

**BOGOTA BOARD OF EDUCATION**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**Bogota, New Jersey**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**of the**

**Bogota Board of Education**

**Bogota, New Jersey**

**For The Fiscal Year Ended June 30, 2011**

**Prepared by**

**Business Office**

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**INTRODUCTORY SECTION**

# BOGOTA BOARD OF EDUCATION

Administrative Offices

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(201) 336-5762

December 1, 2011

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 School District for the fiscal year ended June 30, 2011 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 of Education ("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 results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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 basic financial statements and required supplementary information, as well as the auditors' report thereon. 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 of 1984 as amended in 1996 and the U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations", and the New Jersey OMB Circular Letter 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, and are not a required part of the basic financial statements. Information related to this Single Audit, including the auditor's 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:** Bogota Public Schools is an independent reporting entity within the criteria adopted by the GASB as established by GASB 14. All funds of the District are included in this report. The Bogota Board of Education and all its schools constitute the District's reporting entity.

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 2010-2011 fiscal year with an average daily enrollment of 1,168 students, which is 13 students below the previous year's enrollment.

<u>Fiscal Year</u>	<u>Average Daily Enrollment</u>	<u>Percent Change</u>
2010-11	1,168	0.11%
2009-10	1,155	.001%
2008-09	1,199	.003%
2007-08	1,195	.003%
2006-07	1,191	4.3%
2005-06	1,140	10.1 %
2004-05	1,025	(.2)%
2003-04	1,027	(12.1)%

2) **ECONOMIC CONDITION AND OUTLOOK:** The Bogota School District areas are fully developed. The existing number of businesses in the School District 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 careful Budget controls and best practices, additional Fund Balance will be available for taxpayer relief in the 2012-2013 Budget cycle.

3) **MAJOR INITIATIVES:**

**Principal Rotation-** Principals at each of the three schools were reassigned to begin the 2010-2011 school year. This move allowed for a coordinated implementation of district initiatives in the area of curriculum, scheduling and workflow refinement in addition to providing a fresh perspective on building leadership.

**Director of Curriculum-** The district added a Director of Curriculum to the staff in order to coordinate instructional delivery in grades K-12. The scope of this position was extensive in 2010-2011 and included the refinement of a professional development program, technology infusion, scheduling, expanded electives, on-line course options and an assortment of other duties.

**Administrative “Meet and Greet”-** In order to allow parents and students an opportunity to meet the 2010-2011 administrative team a “meet and greet” was conducted prior to the start of the school year. Members of the school community were able to speak informally with our principals and district officials.

**Automated Food Service Billing-** APOS (Point of Sale) hardware and software applications were installed prior to the start of the 2010- 2011 school year. This allowed the district to establish an automated remittance process to collect outstanding lunch/breakfast bills. In addition, this application provided accurate data to the Department of Education and increased reimbursements from the state.

**Web Page Development-** A new district website was introduced at the start of the 2010-2011 school year. This project resulted in a more robust method of sharing information with the school community while providing building administrators with greater control of site content

**Professional Development -** The faculty participated in a series of in-house workshops designed to enhance instructional focus. Many K-6 teachers attended training throughout the school year in *Introduction to Writers’ Workshop* as consultants worked with the staff in small group meeting and in the classroom. All high school teachers attended training in *How the Brain Learns and*

*the Implications for Classroom Instruction.* This presentation served as a launch point for sustained training in content area instructional methods throughout the school year.

**\$5,000 Grant Awarded To Bogota Public Schools-** The New Jersey School Boards Association Insurance Group (NJSBAIG) awarded the Bogota Board of Education a safety grant in the amount of \$5,000. The grant rewarded the district for its commitment to risk management. The Bogota Board of Education was presented with a grant check at the North Jersey Educational Insurance Fund (NJEIF) meeting. The grant money was used to support the cost of installing safety padding in the Bogota Jr./Sr. High School gymnasium.

**Impact Grant Awarded To Consortium That Includes Bogota-** The Bogota Public Schools was a recipient of a three year grant that will expand the number of highly qualified in Math. In addition, the grant will provide ongoing training to increase the integration of 21<sup>st</sup> century skills, technology and global perspectives into instruction.

**Technology Infusion-** Thirty-five new desktop computers were installed at the HS Media Center while upgrades were made to the Mac Lab to support desktop publishing, computer design and a wide array of other software programs.

**Promethean Boards-** Promethean Interactive Boards were installed in many of the special education classrooms across the district. The effort to create a more engaging instructional environment for this cohort of students is a continuing point of emphasis within the school district. Training for teachers on the use of this form of technology was conducted on various dates during the school year.

### 3) MAJOR INITIATIVES: (Continued)

**Home Economics Room Conversion/Renovation-** Two new classrooms were created from the old home economics room, which had been unavailable for the past few years. The additional classroom space will allow the district to support increased services in the area of Special Education.

**Expanded Electives-** Twelve new electives were developed during the school year and will provide greater options for students to explore emerging interests in a broad realm of subjects areas in 2011-2012.

**Online Course Options-** Online courses were piloted at Bogota Jr./Sr. High School as a way to provide students with additional electives. The program will be expanded in 2011-2012 to include core content areas.

**New Textbooks-** New textbooks in Math and Science were introduced on the elementary level. The textbooks were more aligned to changes in the core curriculum content standards recently introduced by the Department of Education, while encouraging differentiated learning activities.

**Open House At Bogota Jr./Sr. High School-** In order to promote expanded opportunities available at Bogota Jr./Sr. High School an "Open House" program was conducted and proved to be a great success. Visitors gathered in the auditorium for a PowerPoint Presentation that highlighted curriculum issues, co-curricular activities and school climate. Following the PowerPoint guests were able to walk the halls and visit classrooms as they reviewed displays that highlighted the performing arts, clubs and organizations vital to the secondary school experience.

In addition coaches and team participants were available in the gym while refreshments were provided by the PTO in the cafeteria.

**DWI Demo** – The upperclassmen of Bogota Jr. /Sr. High School were provided an opportunity to observe a dramatic crash simulation. They witnessed the coordinated arrival of various police and emergency rescue units. As events unfolded the spectators witnessed the graphic dangers associated with reckless behavior. An assortment of local agencies planned event to further reinforce the anti drug/anti alcohol message that is conveyed at each school throughout the year.

**Bilingual Parent Committee**- This committee of parents, teachers and administrators was established to review the current level of service provided to ESL students. The committee identified academic enhancements and cultural transitions that should be emphasized as students enter Bogota Jr./Sr. High School.

**4) INTERNAL ACCOUNTING CONTROLS:** Management of the District 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 District 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 financial section.

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 reservations of fund balance at June 30, 2011.

**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", Note 1.

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", Note 2. 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 accounts. 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 of 1984 as amended in 1996 and the related OMB Circular A-133 and State Treasury Circular Letter 04-04 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) **MAJOR FINANCIAL MATTERS**: The 2010-2011 Budget was supported by the Department of Education with a small increase in State aid, based on steady increases in student enrollment. The Budget, voter approved, was a maintenance proposal, as salary and benefits, utilities and transportation costs all exceeded the budget caps. The Administrative costs continue to be below the Regional limit.

11) **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. John DeFilippis  
School Business Administrator/Board Secretary



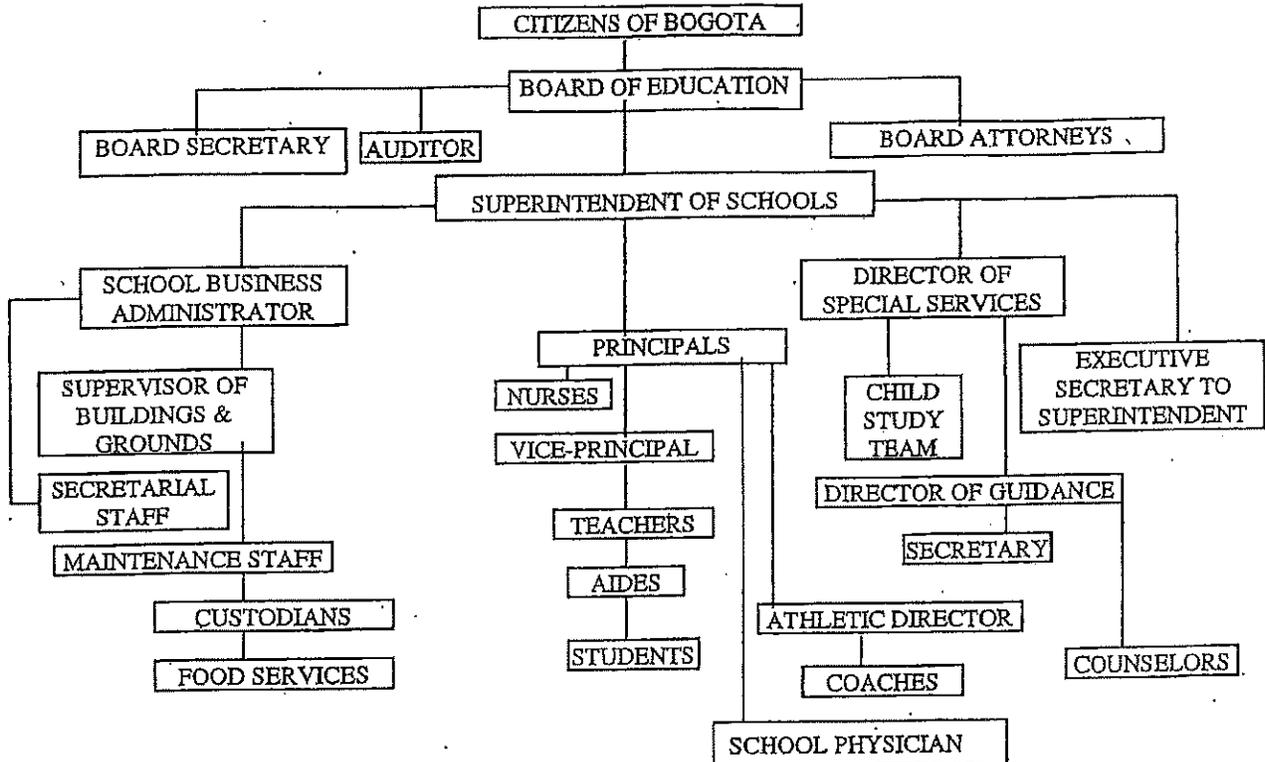
Dr. Letizia Pantoliano  
Superintendent

# POLICY

## BOGOTA BOARD OF EDUCATION

ADMINISTRATION  
1110/page 1 of 1  
Organizational Chart

### 1110 ORGANIZATIONAL CHART



Adopted: 25 August 2003



**BOGOTA BOARD OF EDUCATION**  
**Bogota, New Jersey**

**ROSTER OF OFFICIALS**  
**AS OF JUNE 30, 2011**

<b><u>Members of the Board of Education</u></b>	<b><u>Term Expires</u></b>
Mr. Charles Severino, President	2013
Ms. Kathy Van Buren, Vice President	2012
Mr. Thomas Demetrakis	2012
Ms. Laura Giumarra	2014
Mr. Alexander Hernandez	2012
Mr. Daniel Jatovsky	2014
Mr. Christopher Kelemen	2013
Mr. John Powner	2013
Ms. Lisa Pella	2014

**Other Officials**

Mr. John P. Hynes (7/2010-8/2010), Superintendent of Schools  
Dr. Carol Fredericks (8/2010-12/2010), Superintendent of Schools  
Dr. Harry Groverman (12/2010-3/2011), Superintendent of Schools  
Dr. Letizia Pantoliano (3/2011-present), Superintendent of Schools

Dr. Carol A. Fredericks, School Business Administrator/Board Secretary

Mrs. Elizabeth Wiemer, Treasurer

**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

**ARCHITECTS**

USA Architects  
20 North Doughty Ave  
Somerville, New Jersey 08876

**FINANCIAL SECTION**

# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

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

ELIZABETH A. SHICK, CPA, RMA, PSA  
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ROBERT W. HAAG, CPA, PSA  
DEBORAH K. LERCH, CPA, PSA  
DEBRA GOLLE, CPA  
CINDY JANACEK, CPA, RMA  
RALPH M. PICONE, CPA, RMA, PSA  
EDWARD N. KERE, CPA

## INDEPENDENT AUDITOR'S REPORT

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

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, 2011, which collectively comprise the Board of Education's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Board of Education's management. Our responsibility is to express opinions on these financial statements based on our audit.

