902	1,644,824	1,267,234	1,221,466	1,302,351	1,243,550	1,376,147
Pupil Transportation	582,420	677,374	755,717	821,730	1,028,386	820,971	651,298	609,475	714,568	664,842
Central Services	347,468	365,544	404,646	366,136	450,881	410,698	444,420	529,476	579,190	347,098
Capital Outlay	438,686	94,583	7,000	499,625	1,000,128	51,817	811,417	344,571	1,081,186	659,209
Debt Service:										
Principal	372,012	410,000	435,000	455,000	460,000	485,000	480,000	495,000	541,968	455,000
Interest and Other Charges	233,771	332,894	313,784	293,531	274,916	257,971	241,609	225,906	209,178	191,667
Bond Issuance Costs										
Advance Refunding Escrow										
Total Expenditures	16,913,763	17,570,516	18,451,437	19,959,162	21,769,715	20,531,450	20,920,241	20,913,032	22,572,712	22,073,595
Excess (Deficiency) of Revenues										
Over (Under) Expenditures	(917,422)	(39,460)	188,259	(132,500)	(224,804)	220,377	957,169	1,180,262	82,835	942,981
Other Financing Sources (Uses)										
Original Issue Discount										
Refunding Bonds Issued										
Payments to Refunded Bond Escrow Agent										
Capital Lease Proceeds							90,405			
Transfers In	12,734	2,917	9	121,741	386,661	1	434,380	69,519	857,606	96,278
Transfers Out	(12,734)	(2,917)	(9)	(151,741)	(386,661)	(1)	(434,380)	(69,519)	(857,606)	(96,278)
Total Other Financing Sources (Uses)	-	-	-	(30,000)	-	-	90,405	-	-	-
Net Change in Fund Balances	\$ (917,422)	\$ (39,460)	\$ 188,259	\$ (162,500)	\$ (224,804)	\$ 220,377	\$ 1,047,574	\$ 1,180,262	\$ 82,835	\$ 942,981
Debt Service as a Percentage of										
Noncapital Expenditures	3.68%	4.25%	4.06%	3.85%	3.54%	3.63%	3.59%	3.50%	3.50%	3.02%

**BOGOTA BOARD OF EDUCATION
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(UNAUDITED)**

Fiscal Year Ended <u>June 30,</u>	<u>Tuition</u>	Interest on <u>Investments</u>	Cancel Prior Year Accounts <u>Payable</u>	<u>Miscellaneous</u>	<u>Total</u>
2006	\$ 198,497	\$ 59,526		\$ 16,427	\$ 274,450
2007	153,063	79,952		15,478	248,493
2008	14,793	51,072		3,942	69,807
2009		46,581		18,929	65,510
2010		20,438	\$ 32,990	6,318	59,746
2011		7,363	9,129	11,258	27,750
2012		7,971		16,484	24,455
2013		9,081		5,863	14,944
2014	36,271	11,294		71,709	119,274
2015	43,191	10,357		111,558	165,106

Source: School District's Financial Statements

**BOGOTA BOARD OF EDUCATION
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN YEARS
 (Unaudited)**

Fiscal Year Ended June 30,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^a
2006	\$ 2,786,600	\$ 394,559,800	\$ 36,015,700	\$ 14,550,200	\$ 24,664,900	\$ 472,577,200	\$ 437,073	\$ 473,014,273	\$ 760,934,497	\$ 2.156
2007	2,859,700	395,385,875	36,218,400	14,580,200	24,614,900	473,659,075	381,281	474,040,356	906,905,826	2.402
2008	2,791,700	396,497,975	36,227,800	14,550,200	24,664,900	474,732,575	381,281	475,113,856	921,748,850	2.564
2009	4,376,300	689,536,400	70,184,800	24,655,100	45,133,600	833,886,200	381,281	834,267,481	846,681,990	1.532
** 2010	4,376,300	689,382,200	69,997,900	24,265,200	44,472,000	832,493,600	1,561,663	834,055,263	916,167,917	1.620
2011	4,289,100	688,855,600	69,793,300	24,265,200	43,712,000	830,915,200	1,286,054	832,201,254	859,824,307	1.600
2012	4,174,300	687,218,200	68,483,700	22,919,200	43,456,200	826,251,600	1,266,437	827,518,037	811,078,125	1.668
*** 2013	2,972,900	527,461,700	56,975,200	17,102,700	38,959,800	643,472,300	-	643,472,300	711,789,326	2.160
2014	2,849,900	527,442,600	56,651,500	17,635,200	38,855,500	643,434,700	-	643,434,700	724,748,577	2.252
2015	2,849,900	527,992,200	56,711,800	17,265,100	38,496,800	643,315,800	-	643,315,800	710,932,904	2.303