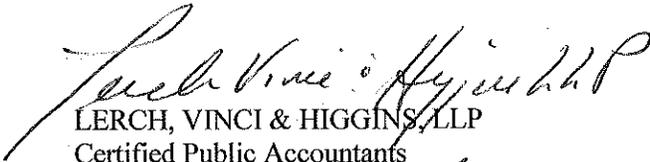
We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in the Government Auditing Standards, issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Finance and Regulatory Compliance, 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 includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bogota Board of Education's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

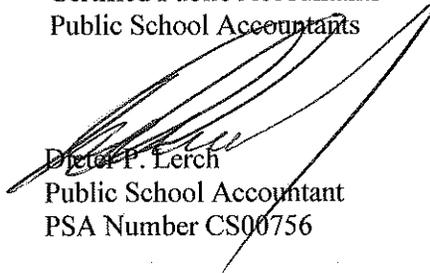
In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Bogota Board of Education as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated December 1, 2011 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison 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.

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 as a whole. The introductory section, combining fund financial statements, financial schedules and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations" and New Jersey OMB's Circular 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid", and are also not a required part of the basic financial statements. The combining fund financial statements and schedules of expenditures of federal awards and 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. The 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 information is 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.

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

  
Dieter P. Lerch  
Public School Accountant  
PSA Number CS00756

Fair Lawn, New Jersey  
December 1, 2011

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**BOGOTA BOARD OF EDUCATION  
BOGOTA, NEW JERSEY**

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2011**

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, 2011. 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 (2010-2011) and the prior year (2009-2010) is required to be presented in the MD&A.

**Financial Highlights**

Key financial highlights for 2011 are as follows:

- District-Wide - General revenues were \$17,714,852 or 84 percent of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$3,500,820 or 16 percent of total revenues of \$21,215,672.
- District-Wide - The School District had \$20,879,518 in expenses; only \$3,500,820 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$17,714,852 were adequate to provide for these programs.
- Among governmental funds, the General Fund had \$19,017,187 in revenues and \$18,796,811 in expenditures. The General Fund's fund balance increased \$220,377 from fiscal year 2010.

**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.

**BOGOTA BOARD OF EDUCATION  
BOGOTA, NEW JERSEY**

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2011**

**Using this Comprehensive Annual Financial Report (CAFR) (continued)**

The Statement of Net Assets 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 Assets 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 2011?" The Statement of Net assets and the Statement of Activities answer that question. These statements include all assets and liabilities 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 assets and changes in those assets. 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 Assets 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  
BOGOTA, NEW JERSEY**

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2011**

**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 Assets 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 Assets provides one perspective of the District as a whole.

Table 1 provides a summary of the District's net assets as of June 30, 2011 and 2010.

**BOGOTA BOARD OF EDUCATION  
BOGOTA, NEW JERSEY**

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2011**

**Table 1  
Net Assets**

	<u>2011</u>	<u>2010</u>
<b>Assets</b>		
Current and Other Assets	\$ 998,904	\$ 1,039,242
Capital Assets	<u>10,796,679</u>	<u>12,762,221</u>
<b>Total Assets</b>	<u>11,795,583</u>	<u>13,801,463</u>
<b>Liabilities</b>		
Long-Term Liabilities	6,646,842	7,086,906
Other Liabilities	<u>701,033</u>	<u>943,215</u>
<b>Total Liabilities</b>	<u>7,347,875</u>	<u>8,030,121</u>
<b>Net Assets:</b>		
Invested in Capital Assets, Net of Debt	4,478,765	6,010,081
Restricted	292,973	192,973
Unrestricted	<u>(324,030)</u>	<u>(431,712)</u>
<b>Total Net Assets</b>	<u>\$ 4,447,708</u>	<u>\$ 5,771,342</u>

The District's combined net assets were \$4,447,708 and \$5,771,342 on June 30, 2011 and 2010, respectively.

**BOGOTA BOARD OF EDUCATION  
BOGOTA, NEW JERSEY**

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2011**

Table 2 shows changes in net assets for fiscal year 2011 and 2010.

**Table 2  
Changes in Net Assets**

	<u>2011</u>	<u>2010</u>
<b>Revenues</b>		
Program Revenues		
Charges for Services	\$ 195,360	\$ 209,281
Grants and Contributions	3,305,460	4,937,905
General Revenues		
Property Taxes	13,513,762	13,014,883
State and Federal Aid- Unrestricted/Restricted	4,173,397	3,782,801
Other	<u>27,693</u>	<u>18,252</u>
<b>Total Revenues</b>	<u>21,215,672</u>	<u>21,963,122</u>
<b>Program Expenses</b>		
Instruction	14,058,628	13,615,500
Support Services		
Students and Instructional Staff	1,873,574	1,795,306
General Administration, School Administration	1,648,756	1,792,870
Business Operations and Maintenance of Facilities	1,701,981	2,126,659
Pupil Transportation	829,306	1,029,216
Interest on Debt and Other Charges	304,201	317,564
Food Services	<u>463,072</u>	<u>457,610</u>
<b>Total Expenses</b>	<u>20,879,518</u>	<u>21,134,725</u>
<b>Increase in Net Assets</b>	<u>336,154</u>	<u>828,397</u>
<b>Net Assets, Beginning of Year</b>	<u>5,771,342</u>	<u>4,942,945</u>
<b>Prior Period Adjustment - Capital Assets</b>	<u>(1,659,788)</u>	<u>-</u>
<b>Net Assets, End of Year</b>	<u>\$ 4,447,708</u>	<u>\$ 5,771,342</u>

**BOGOTA BOARD OF EDUCATION  
BOGOTA, NEW JERSEY**

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2011**

**District as a Whole**

The funding of schools primarily through property taxes in New Jersey creates the legal requirement to annually seek voter approval for District operations. Property taxes made up 64 percent of revenues for the Bogota School District in fiscal year 2011. The District's total revenues were \$21,215,672 for the year ended June 30, 2011. Federal, state, and local grants for programs accounted for another 16 percent of revenue. Unrestricted State and Federal aid represented 20 percent of revenues. The total cost of all programs and services was \$20,879,518. Instruction comprises 64 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 \$1,106.
- Charges for services 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. Table 3 shows 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.

**Table 3**

	<u>Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Instruction	\$ 14,058,628	\$ 13,615,500	\$ 11,485,268	\$ 9,934,179
Support Services				
Students and Instructional Staff	1,873,574	1,795,306	1,562,770	1,412,450
General Administration, School Administration, Business Operations and Maintenance of Facilities	3,350,737	3,919,529	3,212,779	3,433,931
Pupil Transportation	829,306	1,029,216	814,511	891,512
Interest and Fiscal Charges	304,201	317,564	304,201	317,564
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Governmental Activities	<u>\$ 20,416,446</u>	<u>\$ 20,677,115</u>	<u>\$ 17,379,529</u>	<u>\$ 15,989,636</u>

**BOGOTA BOARD OF EDUCATION  
BOGOTA, NEW JERSEY**

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2011**

**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 \$20,751,827 and expenditures were \$20,531,450 for the fiscal year ended June 30, 2011.

The following schedule presents a summary of the governmental fund revenues for the fiscal years ended June 30, 2011 and 2010.

**Governmental Fund Revenues**

<u>Revenue</u>	<u>Amount</u>		<u>Amount of Increase (Decrease)</u>	<u>Percent Increase (Decrease)</u>
	<u>2011</u>	<u>2010</u>		
Local Sources	\$ 13,608,670	\$ 13,080,851	\$ 527,819	4.0%
State Sources	6,395,370	6,632,806	(237,436)	-3.6%
Federal Sources	747,787	1,831,254	(1,083,467)	-59.2%
Total Revenues	<u>\$ 20,751,827</u>	<u>\$ 21,544,911</u>	<u>\$ (793,084)</u>	-3.7%

**BOGOTA BOARD OF EDUCATION  
BOGOTA, NEW JERSEY**

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2011**

**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, 2011 and 2010.

**Governmental Fund Expenditures**

<u>Expenditures</u>	<u>Amount</u>		<u>Amount of</u> <u>Increase</u> <u>(Decrease)</u>	<u>Percent</u> <u>Increase</u> <u>(Decrease)</u>
	<u>2011</u>	<u>2010</u>		
Current Expense:				
Instruction	\$ 13,793,912	\$ 13,390,741	\$ 403,171	3.0%
Support Services	5,942,750	6,643,930	(701,180)	-10.6%
Capital Outlay	51,817	1,000,128	(948,311)	-94.8%
Debt Service:				
Principal	485,000	460,000	25,000	5.4%
Interest and Other Charges	257,971	274,916	(16,945)	-6.2%
 Total Expenditures	 <u>\$ 20,531,450</u>	 <u>\$ 21,769,715</u>	 <u>\$ (1,238,265)</u>	 -5.7%

The decrease in capital outlay expenditures reflects the substantial completion of the capital plan.

**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  
BOGOTA, NEW JERSEY**

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2011**

**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 2011 and 2010, the District had \$10,741,917 and \$12,719,941, respectively, invested in land, buildings, furniture, equipment and vehicles used for governmental activities. Table 4 shows fiscal year 2011 balances compared to 2010.

**Table 4  
Capital Assets (Net of Depreciation) at June 30**

	<u>2011</u>	<u>2010</u>
Land	\$ 69,852	\$ 69,852
Building and Building Improvements	10,512,638	12,487,006
Improvements Other than Buildings	2,045	2,337
Machinery and Equipment	<u>157,382</u>	<u>160,746</u>
Total	<u>\$ 10,741,917</u>	<u>\$ 12,719,941</u>

Overall capital assets decreased by \$1,978,024 from fiscal year 2010 to fiscal year 2011 due to capital asset depreciation and deletions exceeding capital asset additions by of \$318,236 and a prior period adjustment of \$1,659,788.

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

**BOGOTA BOARD OF EDUCATION  
BOGOTA, NEW JERSEY**

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2011**

**Debt Administration**

At June 30, 2011 and 2010, the District had \$6,615,000 and \$7,100,000, respectively of outstanding debt, which consists of serial bonds issued for school construction.

**Table 5  
Outstanding Debt at June 30**

	<u>2011</u>	<u>2010</u>
General Obligation Bonds	\$ 6,615,000	\$ 7,100,000

At June 30, 2011 and 2010, the District's overall legal debt capacity was \$36,086,094 and \$37,299,367, 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 School District 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 School District 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.

**BASIC FINANCIAL STATEMENTS**

**BOGOTA BOARD OF EDUCATION**  
**STATEMENT OF NET ASSETS**  
**AS OF JUNE 30, 2011**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash	\$ 495,920	\$ 77,330	\$ 573,250
Receivables, net:			
Receivables from Other Governments	295,510	19,463	314,973
Internal Balances	18,044	(18,044)	-
Other	37,419		37,419
Deferred Charges	68,466		68,466
Inventory		4,796	4,796
Capital Assets:			
Not Being Depreciated	69,852		69,852
Being Depreciated, Net	<u>10,672,065</u>	<u>54,762</u>	<u>10,726,827</u>
Total Assets	<u>11,657,276</u>	<u>138,307</u>	<u>11,795,583</u>
<b>LIABILITIES</b>			
Accounts Payable and Other Current Liabilities	410,309	81,012	491,321
Intergovernmental Payables	30,302		30,302
Accrued Interest Payable	113,693		113,693
Unearned Revenue	65,122	595	65,717
Noncurrent Liabilities :			
Due Within One Year	480,000		480,000
Due Beyond One Year	<u>6,166,842</u>	<u>-</u>	<u>6,166,842</u>
Total Liabilities	<u>7,266,268</u>	<u>81,607</u>	<u>7,347,875</u>
<b>NET ASSETS</b>			
Invested in Capital Assets, net of Related Debt	4,424,003	54,762	4,478,765
Restricted for:			
Capital Projects	292,973		292,973
Unrestricted	<u>(325,968)</u>	<u>1,938</u>	<u>(324,030)</u>
Total Net Assets	<u>\$ 4,391,008</u>	<u>\$ 56,700</u>	<u>\$ 4,447,708</u>

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

**BOGOTA BOARD OF EDUCATION  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities</b>							
Instruction							
Regular	\$ 8,071,997		\$ 1,000,066		\$ (7,071,931)		\$ (7,071,931)
Special Education	5,403,583		1,517,450		(3,886,133)		(3,886,133)
School Sponsored Activities and Athletics	312,379		25,198		(287,181)		(287,181)
Other Instruction	270,669		30,646		(240,023)		(240,023)
Support Services							
Student and Instruction Related Services	1,873,574		310,804		(1,562,770)		(1,562,770)
School Administrative Services	942,836		74,588		(868,248)		(868,248)
General Administrative Services	705,920		38,712		(667,208)		(667,208)
Plant Operations and Maintenance	1,273,465		24,658		(1,248,807)		(1,248,807)
Pupil Transportation	829,306		14,795		(814,511)		(814,511)
Central Services	428,516				(428,516)		(428,516)
Interest on Long-Term Debt and Other Charges	304,201				(304,201)		(304,201)
Total Governmental Activities	20,416,446		3,036,917		(17,379,529)		(17,379,529)
<b>Business-Type Activities</b>							
Food Service	463,072	\$ 195,360	268,543			\$ 831	831
Total Business-Type Activities	463,072	195,360	268,543			831	831
Total Primary Government	\$ 20,879,518	\$ 195,360	\$ 3,305,460		(17,379,529)	831	(17,378,698)
<b>General Revenues and Special Items</b>							
Property Taxes, General					12,783,703		12,783,703
Property Taxes, Debt Service					730,059		730,059
State and Federal Aid - Unrestricted					4,160,485		4,160,485
State Aid - Restricted for Debt Service					12,912		12,912
Miscellaneous Income					27,751	275	28,026
Loss on Disposal of Capital Assets					(333)		(333)
Total General Revenues and Special Items					17,714,577	275	17,714,852
Change in Net Assets					335,048	1,106	336,154
Net Assets, Beginning of Year					5,715,748	55,594	5,771,342
Prior Period Adjustment - Capital Assets					(1,659,788)		(1,659,788)
Net Assets, End of Year					\$ 4,391,008	\$ 56,700	\$ 4,447,708

**FUND FINANCIAL STATEMENTS**

**BOGOTA BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
AS OF JUNE 30, 2011**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash	\$ 495,920				\$ 495,920
Due from Other Funds	160,518				160,518
Receivables from Other Governments	28,874	\$ 182,787	\$ 83,849		295,510
Receivables- Other	3,227	30,055	-	-	33,282
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	\$ 688,539	\$ 212,842	\$ 83,849	\$ -	\$ 985,230
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities					
Accounts Payable	\$ 337,343	\$ 57,966			\$ 395,309
Due to Other Funds	15,000	59,452	\$ 78,885		153,337
Payable to Federal Government		7,700			7,700
Payable to State Government		22,602			22,602
Deferred Revenue	-	65,122	-	-	65,122
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	352,343	212,842	78,885	-	644,070
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Fund Balances:					
Restricted Fund Balance:					
Capital Reserve	125,707				125,707
Capital Reserve Designated for Subsequent Year's Expenditures	162,302				162,302
Capital Projects			4,964		4,964
Excess Surplus	19,405				19,405
Assigned Fund Balance:					
Year-End Encumbrances	194,986				194,986
Designated for Subsequent Year's Expenditures	7,138				7,138
Unassigned Fund Balance					
General Fund	(173,342)	-	-	-	(173,342)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Fund Balances	336,196	-	4,964	-	341,160
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities and Fund Balances	\$ 688,539	\$ 212,842	\$ 83,849	\$ -	
	<hr/>	<hr/>	<hr/>	<hr/>	

**BOGOTA BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
AS OF JUNE 30, 2011**

<b>Total Fund Balances (Exhibit B-1)</b>	<b>\$</b>	<b>341,160</b>
<p>Amounts reported for <i>governmental activities</i> 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 \$15,267,285 and the accumulated depreciation is \$4,525,368.</p>		10,741,917
<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>		(113,693)
<p>Long-term liabilities, including bonds payable, 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>		
Bonds Payable (net)	\$	(6,386,380)
Less: Bond Issuance Costs		68,466
Compensated Absences		(260,462)
		(6,578,376)
<b>Net Assets of Governmental Activities (Exhibit A-1)</b>	<b>\$</b>	<b><u>4,391,008</u></b>

**BOGOTA BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>					
Local Sources					
Local Property Tax Levy	\$ 12,783,703			\$ 730,059	\$ 13,513,762
Miscellaneous	27,750	\$ 67,157	\$ 1	-	94,908
Total - Local Sources	12,811,453	67,157	1	730,059	13,608,670
State Sources	6,200,734	181,724		12,912	6,395,370
Federal Sources	5,000	742,787	-	-	747,787
Total Revenues	19,017,187	991,668	1	742,971	20,751,827
<b>EXPENDITURES</b>					
Current					
Regular Instruction	7,565,532	318,901			7,884,433
Special Education Instruction	4,893,277	450,735			5,344,012
Other Instruction	261,021				261,021
School-Sponsored Activities and Athletics	304,446				304,446
Support Services and Undistributed Costs					
Student and Instruction Related Services	1,653,138	178,915			1,832,053
School Administrative Services	918,061				918,061
General Administrative Services	693,733				693,733
Plant Operations and Maintenance	1,267,234				1,267,234
Pupil Transportation	820,971				820,971
Central Services	410,698				410,698
Debt Service					
Principal				485,000	485,000
Interest and Other Charges				257,971	257,971
Capital Outlay	8,700	43,117	-	-	51,817
Total Expenditures	18,796,811	991,668	-	742,971	20,531,450
Excess (Deficiency) of Revenues					
Over/(Under) Expenditures	220,376	-	1	-	220,377
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	1				1
Transfers Out	-	-	(1)	-	(1)
Total Other Financing Sources and Uses	1	-	(1)	-	-
Net Change in Fund Balances	220,377	-	-	-	220,377
Fund Balance, Beginning of Year	115,819	-	4,964	-	120,783
Fund Balance, End of Year	\$ 336,196	\$ -	\$ 4,964	\$ -	\$ 341,160

The accompanying Notes to the Basic 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, 2011**

**Total net change in fund balances - governmental funds (Exhibit B-2)** \$ 220,377

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. This is the amount by which depreciation exceeds capital outlay in the current period.

Capital Outlay	\$ 51,817	
Depreciation Expense	<u>(369,720)</u>	
		(317,903)

The net effect of loss on disposal of capital assets is to decrease net assets (333)

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

Compensated Absences	(5,863)
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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	(5,501)	
Debt Issuance Costs	(11,701)	
Deferred Amount on Refunding	<u>(33,572)</u>	
		(50,774)

The issuance of long-term debt (e.g. bonds, leases) 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.

Bonds Payable	485,000
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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>4,544</u>
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**Change in net assets of governmental activities (Exhibit A-2)** **\$ 335,048**

**BOGOTA BOARD OF EDUCATION  
 PROPRIETARY FUNDS  
 STATEMENT OF NET ASSETS  
 AS OF JUNE 30, 2011**

**Business-Type  
 Activities  
 Enterprise Fund  
Food Service**

**ASSETS**

Current Assets	
Cash	\$ 77,330
Intergovernmental Receivable:	
State	19,045
Federal	418
Inventories	<u>4,796</u>
 Total Current Assets	 <u>101,589</u>
Capital Assets	
Equipment	103,125
Less: Accumulated Depreciation	<u>(48,363)</u>
 Total Capital Assets, Net	 <u>54,762</u>
 Total Assets	 <u>156,351</u>

**LIABILITIES**

Current Liabilities	
Accounts Payable	81,012
Due to Other Funds	18,044
Unearned Revenue	<u>595</u>
 Total Current Liabilities	 <u>99,651</u>

**NET ASSETS**

Invested in Capital Assets	54,762
Unrestricted	<u>1,938</u>
 Total Net Assets	 <u>\$ 56,700</u>

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

**BOGOTA BOARD OF EDUCATION  
 PROPRIETARY FUND  
 STATEMENT OF REVENUES, EXPENSES AND  
 CHANGES IN NET ASSETS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<b>Business-Type Activities Enterprise Fund <u>Food Service</u></b>
<b>OPERATING REVENUES</b>	
Charges for Services	
Daily Sales	\$ 195,360
	<hr/>
Total Operating Revenues	195,360
	<hr/>
<b>OPERATING EXPENSES</b>	
Cost of Sales	218,524
Salaries and Employee Benefits	184,900
Supplies and Materials	23,702
Insurance	10,967
Depreciation	6,068
Management Fee	16,500
Miscellaneous	2,411
	<hr/>
Total Operating Expenses	463,072
	<hr/>
Operating Loss	(267,712)
	<hr/>
<b>NONOPERATING REVENUES</b>	
Interest Earnings	275
State Sources	
School Lunch Program	5,487
Federal Sources	
National School Lunch Program	207,154
National School Breakfast Program	27,912
Food Distribution Program	27,990
	<hr/>
Total Nonoperating Revenues	268,818
	<hr/>
Change in Net Assets	1,106
	<hr/>
Total Net Assets, Beginning of Year	55,594
	<hr/>
Total Net Assets, End of Year	\$ 56,700
	<hr/> <hr/>