a Tax rates are per \$100

** - Revaluation of Real Property effective 2009

*** - Reassessed effective 2013

Source: County Abstract of Ratables

**BOGOTA BOARD OF EDUCATION
PROPERTY TAX RATES
PER \$100 OF ASSESSED VALUATION
LAST TEN FISCAL YEARS
(UNAUDITED)**

<u>Calendar Year</u>	<u>Total</u>	<u>Local School District</u>	<u>Municipality (1)</u>	<u>County (2)</u>
2006	\$ 3.395	\$ 2.156	\$ 0.949	\$ 0.290
2007	3.730	2.402	1.000	0.328
2008	4.024	2.564	1.101	0.359 *
2009	2.421	1.532	0.665	0.224
2010	2.549	1.620	0.714	0.215
2011	2.574	1.600	0.759	0.215
2012	2.691	1.668	0.808	0.215
2013	3.531	2.160	1.119	0.252 **
2014	3.630	2.252	1.122	0.256
2015	3.729	2.303	1.161	0.265

* Revaluation of Real Property Effective 2009.

**Reassessed Effective 2013

(1) Includes Municipal Library

(2) Includes County Open Space tax

Source: Tax Duplicate, Borough of Bogota

**BOGOTA BOARD OF EDUCATION
PRINCIPAL PROPERTY TAXPAYERS,
CURRENT YEAR AND NINE YEARS AGO
(Unaudited)**

Taxpayer	2015		2006	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
River Rock Equities	5,751,900	0.89%	3,498,200	0.74%
Michael Court Apartments	3,819,100	0.59%	2,279,500	0.48%
Del-Val Financial Corp	3,720,000	0.58%		
Landmark Development	3,396,300	0.53%	2,431,100	0.51%
BRC Property	3,110,500	0.48%		
Singh Real Estate	3,057,000	0.48%		
Evergreen Realty	2,797,100	0.43%	1,999,900	0.42%
Bogota Royale	2,752,000	0.43%		
BR Colony Holdings Co LLC	2,500,000	0.39%		
Del-Val Financial Corp	2,480,000	0.39%		
Sterling Management Corp			3,269,200	0.69%
Sifford, Ralph & Jeanne			2,791,900	0.59%
C. Sterling Management Corp			2,378,100	0.50%
Bogota Tennis			2,109,800	0.45%
Hess Oil			2,158,000	0.46%
River Rock Equities			1,977,900	0.42%
	<u>\$ 33,383,900</u>	<u>5.19%</u>	<u>24,893,600</u>	<u>5.27%</u>

Source: Municipal Tax Assessor

**BOGOTA BOARD OF EDUCATION
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(Unaudited)**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2006	\$ 9,962,517	\$ 9,962,517	100.00%	
2007	10,814,904	10,814,904	100.00%	
2008	11,786,563	11,786,563	100.00%	
2009	12,556,448	12,556,448	100.00%	
2010	13,014,883	13,014,883	100.00%	
2011	13,513,762	13,513,762	100.00%	
2012	13,648,576	13,648,576	100.00%	
2013	13,908,164	13,908,164	100.00%	
2014	14,301,706	14,301,706	100.00%	
2015	14,672,508	14,672,508	100.00%	

Source: District records.

BOGOTA BOARD OF EDUCATION
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year Ended June 30,	<u>Governmental Activities</u>		Total District	Estimated Population	Per Capita
	General Obligation Bonds	Capital Leases			
2006	\$ 8,860,000		\$ 8,860,000	7,938	\$ 1,116
2007	8,450,000		8,450,000	7,907	1,069
2008	8,015,000		8,015,000	7,887	1,016
2009	7,560,000		7,560,000	7,917	955
2010	7,100,000		7,100,000	8,199	866
2011	6,615,000		6,615,000	8,255	801
2012	6,135,000	\$ 62,066	6,197,066	8,259	750
2013	5,640,000	31,968	5,671,968	8,299	683
2014	5,130,000		5,130,000	8,332	616
2015	4,675,000		4,675,000	8,332 *	561

Source: District records

*Estimated

BOGOTA BOARD OF EDUCATION
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year Ended June 30,	<u>General Bonded Debt Outstanding</u>		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Deductions			
2006	\$ 8,860,000		\$ 8,860,000	1.87%	\$ 1,116
2007	8,450,000		8,450,000	1.78%	1,069
2008	8,015,000		8,015,000	1.69%	1,016
2009	7,560,000		7,560,000	0.91%	955
2010	7,100,000		7,100,000	0.85%	866
2011	6,615,000		6,615,000	0.79%	801
2012	6,135,000		6,135,000	0.74%	743
2013	5,640,000		5,640,000	0.88%	680
2014	5,130,000		5,130,000	0.80%	616
2015	4,675,000		4,675,000	0.73%	561

Source: District records

BOGOTA BOARD OF EDUCATION
COMPUTATION OF DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2014
(UNAUDITED)

	<u>Total Debt</u>
Municipal Debt: (1)	
Bogota Board of Education	\$ 5,130,000
Borough of Bogota	<u>5,807,000</u>
	10,937,000
Overlapping Debt Apportioned to the Municipality:	
Bergen County (2);(A):	
County of Bergen (A)	4,168,158
Bergen County Utilities Authority - Water Pollution (B)	<u>2,117,362</u>
Total Direct and Overlapping Debt	<u>\$ 17,222,520</u>

Sources:

- (1) Borough of Bogota 2014 Annual Debt Statement
- (2) Bergen County 2014 Debt Statement

- (A) The debt for this entity was apportioned by dividing the Municipality's 2014 equalized value by the total 2014 equalized value for Bergen County.