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

**BOGOTA BOARD OF EDUCATION  
PROPRIETARY FUNDS  
STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<b>Business-Type Activities Enterprise Fund <u>Food Service</u></b>
<b>Cash Flows from Operating Activities</b>	
Cash Received from Customers	\$ 195,360
Cash Payments for Employees' Salaries and Benefits	(184,900)
Cash Payments to Suppliers for Goods and Services	<u>(192,449)</u>
Net Cash Used for Operating Activities	<u>(181,989)</u>
<b>Cash Flows from Noncapital Financing Activities</b>	
Cash Received from State and Federal Subsidy Reimbursements	<u>236,064</u>
Net Cash Provided by Noncapital Financing Activities	<u>236,064</u>
<b>Cash Flows from Capital and Related Financing Activities</b>	
Purchases of Capital Assets	<u>(18,550)</u>
Net Cash Used by Capital and Related Financing Activities	<u>(18,550)</u>
<b>Cash Flows from Investing Activities</b>	
Interest Earnings	<u>275</u>
Net Cash Flows Provided by Investing Activities	<u>275</u>
Net Increase in Cash and Cash Equivalents	35,800
Cash and Cash Equivalents, Beginning of Year	<u>41,530</u>
Cash and Cash Equivalents, End of Year	<u>\$ 77,330</u>
<b>Reconciliation of Operating Loss to Net Cash Used by Operating Activities</b>	
Operating Loss	\$ <u>(267,712)</u>
Adjustments to Reconcile Operating Loss to Net Cash Used for Operating Activities	
Depreciation	6,068
USDA Commodities- Non Cash Assistance	27,990
Change in Assets and Liabilities	
Increase/(Decrease) in Deferred Revenue	(2,159)
Increase/(Decrease) in Accounts Payable	55,291
(Increase)/Decrease in Inventory	<u>(1,467)</u>
Total Adjustments	<u>85,723</u>
Net Cash Used for Operating Activities	<u>\$ (181,989)</u>

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

**BOGOTA BOARD OF EDUCATION  
FIDUCIARY FUNDS  
STATEMENT OF FIDUCIARY NET ASSETS  
AS OF JUNE 30, 2011**

	<b>Unemployment Compensation <u>Trust</u></b>	<b><u>Agency Fund</u></b>
<b>ASSETS</b>		
Cash	\$ 206,123	\$ 99,575
Intergovernmental Receivable	4,457	
Due from Other Funds	<u>15,000</u>	<u>1,655</u>
 Total Assets	 <u>225,580</u>	 <u>\$ 101,230</u>
 <b>LIABILITIES</b>		
Payroll Deductions and Withholdings		\$ 13,661
Accrued Salaries and Wages		993
Intergovernmental Payable	18,099	
Due to Other Funds	1,655	4,137
Due to Student Groups	<u>-</u>	<u>82,439</u>
 Total Liabilities	 <u>19,754</u>	 <u>\$ 101,230</u>
 <b>NET ASSETS</b>		
Held in Trust for Unemployment Claims	<u>\$ 205,826</u>	

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

**BOGOTA BOARD OF EDUCATION  
FIDUCIARY FUNDS  
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<b>Unemployment Compensation <u>Trust</u></b>
<b>ADDITIONS</b>	
Contributions	
Employees	\$ 21,881
Board	473,445
Interest Earned	<u>398</u>
Total Additions	<u>495,724</u>
 <b>DEDUCTIONS</b>	
Unemployment Claims and Contributions	<u>352,024</u>
Total Deductions	<u>352,024</u>
Change in Net Assets	143,700
Net Assets, Beginning of the Year	<u>62,126</u>
Net Assets, End of the Year	<u>\$ 205,826</u>

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**BOGOTA BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**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. Basic Financial Statements**

The basic financial statements include both district-wide financial statements (based on the District as a whole) and fund financial statements. Both the district-wide and fund financial statements categorize activities as either governmental activities or business-type activities.

The district-wide financial statements report information on all of the nonfiduciary activities of the Board of Education. 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 assets, 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.

**BOGOTA BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Basic Financial Statements (Continued)**

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

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

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 and all liabilities associated with these operations (with the exception of the fiduciary funds) are included on the Statement of Net Assets. 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.

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. Grants and similar awards are recognized as revenue as soon as all eligibility requirements imposed by the grantor or provider have been met. All other revenue items are considered to be measurable and available only when cash is received by the District.

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 and state 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 major capital facilities and other capital assets.

The *debt service fund* accounts for the accumulation of resources for and the payment of principal and interest on long-term general obligation debt of governmental funds.

**BOGOTA BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

The District reports the following major proprietary fund which is 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 type:

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.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the district-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board (GASB). Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Board has elected not to follow private-sector guidance issued subsequent to December 1, 1989.

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.

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.

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.

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.

**D. Assets, Liabilities and Net Assets or Equity**

***1. Deposits 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.

**BOGOTA BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Assets, Liabilities and Net Assets or Equity (Continued)**

**2. *Receivables and Payables***

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".

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

*Tuition Expenditures* - Tuition charges for the fiscal years 2009-2010 and 2010-2011 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.

Property taxes are levied pursuant to law and are collected by the municipality and are transferred to the District as requested. Property tax revenue is 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 revenues. 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 1<sup>st</sup> 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. *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. 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 unearned revenue.

**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 BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Assets, Liabilities and Net Assets or Equity (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.

Property, plant, and equipment of the primary government is depreciated using the straight line method over the following estimated useful lives:

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

**5. *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 accrue accumulated sick leave and salary related payments in the period that they are earned. 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.

**6. *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 assets.

**7. *Fund Equity***

Beginning with fiscal year 2011, the District implemented GASB Statement 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.

**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 2.)

**BOGOTA BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Assets, Liabilities and Net Assets or Equity (Continued)**

**7. Fund Equity (Continued)**

Excess Surplus – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2011 audited excess surplus that is required to be appropriated in the 2012/2013 original budget.

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

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.

Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of fund balance appropriated in the adopted 2011/2012 District budget certified for taxes.

Year-End 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.

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

**8. Reclassifications**

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

**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 and is voted upon at the annual school election on the third Tuesday in April. 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 2010/2011. During 2010/2011 the Board increased the original budget by \$596,806. The increase was funded by grant awards and the reappropriation of prior year general fund encumbrances.

**BOGOTA BOARD OF EDUCATION  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

**A. Budgetary Information (Continued)**

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. Excess Expenditures Over Appropriations**

The following is a summary of expenditures in excess of available appropriations. The overexpended appropriation resulted in an unfavorable variance.

	<u>Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
General Fund			
Undistributed Expenditures			
Instruction			
Tuition State Facilities	-0-	\$35,250	\$35,250

The above variance was offset with other available resources.

**C. Deficit Fund Equity**

The District has an unassigned deficit fund balance of \$173,342 in the General Fund as of June 30, 2011 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 2010/2011 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 and Special Revenue Fund balance 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 balance deficits in the future.

Pursuant to NJSA 18A:22-44.2, any negative 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 deficit in the GAAP (fund) financial statements of \$173,342 in the General Fund is equal to or less than the delayed state aid payments.

**BOGOTA BOARD OF EDUCATION  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

**D. Capital Reserve**

A capital reserve account was established by the District on June 21, 2000. 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, 2011 is as follows:

Balance, July 1, 2010	\$ 188,009
Increased by:	
Deposits Approved by Board Resolution	<u>100,000</u>
Balance, June 30, 2011	<u>\$ 288,009</u>

The June 30, 2011 LRFP balance of local support costs of uncompleted capital projects is \$2,805,999. The withdrawals from the capital reserve were for use in a department approved facilities project, consistent with the district's Long Range Facilities Plan.

**E. Calculation of Excess Surplus**

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Reserved 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, 2011 is \$19,405, which will be appropriated in the 2012/13 original budget certified for taxes.

**BOGOTA BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 3 DETAILED NOTES ON ALL FUNDS**

**A. Deposits and Investments**

**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 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, 2011, the book value of the Board's deposits was \$878,948 and bank balances of the Board's cash and deposits amounted to \$1,246,003. The Board's deposits which are displayed on the balance sheets and statement of net assets as "cash" or "cash and cash equivalents" are categorized as:

**Depository Account**

Insured	\$ <u>1,246,003</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, 2011 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, 2011, 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 BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**B. Receivables**

Receivables as of June 30, 2011 for the district's individual major funds, and fiduciary funds 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>Fiduciary Funds</u>	<u>Total</u>
Receivables:						
Intergovernmental	\$ 28,874	\$182,787	\$ 83,849	\$ 19,463	\$ 4,457	\$ 319,430
Other	<u>3,227</u>	<u>30,055</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>33,282</u>
Gross Receivables	32,101	212,842	83,849	19,463	4,457	352,712
Less: Allowance for Uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Total Receivables	<u>\$ 32,101</u>	<u>\$212,842</u>	<u>\$ 83,849</u>	<u>\$ 19,463</u>	<u>\$ 4,457</u>	<u>\$ 352,712</u>

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue reported in the governmental funds were as follows:

	<u>Unearned</u>
Special Revenue Fund	
Unencumbered Grant Draw Downs	\$ 55,097
Grant draw down reserve for encumbrances	<u>10,025</u>
	<u>\$ 65,122</u>

**BOGOTA BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**C. Capital Assets**

Capital asset activity for the year ended June 30, 2011 was as follows:

	Balance, July 1, 2010	Prior Period Adjustment	Increases	Decreases	Balance, June 30, 2011
<b>Governmental Activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 69,852	\$ -	-	-	\$ 69,852
Total capital assets, not being depreciated	<u>69,852</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>69,852</u>
Capital assets, being depreciated:					
Buildings	15,881,122	(1,783,190)			14,097,932
Improvements other than buildings	85,426				85,426
Machinery and equipment	<u>1,523,497</u>	<u>-</u>	<u>\$ 51,817</u>	<u>\$ (561,239)</u>	<u>1,014,075</u>
Total capital assets being depreciated	<u>17,490,045</u>	<u>(1,783,190)</u>	<u>51,817</u>	<u>(561,239)</u>	<u>15,197,433</u>
Less accumulated depreciation for:					
Buildings	(3,394,116)	123,402	(314,580)		(3,585,294)
Improvements other than buildings	(83,089)		(292)		(83,381)
Machinery and equipment	<u>(1,362,751)</u>	<u>-</u>	<u>(54,848)</u>	<u>560,906</u>	<u>(856,693)</u>
Total accumulated depreciation	<u>(4,839,956)</u>	<u>123,402</u>	<u>(369,720)</u>	<u>560,906</u>	<u>(4,525,368)</u>
Total capital assets, being depreciated, net	<u>12,650,089</u>	<u>(1,659,788)</u>	<u>(317,903)</u>	<u>(333)</u>	<u>10,672,065</u>
Government activities capital assets, net	<u>\$ 12,719,941</u>	<u>\$ (1,659,788)</u>	<u>\$ (317,903)</u>	<u>\$ (333)</u>	<u>\$ 10,741,917</u>
	Balance, July 1, 2010	Increases	Decreases	Balance, June 30, 2011	
<b>Business-Type Activities:</b>					
Capital assets, being depreciated:					
Machinery and equipment	\$ 84,575	\$ 18,550	-	\$ 103,125	
Total capital assets being depreciated	<u>84,575</u>	<u>18,550</u>	<u>-</u>	<u>103,125</u>	
Less accumulated depreciation for:					
Machinery and equipment	(42,295)	(6,068)	-	(48,363)	
Total accumulated depreciation	<u>(42,295)</u>	<u>(6,068)</u>	<u>-</u>	<u>(48,363)</u>	
Total capital assets, being depreciated, net	<u>42,280</u>	<u>12,482</u>	<u>-</u>	<u>54,762</u>	
Business-type activities capital assets, net	<u>\$ 42,280</u>	<u>\$ 12,482</u>	<u>\$ -</u>	<u>\$ 54,762</u>	

**BOGOTA BOARD OF EDUCATION  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**C. Capital Assets (Continued)**

The District conducted an update and appraisal of its capital assets during the 2010/2011 school year. The update and appraisal was conducted by an independent appraisal company hired by the Board. The capital asset report valued all capital assets and their estimated historical cost through back trending and other acceptable methods. The District recorded a prior period adjustment to its July 1, 2010 capital assets values, including accumulated depreciation amounts, to reflect the amounts reported in the capital asset appraisal report.

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

**Governmental Activities:**

Instruction	
Regular	\$ 200,865
Special	54,331
Other Instruction	9,648
School Sponsored Activities/Athletics	<u>7,933</u>
Total Instruction	<u>272,777</u>
Support Services	
Student and Instruction Related Services	41,521
General administration	12,187
School administration	23,481
Operations and maintenance of plant	6,231
Pupil Transportation	2,160
Business/Central services	<u>11,363</u>
Total Support Services	<u>96,943</u>
Total depreciation expense - governmental activities	<u>\$ 369,720</u>
<b>Business-Type Activities:</b>	
Food Service Fund	<u>\$ 6,068</u>
Total depreciation expense-business-type activities	<u>\$ 6,068</u>

**BOGOTA BOARD OF EDUCATION  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**D. Interfund Receivables, Payables, and Transfers**

The composition of interfund balances as of June 30, 2011, is as follows:

**Due to/from other funds**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Capital Projects Fund	\$ 78,885
General Fund	Agency Fund	4,137
General Fund	Food Service Fund	18,044
General Fund	Special Revenue Fund	59,452
Unemployment Compensation Fund	General Fund	15,000
Agency Fund	Unemployment Compensation Fund	<u>1,655</u>
 Total		 <u>\$ 177,173</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.

**Interfund transfers**

	<u>Transfer In:</u>
	<u>General Fund</u>
<u>Transfer Out:</u>	
Capital Projects Fund	<u>\$ 1</u>

The above transfer is the result of revenues earned and/or other financing sources received in one fund to finance expenditures in another fund.

**BOGOTA BOARD OF EDUCATION  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**E. Long-Term Debt**

**General Obligation Bonds**

The Board issued general obligation bonds to provide funds for the acquisition and construction of major capital facilities. 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, 2011 are comprised of the following issues:

\$550,000, 1999 Bonds, due in annual installments of \$50,000 through January 15, 2014 interest at 4.60%	\$ 150,000
\$7,460,000, 2005 Bonds, due in annual installments of \$430,000 to \$540,000 through July 15, 2023, interest at 3.00% to 4.10%	<u>6,465,000</u>
	<u>\$6,615,000</u>

The Board's schedule of principal and interest for long-term debt issued and outstanding is as follows:

**Governmental Activities:**

Year Ending June 30,	<u>Serial Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2012	\$ 480,000	\$ 241,609	\$ 721,609
2013	495,000	225,906	720,906
2014	510,000	209,178	719,178
2015	455,000	191,668	646,668
2016	470,000	174,532	644,532
2017-2021	2,595,000	581,124	3,176,124
2021-2024	<u>1,610,000</u>	<u>98,550</u>	<u>1,708,550</u>
	<u>\$ 6,615,000</u>	<u>\$ 1,722,567</u>	<u>\$ 8,337,567</u>

**Statutory Borrowing Power**

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2011 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 36,086,094
Less: Net Debt	<u>6,615,000</u>
Remaining Borrowing Power	<u>\$ 29,471,094</u>

**BOGOTA BOARD OF EDUCATION  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**E. Long-Term Debt (Continued)**

**Changes in long-term liabilities**

Long-term liability activity for the fiscal year ended June 30, 2011, was as follows:

	Balance, <u>July 1, 2010</u>	<u>Additions</u>	<u>Reductions</u>	Balance, <u>June 30, 2011</u>	Due Within <u>One Year</u>
<b>Governmental Activities:</b>					
Bonds Payable	\$ 7,100,000		\$ (485,000)	\$ 6,615,000	\$ 480,000
Less:					
Unamortized Discount	(37,691)		5,501	(32,190)	
Unamortized Amount on Refunding	(230,002)	-	33,572	(196,430)	-
Sub-total Bonds Payable	6,832,307	-	(445,927)	6,386,380	480,000
Compensated Absences	254,599	\$ 19,164	(13,301)	260,462	-
Governmental Activity Long-Term Liabilities	<u>\$ 7,086,906</u>	<u>\$ 19,164</u>	<u>\$ (459,228)</u>	<u>\$ 6,646,842</u>	<u>\$ 480,000</u>

For the governmental activities, 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 School Board Association Group (NJSBAIG). 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 fund, to report claims on a timely basis, cooperate with the management of the fund, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by the fund. Members have a contractual obligation to fund any deficit of the fund attributable to a membership year during which they were a member.

**BOGOTA BOARD OF EDUCATION  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 4 OTHER INFORMATION (Continued)**

**A. Risk Management (Continued)**

NJSBAIG 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 insurance fund 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.

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>Year Ended</u> <u>June 30,</u>	<u>District</u> <u>Contributions</u>	<u>Employee</u> <u>Contributions</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2011	\$ 473,445	\$ 21,881	\$ 352,024	\$ 205,826
2010	75,000	29,966	140,748	62,126
2009	50,000	26,238	76,809	97,421

**B. Contingent Liabilities**

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 the potential claims against the District not covered by insurance policies 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, 2011, 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, 2011, the District has not estimated its arbitrage earnings due to the IRS, if any.

**BOGOTA BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**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 8 to 10 years of service for pension benefits and 25 years for post-retirement health care coverage.

**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.

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 and certain appointed officials, effective July 1, 2007. Membership is mandatory for such individuals with vesting occurring after one (1) year of membership.

**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 and are considered in the annual actuarial calculation of the required State contribution for the system.

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](http://www.state.nj.us/treasury/pensions).

**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.

**BOGOTA BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Investment Valuation**

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

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

**Significant Legislation**

P.L. 2010, c. 1, effective May 21, 2010, made a number of changes to the State-administered retirement systems concerning eligibility, the retirement allowance formula, the definition of compensation, the positions eligible for service credit, the non-forfeitable right to a pension, the prosecutor's part of the PERS, and employer contributions to the retirement system.

This new legislation changed the membership eligibility criteria for new members of TPAF and PERS from the amount of annual compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of TPAF and PERS to 1/60 from 1/55, and it provided that new members of TPAF and PERS have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of TPAF and PERS will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. This law also closed the prosecutor's part of the PERS to new members and repealed the law for new members that provided a non-forfeitable right to receive a pension based on the laws of the retirement system in place at the time five years of pension service credit is attained. The law also requires the State to make its full pension contribution, defined as 1/7<sup>th</sup> of the required amount, beginning in Fiscal Year 2012.

P.L. 2010, c.3, effective May 21, 2010, replaced the accidental and ordinary disability retirement for new members of the TPAF and PERS with disability insurance coverage similar to that provided by the State to individuals enrolled in the State's Defined Contribution Retirement Program.

**Funding Status and Funding Progress**

As of June 30, 2009, the most recent actuarial valuation date, the aggregate funded ratio for all the State administered retirement systems including TPAF and PERS, is 66.0 percent with an unfunded actuarial accrued liability of \$45.8 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded systems is 62.0 percent and \$30.7 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS and Police and Firemen's Retirement System ("PFRS") is 72.1 percent and \$15.1 billion.

**BOGOTA BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Funding Status and Funding Progress (Continued)**

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 limitations on the pattern of cost sharing between the employer and members in the future.

**Actuarial Methods and Assumptions**

In the June 30, 2009 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 (1) 8.25 percent for investment rate of return for the retirement systems and (2) 5.45 percent for projected salary increases for the PERS and 5.74 percent for TPAF.

**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 5.5% for PERS, 5.5% for TPAF and of the employee's annual compensation.

**Annual Pension Costs (APC)**

Per the requirements of GASB Statement No. 27 for the year ended June 30, 2011 for TPAF, which is a cost sharing plan with special funding situations, 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.

**BOGOTA BOARD OF EDUCATION  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Annual Pension Costs (APC) (Continued)**

During the years ended June 30, 2011, 2010 and 2009 the Board was required to contribute for PERS 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>
2009	\$ 143,754	\$ 23,492
2010	127,360	25,406
2011	148,898	23,984

During the last three fiscal years, the State of New Jersey did not contribute to the TPAF for normal cost and accrued liability. The State contributed \$23,984, \$25,406 and \$23,492 during 2010/2011, 2009/2010 and 2008/2009, respectively, for the NCGI premium only.

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$578,263 during the year ended June 30, 2011 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount, along with the on-behalf TPAF pension contribution, has been included in the district-wide financial statements and the fund financial statements as a revenue and expenditure in accordance with GASB No. 24.

**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 cost sharing multiple employer defined benefit plans.

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, PDP-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 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 514 state and local participating employers and contributing entities for Fiscal Year 2010.

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.

**BOGOTA BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 4 OTHER INFORMATION (Continued)**

**E. Post-Retirement Medical Benefits (Continued)**

**Health Benefits Program Fund (HBPF) – Local Education** (including Prescription Drug Program Fund) – The State of New Jersey provides free 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 free 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 employer 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.

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](http://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. 2010, c.2 effective May 21, 2010, makes changes to the SHBP-State/Local Government/Local Education concerning eligibility, cost sharing, choice of a plan, the application of benefit changes, the waiver of coverage, and multiple coverage under such plans. It also requires contributions toward the cost of health care benefits coverage by public employees and certain retirees.

**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 June 30, 2009, the most recent actuarial valuation date, the State had a \$56.8 billion unfunded actuarial accrued liability for other post-employment benefits (OPEB) which is made up to \$20.5 billion for state active and retired members and \$36.3 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 is based on actuarial valuations which involve estimates of the value of reported amounts and assumptions about the probability of events in 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.