- (B) Overlapping debt was computed based upon municipal flow to the Authority.

**BOGOTA BOARD OF EDUCATION
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt limit	\$ 23,410,022	\$ 30,366,957	\$ 33,582,135	\$ 36,317,516	\$ 37,299,367	\$ 36,086,094	\$ 34,090,368	\$ 32,248,624	\$ 30,484,239	\$ 29,138,530
Total Net Debt Applicable to Limit	8,860,000	8,485,000	8,015,000	7,560,000	7,100,000	6,615,000	6,135,000	5,640,000	5,130,000	4,675,000
Legal Debt Margin	\$ 14,550,022	\$ 21,881,957	\$ 25,567,135	\$ 28,757,516	\$ 30,199,367	\$ 29,471,094	\$ 27,955,368	\$ 26,608,624	\$ 25,354,239	\$ 24,463,530
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	37.85%	27.94%	23.87%	20.82%	19.04%	18.33%	18.00%	17.49%	16.83%	16.04%

Legal Debt Margin Calculation for Fiscal Year 2015

	Equalized Valuation Basis	
	2012	765,614,900
	2013	716,721,207
	2014	703,053,649
		<u>\$ 2,185,389,756</u>
Average Equalized Valuation of Taxable Property		\$ 728,463,252.00
Debt Limit (4 % of average equalization value)		29,138,530
Total Net Debt Applicable to Limit		<u>4,675,000</u>
Legal Debt Margin		<u>\$ 24,463,530</u>

Source: Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation

**BOGOTA BOARD OF EDUCATION
DEMOGRAPHIC STATISTICS
LAST TEN YEARS
(UNAUDITED)**

<u>Year Ended December 31,</u>	<u>Population</u>	<u>County Per Capita Income</u>	<u>Unemployment Rate</u>
2005	8,015	\$ 57,674	6.5%
2006	7,938	63,103	6.9%
2007	7,907	67,544	6.2%
2008	7,887	67,331	8.0%
2009	7,917	63,874	13.9%
2010	8,199	63,885	14.2%
2011	8,255	67,248	14.0%
2012	8,259	69,281	14.2%
2013	8,299	69,495	8.0%
2014	8,332	N/A	5.8%

Source: New Jersey Department of Education

**BOGOTA BOARD OF EDUCATION
PRINCIPAL EMPLOYERS,
CURRENT YEAR AND NINE YEARS AGO
(Unaudited)**

<u>Employer</u>	<u>2015</u>		<u>2006</u>	
	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>

INFORMATION NOT AVAILABLE

BOGOTA BOARD OF EDUCATION
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(Unaudited)

<u>Function/Program</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Instruction										
Regular	103	86	92	104	102	100	101	101	101	103
Special Education	4	31	30	15	15	14	15	15	15	15
Other Special Education	6	5	5	3	3	3	3	3	6	6
Support Services:										
Student & Instruction Related Services	8	8		18	18	15	15	15	15	16
General Administration	4	2	2	2	2	3	3	3	3	3
School Administrative Services	9	5	5	5	4	-	-	-	-	
Other Administrative Services		9	9	5	4	2	2	2	2	2
Central Services	4	3	3	3	3	3	3	3	3	3
Plant Operations and Maintenance	14	16	16	15	12	1	1	1	3	13
Total	<u>152</u>	<u>165</u>	<u>162</u>	<u>170</u>	<u>163</u>	<u>141</u>	<u>143</u>	<u>143</u>	<u>148</u>	<u>161</u>