**BOGOTA BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 4 OTHER INFORMATION (Continued)**

**E. Post-Retirement Medical Benefits (Continued)**

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 contractual funding limitations on the pattern of cost sharing between the employer and members in the future.

**Actuarial Methods and Assumptions**

In the June 30, 2009, actuarial valuation, the projected unit credit was used as the actuarial cost method, and the market value was used as asset valuation method for the OPEB. The actuarial assumptions included 4.50 percent for investment rate of return for the OPEB.

**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, 2010, there were 87,288 retirees receiving post-retirement medical benefits and the State contributed \$883.8 million 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 free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education with 25 years of service. The State paid \$126.3 million toward Chapter 126 benefits for 14,050 eligible retired members in fiscal year 2010.

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 years ended June 30, 2011, 2010 and 2009 were \$509,416, \$477,161 and \$448,169, 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.

**BUDGETARY COMPARISONS**

**BOGOTA BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	Budgeted Amounts			Actual	Variance
	Original	Transfers	Final		Final To Actual
<b>REVENUES</b>					
Local Sources					
Local Property Tax Levy	\$ 12,783,703	-	\$ 12,783,703	\$ 12,783,703	
Miscellaneous	11,000	-	11,000	27,750	\$ 16,750
<b>Total Local Sources</b>	<b>12,794,703</b>	<b>-</b>	<b>12,794,703</b>	<b>12,811,453</b>	<b>16,750</b>
State Sources					
Special Education Aid	727,771	-	727,771	727,771	-
Equalization Aid	4,086,125	-	4,086,125	4,086,125	-
Extraordinary Aid	150,417	\$ 40,000	190,417	167,286	(23,131)
On-behalf TPAF NCGI Premium (Non-budgeted)				23,984	23,984
On-behalf TPAF Post Retirement Medical Contributions (Non-budgeted)				509,416	509,416
On-behalf TPAF Social Security Contributions (Non-budgeted)				578,263	578,263
<b>Total State Sources</b>	<b>4,964,313</b>	<b>40,000</b>	<b>5,004,313</b>	<b>6,092,845</b>	<b>1,088,532</b>
Federal Sources					
Medicaid Reimbursement	5,000	-	5,000	5,000	-
<b>Total Federal Sources</b>	<b>5,000</b>	<b>-</b>	<b>5,000</b>	<b>5,000</b>	<b>-</b>
<b>Total Revenues</b>	<b>17,764,016</b>	<b>40,000</b>	<b>17,804,016</b>	<b>18,909,298</b>	<b>1,105,282</b>
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES</b>					
Instruction - Regular Programs					
Salaries of Teachers					
Preschool/Kindergarten	297,881	(84,334)	213,547	213,547	-
Grades 1-5	1,679,341	100,090	1,779,431	1,743,686	35,745
Grades 6-8	752,174	87,487	839,661	839,304	357
Grades 9-12	1,979,075	(89,263)	1,889,812	1,889,812	-
Regular Programs - Home Instruction					
Salaries of Teachers	30,000	(18,799)	11,201	10,321	880
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction		38,154	38,154	38,154	-
Purchased Professional -Educational Services	8,000	(3,827)	4,173	4,173	-
Cleaning, Repair & Maint. Service	4,980	6,003	10,983	9,650	1,333
Other Purchased Services	3,000	(2,477)	523	473	50
General Supplies	158,055	49,262	207,317	184,324	22,993
Textbooks	100,000	(5,801)	94,199	91,595	2,604
Other Objects	2,050	-	2,050	981	1,069
<b>Total Regular Programs</b>	<b>5,014,556</b>	<b>76,495</b>	<b>5,091,051</b>	<b>5,026,020</b>	<b>65,031</b>
Cognitive - Mild					
Purchased Professional -Educational Services	-	15,000	15,000	13,356	1,644
<b>Total Cognitive - Mild</b>	<b>-</b>	<b>15,000</b>	<b>15,000</b>	<b>13,356</b>	<b>1,644</b>

(Continued)

**BOGOTA BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	Budgeted Amounts			Actual	Variance
	Original	Transfers	Final		Final To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Special Education (Continued)					
Learning and Language Disabilities					
Salaries of Teachers	\$ 443,531	\$ (97,297)	\$ 346,234	\$ 346,234	-
Other Salaries for Instruction	161,000	(4,855)	156,145	156,145	-
General Supplies	2,420	1,159	3,579	2,793	\$ 786
Textbooks	5,800	-	5,800	1,397	4,403
Total Learning and Language Disabilities	612,751	(100,993)	511,758	506,569	5,189
Multiple Disabilities					
Other Salaries for Instruction		47,240	47,240	47,240	-
General Supplies	11,177	(5,000)	6,177	2,560	3,617
Total Multiple Disabilities - Instruction	11,177	42,240	53,417	49,800	3,617
Resource Room/Resource Center					
Salaries of Teachers	508,492	122,633	631,125	631,125	-
Other Salaries for Instruction		15,434	15,434	15,434	-
General Supplies	15,278	(2,647)	12,631	4,958	7,673
Total Resource Room/Resource Center	523,770	135,420	659,190	651,517	7,673
Preschool Disabilities - Full Time					
Salaries of Teachers	79,855	1,536	81,391	81,391	-
Other Salaries for Instruction	16,233	(13,107)	3,126	3,126	-
General Supplies	2,500	-	2,500	-	2,500
Total Preschool Disabilities - Full Time	98,588	(11,571)	87,017	84,517	2,500
Total Special Education	1,246,286	80,096	1,326,382	1,305,759	20,623
Basic Skills/Remedial - Instruction					
Salaries of Teachers	15,000	(11,168)	3,832	3,832	-
General Supplies	1,850	223	2,073	1,621	452
Textbooks	2,000	-	2,000	-	2,000
Total Basic Skills/Remedial - Instruction	18,850	(10,945)	7,905	5,453	2,452
Bilingual Education					
Salaries of Teachers	215,924	7,659	223,583	223,583	-
General Supplies	950	-	950	-	950
Textbooks	1,955	-	1,955	1,339	616
Total Bilingual Education	218,829	7,659	226,488	224,922	1,566
School Sponsored Co-Curricular Activities					
Salaries	100,506	(25,506)	75,000	73,977	1,023
Purchased Services	5,650	-	5,650	1,535	4,115
Supplies and Materials	5,200	3,336	8,536	4,725	3,811
Other Objects	500	400	900	595	305
Total School Sponsored Co-Curricular Activities	111,856	(21,770)	90,086	80,832	9,254
School Sponsored Athletics - Instruction					
Salaries	90,888	22,123	113,011	113,011	-
Purchased Services	50,628	(3,562)	47,066	47,066	-
Supplies and Materials	12,400	36,190	48,590	25,828	22,762
Other Objects	9,830	2,681	12,511	12,511	-
Total School Sponsored Athletics - Instruction	163,746	57,432	221,178	198,416	22,762
Total - Instruction	6,774,123	188,967	6,963,090	6,841,402	121,688

(Continued)

**BOGOTA BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	Budgeted Amounts			Actual	Variance
	Original	Transfers	Final		Final To Actual
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES (Continued)</b>					
<b>Undistributed Expenditures</b>					
<b>Instruction</b>					
Tuition to Other LEAs Within the State - Regular		\$ 49,984	\$ 49,984	\$ 49,984	
Tuition to Other LEAs Within the State - Special	\$ 730,577	(40,470)	690,107	690,013	\$ 94
Tuition to County Vocational Schools- Regular	405,450	(45,300)	360,150	354,692	5,458
Tuition to County Vocational Schools- Special	535,500	(4,350)	531,150	528,275	2,875
Tuition to CSSD and Regional Day Schools	660,169	367,616	1,027,785	1,027,614	171
Tuition Private School for the Disabled					
Within State	944,461	(215,592)	728,869	728,210	659
Tuition - State Facilities				35,250	(35,250)
Tuition - Other	54,280	(1,157)	53,123	53,123	-
<b>Total Undistributed Expenditures - Instruction</b>	<b>3,330,437</b>	<b>110,731</b>	<b>3,441,168</b>	<b>3,467,161</b>	<b>(25,993)</b>
<b>Health Services</b>					
Salaries	169,110	3,500	172,610	172,610	-
Purchased Professional - Technical Services	15,000	(2,000)	13,000	12,500	500
Supplies and Materials	4,950	191	5,141	4,774	367
<b>Total Health Services</b>	<b>189,060</b>	<b>1,691</b>	<b>190,751</b>	<b>189,884</b>	<b>867</b>
<b>Speech/Occupational Therapy/Physical Therapy and Related Svcs.</b>					
Salaries	143,625	(3,241)	140,384	140,384	
Purchased Professional - Educational Services	134,449	(3,478)	130,971	118,950	12,021
Supplies and Materials	1,452	-	1,452	915	537
Other Objects	1,300	-	1,300	100	1,200
<b>Total Speech/Occup. Therapy/Physical Therapy and Related Svcs.</b>	<b>280,826</b>	<b>(6,719)</b>	<b>274,107</b>	<b>260,349</b>	<b>13,758</b>
<b>Guidance Services</b>					
Salaries of Other Professional Staff	269,565	3,991	273,556	273,556	-
Salaries of Secretarial and Clerical Assistants	47,224	(43,359)	3,865	3,865	-
Other Salaries	3,040	(2,320)	720	720	-
Purchased Professional - Educational Services	2,200	-	2,200	2,200	-
Other Purchased Prof. And Tech. Services	5,631	60,329	65,960	65,060	900
Other Purchased Services	1,500	-	1,500	1,500	-
Supplies and Materials	17,938	(6,976)	10,962	8,816	2,146
Other Objects	206	248	454	357	97
<b>Total Guidance Services</b>	<b>347,304</b>	<b>11,913</b>	<b>359,217</b>	<b>356,074</b>	<b>3,143</b>
<b>Child Study Team</b>					
Salaries of Other Professional Staff	265,252	8,463	273,715	273,715	-
Salaries of Secretarial and Clerical Assistants	41,282	(37,105)	4,177	4,177	-
Purchased Professional - Educational Services	24,500	48,866	73,366	67,281	6,085
Other Purchased Prof. And Tech. Services	14,375	(12,662)	1,713	1,713	-
Miscellaneous Purchased Services	7,140	(5,752)	1,388	758	630
Supplies and Materials	5,796	5,931	11,727	9,821	1,906
Other Objects	900	-	900	800	100
<b>Total Child Study Team</b>	<b>359,245</b>	<b>7,741</b>	<b>366,986</b>	<b>358,265</b>	<b>8,721</b>

(Continued)

**BOGOTA BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	Budgeted Amounts			Actual	Variance
	Original	Transfers	Final		Final To Actual
<b>EXPENDITURES</b>					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Improvement of Instructional Services					
Salaries	\$ 6,400	\$ (5,200)	\$ 1,200	\$ 1,200	
Purchased Professional Educational Services	5,000	-	5,000	4,845	\$ 155
Other Purchased Services	3,000	-	3,000	1,911	1,089
Supplies and Materials	3,500	1,471	4,971	4,971	-
Other Objects	17,500	(5,000)	12,500	4,301	8,199
	<u>35,400</u>	<u>(8,729)</u>	<u>26,671</u>	<u>17,228</u>	<u>9,443</u>
Total Improvement of Instructional Services					
Educational Media Services/School Library					
Salaries	50,943	57,560	108,503	108,503	
Other Purchased Services	5,972	1,475	7,447	5,974	1,473
Supplies and Materials	13,774	3,904	17,678	15,185	2,493
Other Objects	3,905	(1)	3,904	1,227	2,677
	<u>74,594</u>	<u>62,938</u>	<u>137,532</u>	<u>130,889</u>	<u>6,643</u>
Total Educational Media Services/School Library					
Instructional Staff Training Services					
Purchased Professional Educational Services	400	-	400	-	400
	<u>400</u>	<u>-</u>	<u>400</u>	<u>-</u>	<u>400</u>
Total Instructional Staff Training Services					
Support Services General Administration					
Salaries	300,405	(13,129)	287,276	287,276	-
Legal Services	100,000	1,024	101,024	92,098	8,926
Audit Fees	23,500	3,612	27,112	25,038	2,074
Other Purchased Professional Services	30,000	15,600	45,600	43,210	2,390
Purchased Technical Services	5,000	4,000	9,000	5,957	3,043
Communications/Telephone	26,700	19,101	45,801	37,997	7,804
BOE Other Purchased Services	500	298	798	621	177
Misc. Purchased Services	50,683	(22,503)	28,180	22,810	5,370
General Supplies	2,500	637	3,137	2,656	481
BOE In-House Training/Meeting Supplies	1,200	-	1,200	263	937
Miscellaneous Expenditures	6,715	332	7,047	5,569	1,478
BOE Membership Dues and Fees	10,000	-	10,000	8,725	1,275
	<u>557,203</u>	<u>8,972</u>	<u>566,175</u>	<u>532,220</u>	<u>33,955</u>
Total Support Services General Administration					
Support Services School Administration					
Salaries of Principals/Assistant Principals	331,524	95,338	426,862	421,282	5,580
Salaries of Other Professional Staff	98,000	19,500	117,500	117,500	-
Salaries of Secretarial and Clerical Assistants	187,694	(170,924)	16,770	14,720	2,050
Purchased Professional - Educational Services	735	188,344	189,079	189,028	51
Other Purchased Services	37,000	(9,806)	27,194	18,448	8,746
Supplies and Materials	19,735	7,779	27,514	23,824	3,690
Other Objects	7,281	-	7,281	4,335	2,946
	<u>681,969</u>	<u>130,231</u>	<u>812,200</u>	<u>789,137</u>	<u>23,063</u>
Total Support Services School Administration					

(Continued)

**BOGOTA BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	Budgeted Amounts			Actual	Variance
	Original	Transfers	Final		Final To Actual
<b>EXPENDITURES</b>					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Central Services					
Salaries	\$ 267,880	-	\$ 267,880	\$ 267,856	\$ 24
Purchased Professional Services	1,000	-	1,000	1,000	-
Purchased Technical Services	26,400	\$ 1,600	28,000	28,000	-
Miscellaneous Purchased Services	4,500	-	4,500	495	4,005
Supplies and Materials	9,200	-	9,200	8,081	1,119
Miscellaneous Expenditures	4,500	-	4,500	2,645	1,855
<b>Total Central Services</b>	<b>313,480</b>	<b>1,600</b>	<b>315,080</b>	<b>308,077</b>	<b>7,003</b>
Administrative Information Technology					
Salaries	-	-	-	-	-
<b>Total Administrative Information Technology</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Required Maintenance for School Facilities					
Salaries	160,955	(53,165)	107,790	107,790	-
Cleaning, Repair, and Maintenance Services	170,000	1,969	171,969	166,820	5,149
General Supplies	30,000	-	30,000	26,991	3,009
Other Objects	12,000	-	12,000	3,303	8,697
<b>Total Required Maintenance for School Facilities</b>	<b>372,955</b>	<b>(51,196)</b>	<b>321,759</b>	<b>304,904</b>	<b>16,855</b>
Custodial Services					
Salaries	10,000	20,316	30,316	30,316	-
Salaries of Non-Instructional Aides	26,466	(17,700)	8,766	8,766	-
Purchased Professional and Technical Services	10,000	-	10,000	5,273	4,727
Cleaning, Repair, and Maintenance Services	410,000	(31,567)	378,433	373,614	4,819
Other Purchased Property Services	2,000	-	2,000	2,000	-
Insurance	174,245	(48,451)	125,794	125,794	-
Miscellaneous Purchased Services	250	-	250	250	-
General Supplies	17,000	(9,000)	8,000	1,204	6,796
Energy (Heat and Electricity)	343,000	-	343,000	339,148	3,852
<b>Total Custodial Services</b>	<b>992,961</b>	<b>(86,402)</b>	<b>906,559</b>	<b>886,365</b>	<b>20,194</b>
Student Transportation Services					
Salaries	43,457	7,838	51,295	50,922	373
Contracted Services (Between Home and School) - Vendors	-	28,100	28,100	27,623	477
Contracted Services (Other Than Between Home and School) - Vendors	57,210	(30,817)	26,393	25,555	838
Contracted Services (Between Home and School) Joint Agreement	125,000	(14,759)	110,241	97,330	12,911
Contracted Serv. (Spec.Ed Stud) - Joint Agreement	650,000	(28,100)	621,900	619,541	2,359
<b>Total Student Transportation Services</b>	<b>875,667</b>	<b>(37,738)</b>	<b>837,929</b>	<b>820,971</b>	<b>16,958</b>
Allocated Benefits- Regular Programs- Instruction					
Social Security	41,899	(2,000)	39,899	39,899	-
Unemployment Compensation	373,445	100,000	473,445	473,445	-
Workmen's Compensation	53,354	(376)	52,978	52,978	-
Health Benefits	1,157,293	(260,060)	897,233	896,697	536
Other Employee Benefits	-	-	-	-	-
<b>Total Allocated Benefits- Regular Programs Instruction</b>	<b>1,625,991</b>	<b>(162,436)</b>	<b>1,463,555</b>	<b>1,463,019</b>	<b>536</b>
Allocated Benefits- Special Programs- Instruction					
Social Security	12,316	(4,844)	7,472	7,472	-
Other Retirement Contributions - Regular	-	70,153	70,153	56,100	14,053
Workmen's Compensation	19,827	(19,827)	-	-	-
Health Benefits	277,602	11,299	288,901	288,879	22
Other Employee Benefits	16,100	(16,100)	-	-	-
<b>Total Allocated Benefits- Special Programs Instruction</b>	<b>325,845</b>	<b>40,681</b>	<b>366,526</b>	<b>352,451</b>	<b>14,075</b>

(Continued)

**BOGOTA BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	Budgeted Amounts			Actual	Variance
	Original	Transfers	Final		Final To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Allocated Benefits- Health Services					
Social Security					
Workmen's Compensation	\$ 1,691	-	\$ 1,691	\$ 1,691	-
Health Benefits	58,802	\$ (2)	58,800	55,769	\$ 3,031
Total Allocated Benefits- Health Services	60,493	(2)	60,491	57,460	3,031
Allocated Benefits- Students- Related Services					
Workmen's Compensation	1,436	-	1,436	1,436	-
Health Benefits	26,491	(24,260)	2,231	1,076	1,155
Total Allocated Benefits- Students- Related Services	27,927	(24,260)	3,667	2,512	1,155
Allocated Benefits- Students- Regular					
Social Security	3,613	-	3,613	3,613	-
Other Retirement Contributions - Regular	4,722	18,000	22,722	4,722	18,000
Workmen's Compensation	3,168	-	3,168	3,168	-
Health Benefits	72,444	(13,980)	58,464	57,990	474
Total Allocated Benefits- Students- Regular	83,947	4,020	87,967	69,493	18,474
Allocated Benefits- Students- Special					
Social Security	3,648	-	3,648	3,648	-
Other Retirement Contributions - Regular	4,128	17,973	22,101	4,128	17,973
Workmen's Compensation	3,129	-	3,129	3,129	-
Health Benefits	78,663	(8,754)	69,909	68,190	1,719
Allocated Benefits- Students- Special	89,568	9,219	98,787	79,095	19,692
Allocated Benefits- General Administration					
Social Security	9,058	-	9,058	9,058	-
Other Retirement Contributions - Regular	11,840	12,953	24,793	24,793	-
Workmen's Compensation	3,004	-	3,004	3,004	-
Health Benefits	58,831	(7,670)	51,161	39,451	11,710
Total Allocated Benefits- General Administration	82,733	5,283	88,016	76,306	11,710
Allocated Benefits- School Administration					
Social Security	10,058	1	10,059	10,059	-
Other Retirement Contributions - Regular	13,148	13,919	27,067	27,067	-
Workmen's Compensation	5,410	-	5,410	5,410	-
Health Benefits	146,870	(128,606)	18,264	11,800	6,464
Total Allocated Benefits- School Administration	175,486	(114,686)	60,800	54,336	6,464
Allocated Benefits- Central Services					
Social Security	20,492	1	20,493	15,274	5,219
Other Retirement Contributions - Regular	14,988	-	14,988	14,988	-
Workmen's Compensation	2,678	1	2,679	2,679	-
Health Benefits	74,438	-	74,438	69,680	4,758
Total Allocated Benefits- Central Services	112,596	2	112,598	102,621	9,977

(Continued)

**BOGOTA BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	Budgeted Amounts			Actual	Variance
	Original	Transfers	Final		Final To Actual
<b>EXPENDITURES</b>					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Allocated Benefits- Operation & Maintenance of Plant					
Social Security	\$ 16,591		\$ 16,591	\$ 9,275	\$ 7,316
Other Retirement Contributions - Regular	20,642	\$ 7,377	28,019	17,100	10,919
Workmen's Compensation	5,671	-	5,671	5,671	-
Health Benefits	28,407	15,641	44,048	43,919	129
<b>Total Allocated Benefits- Operation &amp; Maintenance of Plant</b>	<b>71,311</b>	<b>23,018</b>	<b>94,329</b>	<b>75,965</b>	<b>18,364</b>
<b>Total Allocated Benefits</b>	<b>2,655,897</b>	<b>(219,161)</b>	<b>2,436,736</b>	<b>2,333,258</b>	<b>103,478</b>
On-behalf TPAF NCGI Premium (Non-budgeted)				23,984	(23,984.0)
On-behalf TPAF Post Retirement Medical Contributions (Non-budgeted)				509,416	(509,416)
On-behalf TPAF Social Security Contributions (Non-budgeted)	-	-	-	578,263	(578,263)
<b>Total On-Behalf Benefits</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,111,663</b>	<b>(1,111,663)</b>
<b>Total Undistributed Expenditures</b>	<b>11,067,398</b>	<b>(74,128)</b>	<b>10,993,270</b>	<b>11,866,445</b>	<b>(873,175)</b>
<b>Total Expenditures - Current Expenditures</b>	<b>17,841,521</b>	<b>114,839</b>	<b>17,956,360</b>	<b>18,707,847</b>	<b>(751,487)</b>
<b>CAPITAL OUTLAY</b>					
Interest Deposit to Capital Reserve	1,000	(1,000)	-	-	-
Equipment					
Instruction					
Operation & Maintenance	-	9,000	9,000	8,700	300
<b>Total Equipment</b>	<b>-</b>	<b>9,000</b>	<b>9,000</b>	<b>8,700</b>	<b>300</b>
Facilities Acquisition and Construction Services					
Other Objects	46,495	-	46,495	46,495	-
Infrastructure	-	-	-	-	-
<b>Total Facilities Acquisition and Construction Services</b>	<b>46,495</b>	<b>-</b>	<b>46,495</b>	<b>46,495</b>	<b>-</b>
<b>Total Capital Outlay</b>	<b>47,495</b>	<b>8,000</b>	<b>55,495</b>	<b>55,195</b>	<b>300</b>
Transfer of Funds to Charter Schools	75,000	(41,231)	33,769	33,769	-
<b>Total Expenditures</b>	<b>17,964,016</b>	<b>81,608</b>	<b>18,045,624</b>	<b>18,796,811</b>	<b>(751,187)</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(200,000)	(41,608)	(241,608)	112,487	354,095