Source: Annual School Budget Statement

**BOGOTA BOARD OF EDUCATION
OPERATING STATISTICS
LAST TEN FISCAL YEARS
(Unaudited)**

Fiscal Year	Enrollment ^a	Operating Expenditures ^b	Cost Per Pupil ^c	Percentage Change	Pupil/Teacher Ratio			Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
					Teaching Staff	Elementary	Senior High School				
2006	1,140	\$ 15,910,663	\$ 13,957	-5.22%	110			1,140	1,093	11.22%	95.88%
2007	1,188	16,733,039	14,085	0.92%	105	10:01	11.5:1	1,191	1,142	4.47%	95.89%
2008	1,262	17,695,653	14,022	-0.45%	127			1,195	1,148	0.34%	96.07%
2009	1,276	18,781,158	14,719	4.97%	121			1,199	1,151	0.33%	96.00%
2010	1,201	20,034,671	16,682	13.34%	108	11:01	11:01	1,155	1,096	-3.67%	94.89%
2011	1,223	19,736,662	16,138	-3.26%	117	9:01	9:01	1,168	1,146	1.13%	98.12%
2012	1,194	19,387,215	16,237	0.62%	103	9:01	9:01	1,163	1,141	-0.43%	98.11%
2013	1,171	19,847,555	16,949	4.39%	108	9:01	9:01	1,158	1,136	-0.43%	98.10%
2014	1,166	20,740,380	17,788	4.95%	108	9:01	9:01	1,106	1,043	-4.49%	94.30%
2015	1,130	20,767,719	18,379	3.32%	104	9:01	9:01	1,090	1,043	-1.45%	95.69%

Sources: District records

- Note:
- a Enrollment based on annual October district count.
 - b Operating expenditures equal total expenditures (modified accrual) less debt service and capital outlay.
 - c Cost per pupil represents operating expenditures divided by enrollment.

**BOGOTA BOARD OF EDUCATION
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(Unaudited)**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<u>District Building</u>										
<u>E. Roy Bixby</u>										
Square Feet	41,394	40,475	40,475	40,475	40,475	40,475	40,475	40,475	40,475	40,475
Capacity (students)	290	335	303	N/A	300	292	292	292	292	292
Enrollment							294	294	294	308
<u>Lillian M Steen</u>										
Square Feet	61,368	47,456	47,456	47,456	47,456	47,456	47,456	47,456	47,456	47,456
Capacity (students)	521	274	306	N/A	321	296	296	296	296	296
Enrollment							302	302	302	294
<u>Jr./Sr. High School</u>										
Square Feet	87,671	78,464	78,464	86,104	86,104	86,104	86,104	86,104	86,104	86,104
Capacity (students)	310	536	543	N/A	580	575	575	575	575	575
Enrollment							554	554	554	493
<u>Other</u>										
<u>Board of Education Offices</u>										
Square Feet	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
<u>Feigel Field House</u>										
Square Feet	7,640	7,640	7,640	7,640	7,640	7,640	7,640	7,640	7,640	7,640
Number of Schools at June 30, 2015										
Elementary =	2	2	2	2	2	2	2	2	2	2
Junior/Senior High School =	1	1	1	1	1	1	1	1	1	1

Source: Long Range Facilities Plan 2006-2015

**BOGOTA BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
LAST TEN FISCAL YEARS
(Unaudited)**

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
School Facilities										
Bixby Elementary School	\$ 52,698	\$ 48,316	\$ 68,525	\$ 101,951	\$ 107,720	\$ 72,190	\$ 66,979	\$ 73,287	\$ 57,440	\$ 88,388
Steen Elementary School	82,811	73,409	82,800	119,536	121,186	57,550	85,247	85,927	67,371	103,663
Bogota High School	<u>115,433</u>	<u>114,012</u>	<u>134,194</u>	<u>216,885</u>	<u>219,930</u>	<u>175,164</u>	<u>152,227</u>	<u>155,906</u>	<u>122,242</u>	<u>188,111</u>
Grand Total	<u>\$250,942</u>	<u>\$ 235,737</u>	<u>\$ 285,519</u>	<u>\$ 438,372</u>	<u>\$ 448,836</u>	<u>\$ 304,904</u>	<u>\$ 304,453</u>	<u>\$ 315,120</u>	<u>\$ 247,053</u>	<u>\$ 380,162</u>

Source: School District's Financial Statements

**BOGOTA BOARD OF EDUCATION
SCHEDULE OF INSURANCE
JUNE 30, 2015
(Unaudited)**

	<u>Coverage</u>	<u>Deductible</u>
Commercial Property Coverage - NJSIG		
Property - Blanket Building & Contents	\$ 42,690,073	\$ 5,000
Electronic Data Processing	500,000	
Equipment Breakdown	100,000,000	
Blanket Extra Expense	25,000,000	
General Liability - NJSIG		
General Aggregate	11,000,000	
Public Official Bonds - NJSIG		
School Business Administrator	430,000	
Boiler and Machinery - NJSBAIG		
Direct Damage	100,000,000	1,000
Commercial Automobile - NJSIG		
Liability	11,000,000	1,000
School Board Legal Liability	11,000,000	5,000
Excess/Umbrella Liability - NJSIG	11,000,000	
Firemen's Fund	50,000,000	
Workers Compensation - NJSIG		
Employer Liability - Each Accident/Each Employee/Limit	2,000,000	
Student/Athletic Accident - McCloskey	5,000,000	

Source: School District's records

SINGLE AUDIT SECTION



LERCH, VINCI & HIGGINS, LLP

EXHIBIT K-1

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
GARY W. HIGGINS, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
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DEBRA GOLLE, CPA
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ELIZABETH A. SHICK, CPA, RMA, PSA
ANDREW PARENTE, CPA, RMA, PSA
ROBERT W. HAAG, CPA, PSA
DEBORAH K. LERCH, CPA, PSA
RALPH M. PICONE, CPA, RMA, PSA

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

INDEPENDENT AUDITOR’S REPORT

Honorable President and Members
of the Board of Trustees
Bogota Board of Education
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 Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Bogota Board of Education as of and for the fiscal year ended June 30, 2015 and the related notes to the financial statements, which collectively comprise the Bogota Board of Education’s basic financial statements and have issued our report thereon dated November 24, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Bogota Board of Education’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Bogota Board of Education’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Bogota Board of Education’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 entity’s financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Bogota Board of Education’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 no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

However, we noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Bogota Board of Education in a separate report entitled, “Auditor’s Management Report on Administrative Findings – Financial, Compliance and Performance” dated November 24, 2015.

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 Bogota Board of Education’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 Bogota Board of Education’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


LERCH, VINCI & HIGGINS, LLP
Certified Public Accountants
Public School Accountants

Gary J. Vinci
Public School Accountant
PSA Number CS00829

Fair Lawn, New Jersey
November 24, 2015



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

DIETER P. LERCH, CPA, RMA, PSA
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GARY W. HIGGINS, CPA, RMA, PSA
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RALPH M. PICONE, CPA, RMA, PSA

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE 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 15-08**

INDEPENDENT AUDITOR’S REPORT

Honorable President and Members
of the Board of Trustees
Bogota Board of Education
Bogota, New Jersey

Report on Compliance for Each Major Federal and State Program

We have audited the Bogota Board of Education’s compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement and the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Bogota Board of Education’s major federal and state programs for the fiscal year ended June 30, 2015. The Bogota Board of Education’s major federal and state 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 Bogota Board of Education’s major federal and state 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 Office of School Finance, Department of Education, State of New Jersey; U.S. OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and New Jersey OMB Circular 15-08, 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 Bogota Board of Education’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 Bogota Board of Education's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the Bogota Board of Education 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 and state programs for the fiscal year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of the Bogota Board of Education 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 Bogota Board of Education's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state 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 and state program and to test and report on internal control over compliance in accordance with U.S. OMB Circular A-133 and New Jersey OMB Circular 15-08, 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 Bogota Board of Education'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 U.S. OMB Circular A-133 and New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by U.S. OMB Circular A-133 and Schedule of Expenditures of State Financial Assistance Required by New Jersey OMB Circular 15-08

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Bogota Board of Education, as of and for the fiscal year ended June 30, 2015 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements. We issued our report thereon dated November 24, 2015, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards as required by U.S. OMB Circular A-133 and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 are presented for purposes of additional analysis and are not a required part of the basic 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 basic 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 basic financial statements or to the basic 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 and schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.


LERCH, VINCI & HIGGINS, LLP
Certified Public Accountants
Public School Accountants


Gary S. Vinci
Public School Accountant
PSA Number CS00829

Fair Lawn, New Jersey
November 24, 2015

**BOGOTA BOARD OF EDUCATION
SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant Period	Award Amount	Balance July 1, 2014					Balance June 30, 2015					MEMO GAAP Receivable
				(Accounts Receivable)	Unearned Revenue	Due to Grantor	Carryover Amount	Def. Rev Carryover Amount	Cash Received	Budgetary Expenditures	(Accounts Receivable)	Unearned Revenue	Due to Grantor	
U.S. Department of Education														
General Fund														
ARRA - Medical Assistance Program (SEMI)	93.778	7/1/14-6/30/17	\$ 4,776						\$ 4,776			\$ 4,776		*
Medicaid Assistance Program (Semi)	93.778	7/1/14-6/30/15	13,339						7,570	\$ 13,339	\$ (5,769)			*
Medicaid Assistance Program (Semi)	93.778	7/1/13-6/30/14	66,744	\$ (48,028)	-	-	-	-	48,028	-	-	-	-	*
				(48,028)	-	-	-	-	60,374	13,339	(5,769)	4,776	-	*
														*
U.S. Department of Agriculture														
Passed-Through State Department of Education														
Food Distribution Program- Non Cash Assistance	10.550	7/1/13-6/30/14	28,675		\$ 834							834		*
Food Distribution Program- Non Cash Assistance	10.550	7/1/14-6/30/15	26,691						26,691			25,608	1,083	*
National School Breakfast Program	10.553	7/1/13-6/30/14	26,132	(6,201)					6,201					*
National School Breakfast Program	10.553	7/1/14-6/30/15	31,411						28,264	31,411	\$ (3,147)			*
National School Lunch Program	10.555	7/1/13-6/30/14	167,948	(37,135)					37,135					*
National School Lunch Program	10.555	7/1/14-6/30/15	209,954	-	-	-	-	-	192,752	209,954	(17,202)	-	-	*
Total U.S. Department of Agriculture				(43,336)	834	-	-	-	291,043	267,807	(20,349)	1,083	-	*
														*
U.S. Department of Education														
Passed-Through State Department of Education														
Title I	84.010A	7/1/14-6/30/15	310,540				\$ (48,972)	\$ 48,972	73,119	272,800	(286,393)	86,712		*
Title I	84.010A	7/1/13-6/30/14	326,485	(286,028)	60,703			48,972	(48,972)	225,325				*
Title II Part A	84.367A	7/1/14-6/30/15	32,373				(4,747)	4,747	5,134	14,038	(31,986)	23,082		*
Title II Part A	84.367A	7/1/13-6/30/14	31,768	(13,958)	4,747			4,747	(4,747)	9,211				*
Title III	84.365A	7/1/14-6/30/15	13,296				(1,236)	1,236		13,819	(14,532)	713		*
Title III	84.365A	7/1/13-6/30/14	14,675	(18,843)	1,236			1,236	17,607					*
Title III, Immigrant	84.365A	7/1/13-6/30/14	11,884	(11,884)					11,884					*
Race to the Top	84.413A	9/1/11-11/30/15	24,573	(24,573)	7,113				17,460	7,108	(7,113)	5		*
I.D.E.A. Part B	84.027	7/1/14-6/30/15	300,934				(21,522)	21,522	118,331	318,189	(204,125)	4,267		*
I.D.E.A. Part B	84.027	9/1/12-8/31/13	316,779		5,042							5,042		*
I.D.E.A. Part B	84.027	7/1/13-6/30/14	309,508	(93,631)	21,522		21,522	(21,522)	72,109					*
I.D.E.A. Preschool	84.173	7/1/14-6/30/15	7,591				(908)	908		7,178	(8,499)	1,321		*
I.D.E.A. Preschool	85.173	7/1/13-6/30/14	7,853	(8,491)	908	-	908	(908)	7,583	-	-	-	-	*
Total U.S. Department of Education				(457,408)	101,271	-	-	-	557,763	633,132	(552,648)	121,142	-	*
														*
Total				\$ (548,772)	\$ 102,105	\$ -	\$ -	\$ -	\$ 909,180	\$ 914,278	\$ (578,766)	\$ 127,001	\$ -	\$ (453,089)

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**BOGOTA BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2014			Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance June 30, 2015			MEMO		
				(Accounts Receivable)	Unearned Revenue	Due to Grantor				(Accounts Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable	Cumulative Expenditures	
State Department of Education															
General Fund															
Extraordinary Aid	15-100-034-5120-473	7/1/14-6/30/15	\$ 176,455					\$ 176,455		\$ (176,455)			\$	176,455	
Extraordinary Aid	14-100-034-5120-473	7/1/13-6/30/14	136,869	(136,869)		\$ 136,869									
Equalization Aid	15-495-034-5120-078	7/1/14-6/30/15	4,656,216			4,245,536	4,656,216		(410,680)					4,656,216	
Equalization Aid	14-495-034-5120-078	7/1/13-6/30/14	4,656,216	(414,219)		414,219									
School Choice Aid	15-495-034-5120-068	7/1/14-6/30/15	33,438			30,489	33,438		(2,949)					33,438	
School Choice Aid	14-495-034-5120-068	7/1/13-6/30/14	11,146	(991)		991									
Special Education Aid	15-495-034-5120-089	7/1/14-6/30/15	757,950			691,098	757,950		(66,852)					757,950	
Special Education Aid	14-495-034-5120-089	7/1/13-6/30/14	757,950	(67,428)		67,428									
Transportation Aid	15-495-034-5120-014	7/1/14-6/30/15	47,315			43,142	47,315		(4,173)					47,315	
Transportation Aid	14-495-034-5120-014	7/1/13-6/30/14	47,315	(4,209)		4,209									
Security Aid	15-495-034-5120-084	7/1/14-6/30/15	64,794			59,079	64,794		(5,715)					64,794	
Security Aid	14-495-034-5120-084	7/1/13-6/30/14	64,794	(5,764)		5,764									
Addl Adjustment Aid	14-495-034-5120-085	7/1/13-6/30/14	47,038	(4,185)		4,185									
Addl Adjustment Aid	15-495-034-5120-085	7/1/14-6/30/15	47,038			42,889	47,038		(4,149)					47,038	
PARCC Readiness Aid	15-495-034-5120-098	7/1/14-6/30/15	11,100			10,121	11,100		(979)					11,100	
Per Pupil Growth Aid	15-495-034-5120-097	7/1/14-6/30/15	11,100			10,121	11,100		(979)					11,100	
On-Behalf TPAF Payments															
Normal Costs	15-495-034-5094-006	7/1/14-6/30/15	364,255			364,255	364,255							364,255	
NCGI Premium	15-495-034-5094-007	7/1/14-6/30/15	26,207			26,207	26,207							26,207	
Post Retirement Medical Contribution	15-495-034-5094-001	7/1/14-6/30/15	619,859			619,859	619,859							619,859	
Social Security Aid-Non-Budget	15-495-034-5094-003	7/1/14-6/30/15	563,694			536,419	563,694		(27,275)			\$	(27,275)	563,694	
Social Security Aid	14-495-034-5095-002	7/1/13-6/30/14	583,631	(28,571)		28,571									
				(662,236)			7,341,451	7,379,421		(700,206)				(27,275)	7,379,421
Special Revenue Fund															
New Jersey Nonpublic Aid:															
Textbook Aid	15-100-034-5120-064	7/1/14-6/30/15	15,134			15,134	15,134							15,134	
Nursing Services	15-100-034-5120-070	7/1/14-6/30/15	24,092			24,092	24,092							24,092	
Technology Aid	15-100-034-5120-373	7/1/14-6/30/15	8,128			8,128	8,128							8,128	
Technology Aid	14-100-034-5120-373	7/1/13-6/30/14	5,080		29			29							
Auxiliary Services:															
Compensatory Education	15-100-034-5120-067	7/1/14-6/30/15	67,722			67,722	66,200			1,522				66,200	
Compensatory Education	14-100-034-5120-067	7/1/13-6/30/14	95,014		43,141			43,141							
English as a Second Language	15-100-034-5120-067	7/1/14-6/30/15	3,654			3,654	1,644			2,010				1,644	
English as a Second Language	14-100-034-5120-067	7/1/13-6/30/14	3,492		1,135			1,135							
Transportation	15-100-034-5120-067	7/1/14-6/30/15	12,600			12,600	12,600							12,600	
Home Instruction	14-100-034-5120-067	7/1/13-6/30/14	677	(677)		677									
Home Instruction	15-100-034-5120-067	7/1/14-6/30/15	1,448				1,448		(1,448)				(1,448)	1,448	
Handicapped Services:															
Examination & Classification	15-100-034-5120-066	7/1/14-6/30/15	27,562			27,562	23,398			3,964				23,398	
Examination & Classification	14-100-034-5120-066	7/1/13-6/30/14	29,459		7,010			7,010							
Supplemental Instruction	15-100-034-5120-066	7/1/14-6/30/15	25,424			25,424	23,306			2,118				23,306	
Supplemental Instruction	14-100-034-5120-066	7/1/13-6/30/14	18,179		2,082			2,082							
Corrective Speech	15-100-034-5120-066	7/1/14-6/30/15	22,088			22,088	19,084			3,004				19,084	
Corrective Speech	14-100-034-5120-066	7/1/13-6/30/14	20,311		2,812			2,812							
				(677)		56,209	207,081	195,234		(1,448)				(1,448)	195,234
State Economic Development Authority															
Educational Facilities Construction and Financing Act															
Capital Projects Fund															
Bogota Junior/Senior High School - Window Replacement & Electrical Upgrades	0440-020-10-1001	7/1/11-6/30/12	463,120	(463,120)						(463,120)				(463,120)	463,120
				(463,120)						(463,120)				(463,120)	463,120

**BOGOTA BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2014			Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance June 30, 2015			MEMO	
				(Accounts Receivable)	Unearned Revenue	Due to Grantor				(Accounts Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable	Cumulative Expenditures
State Department of Agriculture														
Enterprise Fund														
State School Lunch Program	15-100-010-3350-023	7/1/14-6/30/15	\$ 4,988				\$ 4,587	\$ 4,988		\$ (401)			* \$ (401)	\$ 4,988
State School Lunch Program	14-100-010-3350-023	7/1/13-6/30/14	4,383	\$ (975)	-	-	975	-	-	-	-	-	* -	-
				(975)	-	-	5,562	4,988	-	(401)	-	-	* (401)	4,988
Grand Total				(1,127,008)	-	56,209	7,554,094	7,579,643	56,209	(1,165,175)	-	12,618	* \$ (492,244)	\$ 8,042,763
Less On-Behalf TPAF Pension and Annuity Aid														
Normal Costs							(364,255)	(364,255)					* -	(364,255)
NCGI Premium							(26,207)	(26,207)					* -	(26,207)
Post Retirement Medical Contribution							(619,859)	(619,859)					* -	(619,859)
							(1,010,321)	(1,010,321)					* -	(1,010,321)
Total for State Financial Assistance Determination				\$ (1,127,008)	\$ -	\$ 56,209	\$ 6,343,773	\$ 6,569,322	\$ 56,209	\$ (1,165,175)	\$ -	\$ 12,618	* \$ (492,244)	\$ 7,032,442

**BOGOTA BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 1 GENERAL

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

NOTE 2 BASIS OF ACCOUNTING

The accompanying schedules are prepared and presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes 1(C) to the Board's financial statements. The information in these schedules is presented in accordance with requirements of U.S. OMB Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations" and New Jersey OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid". Therefore, some amounts presented in these schedules may differ from the amounts presented in, or used in the preparation of, the financial statements.

NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS

The financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The general fund is presented in the accompanying schedules on a modified accrual basis with the exception of the revenue recognition of the delayed state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes, those payments are not recognized until the subsequent year due to the state deferral and recording of certain state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, which may include the delayed state aid payments, whereas the GAAP basis does not. The special revenue fund also recognizes the delayed state aid payments in the current budget year, consistent with N.J.S.A. 18A:22-44.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is a decrease of \$39,266 for the general fund and a decrease of \$9,577 for the special revenue fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 18,115	\$ 7,340,155	\$ 7,358,270
Special Revenue Fund	623,555	195,234	818,789
Food Service Fund	<u>267,807</u>	<u>4,988</u>	<u>272,795</u>
Total Financial Assistance	<u>\$ 909,477</u>	<u>\$ 7,540,377</u>	<u>\$ 8,449,854</u>

**BOGOTA BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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 District's fiscal year and grant program years.

NOTE 5 OTHER INFORMATION

Revenues and expenditures reported under the National School Lunch Program as non-cash assistance represent current year value received and current year distributions, respectively of the Federal Food Distribution Program. TPAF Social Security contributions in the amount of \$563,694 represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year ended June 30, 2015. The amount reported as TPAF Pension System Contributions in the amount of \$390,462 and TPAF Post-Retirement Medical Benefits Contributions in the amount of \$619,859 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2015.

NOTE 6 ON-BEHALF PROGRAMS NOT SUBJECT TO STATE SINGLE AUDIT

On-behalf State Programs for TPAF Pension and Post-Retirement Medical Benefits Contributions are not subject to a State single audit and, therefore, are excluded from major program determination. The Schedule of State Financial Assistance provides a reconciliation of State financial assistance reported in the District's financial statements and the amount subject to State single audit and major program determination.

**BOGOTA BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Part I – Summary of Auditor’s Results

Financial Statement Section

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

1) Material weakness(es) identified? yes X no

2) Were significant deficiencies identified that were not considered to be material weaknesses? yes X none reported

Noncompliance material to the basic financial statements noted? yes X no

Federal Awards Section

Internal Control over compliance:

1) Material weakness(es) identified? yes X no

2) Were significant deficiencies identified that were not considered to be material weaknesses? yes X none reported

Type of auditor's report on compliance for major programs: Unmodified

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:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>84.027</u>	<u>IDEA Part B</u>
<u>84.173</u>	<u>IDEA Preschool</u>
<u>10.553</u>	<u>National School Breakfast Program</u>
<u>10.555</u>	<u>National School Lunch Program</u>

Dollar threshold used to determine Type A Programs \$300,000

Auditee qualified as low-risk auditee? yes X no

**BOGOTA BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Part I – Summary of Auditor’s Results

State Awards Section

Internal control over major programs:

1) Were any significant deficiencies in internal control over major programs identified? _____ yes X no

2) If applicable, were any such significant deficiencies considered to be material weakness(es)? _____ yes X none reported

Type of auditor's report issued on compliance for major programs Unmodified

Any audit findings disclosed that are required to be reported in accordance with N.J. Circular Letter 04-04? _____ yes X no

Identification of major state programs:

<u>GMIS Number(s)</u>	<u>Name of State Program or Cluster</u>
<u>495-034-5120-078</u>	<u>Equalization Aid</u>
<u>495-034-5120-068</u>	<u>School Choice Aid</u>
<u>495-034-5120-089</u>	<u>Special Education Aid</u>
<u>495-034-5120-084</u>	<u>Security Aid</u>
<u>495-034-5120-085</u>	<u>Additional Adjustment Aid</u>
<u>495-034-5120-098</u>	<u>PARCC Readiness Aid</u>
<u>495-034-5120-097</u>	<u>Per Pupil Growth Aid</u>
<u>495-034-5094-003</u>	<u>TPAF Social Security Reimbursement</u>

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee? _____ yes X no

**BOGOTA BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Part 2 – Schedule of Financial Statement Findings

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

There are none.

**BOGOTA BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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 U.S. OMB Circular A-133 and New Jersey OMB's Circular 15-08.

CURRENT YEAR FEDERAL AWARDS

There are none.

CURRENT YEAR STATE AWARDS

There are none.

**BOGOTA BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, U.S. OMB Circular A-133 (section .315(a)(b) and New Jersey OMB's Circular 15-08.

STATUS OF PRIOR YEAR FINDINGS

There were none.