(Continued)

**BOGOTA BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Budgeted Amounts</u>			<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Transfers</u>	<u>Final</u>		<u>Final To Actual</u>
Other Financing Sources(Uses)					
Transfer In - Capital Projects	-	-	-	\$ 1	\$ 1
Total Other Financing Sources(Uses)	-	-	-	1	1
Excess/(Deficiency)of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	\$ (200,000)	\$ (41,608)	\$ (241,608)	112,488	354,096
Fund Balances, Beginning of Year	750,753	-	750,753	750,753	-
Fund Balances, End of Year	\$ 550,753	\$ (41,608)	\$ 509,145	\$ 863,241	\$ 354,096

**Recapitulation of Fund Balances:**

Restricted Fund Balance				
Excess Surplus				\$ 19,405
Capital Reserve				125,707
Capital Reserve - Designated for Subsequent Year's Expenditures				162,302
Assigned				
Designated For Subsequent Year's Expenditures				7,138
Year End Encumbrances				194,986
Unassigned Fund Balance				<u>353,703</u>
				863,241

**Reconciliation to Governmental Fund Statements (GAAP)**

Less:				
Last State Aid Payment not Recognized on GAAP Basis			\$ 359,759	
Extraordinary Aid Payment not Recognized on GAAP Basis			<u>167,286</u>	
				<u>527,045</u>
Fund Balance per Governmental Funds (GAAP)				<u>\$ 336,196</u>

**BOGOTA BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
BUDGET (NON-GAAP) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Budgeted Amounts</u>			<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Transfers</u>	<u>Final</u>		<u>Final to Actual</u>
<b>REVENUES</b>					
Intergovernmental					
State		\$ 202,710	\$ 202,710	\$ 180,108	\$ (22,602)
Federal	\$ 541,850	272,252	814,102	735,305	(78,797)
Local Sources					
Miscellaneous	-	40,236	40,236	46,958	6,722
Total Revenues	<u>541,850</u>	<u>515,198</u>	<u>1,057,048</u>	<u>962,371</u>	<u>(94,677)</u>
<b>EXPENDITURES</b>					
Instruction					
Salaries of Teachers	217,628	51,483	269,111	252,207	16,904
Tuition	280,500	8,242	288,742	288,742	
Purchased Professional & Technical Svc.		4,544	4,544	3,068	1,476
Other Purchased Services		187,704	187,704	165,558	22,146
General Supplies	23,200	37,808	61,008	42,027	18,981
Textbooks	-	16,622	16,622	14,550	2,072
Total Instruction	<u>521,328</u>	<u>306,403</u>	<u>827,731</u>	<u>766,152</u>	<u>61,579</u>
Support Services					
Personal Services - Employee Benefits		83,663	83,663	82,766	897
Purchased Professional & Technical Svs		72,569	72,569	64,993	7,576
Other Purchased Services		13,259	13,259	11,783	1,476
Tuition		11,421	11,421	5,613	5,808
Supplies and Materials	20,522	(19,781)	741	663	78
Total Support Services	<u>20,522</u>	<u>161,131</u>	<u>181,653</u>	<u>165,818</u>	<u>15,835</u>
Facilities Acquisition and Construction Services					
Instructional Equipment		26,548	26,548	9,285	17,263
Non-Instructional Equipment	-	21,116	21,116	21,116	-
Total Facilities and Construction Services	<u>-</u>	<u>47,664</u>	<u>47,664</u>	<u>30,401</u>	<u>17,263</u>
Total Expenditures	<u>541,850</u>	<u>515,198</u>	<u>1,057,048</u>	<u>962,371</u>	<u>94,677</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>

**BOGOTA BOARD OF EDUCATION  
BUDGETARY COMPARISON SCHEDULE  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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>
<b>Sources/inflows of resources</b>		
Actual amounts (budgetary basis) "revenue"		
from the budgetary comparison schedules (Exhibit C-1 & C-2)	\$ 18,909,298	\$ 962,371
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, 2010		39,322
June 30, 2011		(10,025)
State Aid and Extraordinary Aid payment recognized for GAAP purpose, not recognized for budgetary statements (2009/2010 State Aid)	634,934	
State Aid and Extraordinary Aid payment recognized for budgetary purpose, not recognized for GAAP statements (2010/2011 State Aid)	<u>(527,045)</u>	<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds. (Exhibit B-2)	<u>\$ 19,017,187</u>	<u>\$ 991,668</u>
<b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 18,796,811	\$ 962,371
Differences - Budget to GAAP		
Encumbrances for goods and services ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the goods and services are received for financial reporting purposes.		
June 30, 2010		39,322
June 30, 2011	<u>-</u>	<u>(10,025)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 18,796,811</u>	<u>\$ 991,668</u>

**SCHOOL LEVEL SCHEDULES**

**(General Fund)**

NOT APPLICABLE

**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, 2011**

	Chapter 192			Chapter 193			Grand Totals		
	Miscellaneous	Nonpublic Nursing	Nonpublic Textbooks	Comp. Ed.	ESL	Exam. and Class		Corrective Speech	Suppl. Inst.
<b>REVENUES</b>									
Intergovernmental									
State									
Federal									
Local Sources									
Miscellaneous	\$ 46,958	-	-	-	-	-	-	-	-
Total Revenues	\$ 46,958	\$ 17,781	\$ 14,550	\$ 80,629	\$ 11,441	\$ 19,158	\$ 16,507	\$ 20,042	\$ 735,305
									\$ 180,108
									\$ 735,305
									\$ 46,958
									\$ 962,371
<b>EXPENDITURES</b>									
Instruction									
Salaries of Teachers	\$ 9,349								\$ 242,858
Tuition	1,000								288,742
Purchased Professional & Educational Sys									3,068
Other Purchased Services									2,068
General Supplies	24,187								17,840
Textbooks			\$ 14,550						-
Total Instruction	34,536	17,781	14,550	80,629	11,441	19,158	16,507	20,042	551,508
									766,152
Support Services									
Personal Services - Employee Benefits	741								82,025
Purchased Professional & Technical Svc									64,993
Other Purchased Services	6,068								5,715
Tuition	5,613								5,613
General Supplies									663
Total Support Services	12,422								153,396
									165,818
Facilities Acquisition and Construction Services									
Instructional Equipment									9,285
Non-Instructional Equipment									21,116
Total Facilities Acq. & Construction									30,401
Total Expenditures	\$ 46,958	\$ 17,781	\$ 14,550	\$ 80,629	\$ 11,441	\$ 19,158	\$ 16,507	\$ 20,042	\$ 735,305
									\$ 962,371

**BOGOTA BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	NCLB				Individuals with Disabilities Education Act				Total	
	Title I		Title II		Part B, Basic		Part B, Preschool			
	Title I ARRA	Title IIA	Title II-D	Title III	Title IV	ARRA	ARRA	ARRA		
<b>REVENUES</b>										
Intergovernmental	\$ 311,591	\$ 2,455	\$ 31,959	\$ 684	\$ 19,537	\$ 25	\$ 315,495	\$ 43,045	\$ 1,262	\$ 735,305
Federal										
Total Revenues	\$ 311,591	\$ 2,455	\$ 31,959	\$ 684	\$ 19,537	\$ 25	\$ 315,495	\$ 43,045	\$ 1,262	\$ 735,305
<b>EXPENDITURES</b>										
Instruction	\$ 227,858			\$ 15,000			\$ 270,098	\$ 12,644	\$ 6,000	\$ 242,858
Salaries of Teachers										288,742
Tuition	2,068									2,068
Purchased Professional & Educational Svcs	1,977			\$ 508	1,537	\$ 25	11,206		1,956	631
General Supplies										17,840
Total Instruction	231,903			508	16,537	25	281,304	12,644	7,956	551,508
Support Services										
Personal Services - Employee Benefits	79,025				3,000					82,025
Purchased Professional & Technical Svcs.		\$ 2,455	\$ 26,420				34,191		1,296	64,993
Other Purchased Services			5,539	176						5,715
General Supplies	663									663
Total Support Services	79,688	2,455	31,959	176	3,000		34,191		1,296	153,396
Facilities Acquisition and Construction										
Instructional Equipment								9,285		9,285
Non-Instructional Equipment								21,116		21,116
Total Facilities Acq. & Construction								30,401		30,401
Total Expenditures	\$ 311,591	\$ 2,455	\$ 31,959	\$ 684	\$ 19,537	\$ 25	\$ 315,495	\$ 43,045	\$ 9,252	\$ 735,305

**BOGOTA BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
SCHEDULE OF PRESCHOOL EDUCATION AID  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOT APPLICABLE**

**CAPITAL PROJECTS FUND**

BOGOTA BOARD OF EDUCATION  
 CAPITAL PROJECTS FUND  
 SUMMARY SCHEDULE OF PROJECT EXPENDITURES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

<u>Issue/Project Title</u>	<u>Original Appropriation</u>	<u>Expenditures to Date</u>		<u>Balance June 30, 2011</u>
		<u>Prior Years</u>	<u>Current Year</u>	
Junior/High School Roof Replacement	\$ 805,540	800,576	-	\$ 4,964
Total		<u>\$ 800,576</u>	<u>-</u>	<u>\$ 4,964</u>
			Project Balance	\$ 4,964
			Fund Balance -GAAP Basis	<u>\$ 4,964</u>

**BOGOTA BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**Revenues and Other Financing Sources**

State Sources - SDA Grant	
Transfer from Capital Outlay	
Interest Earned on Investments	\$ <u>1</u>
 Total Revenues	 <u>1</u>

**Expenditures and Other Financing Uses**

Purchased Professional and Technical Services	
Construction Services	
Transfer Out	<u>1</u>
 Total Expenditures	 <u>1</u>

Excess of Expenditures Over Revenues	-
 Fund Balance, July 1, 2010	 <u>4,964</u>
 Fund Balance, June 30, 2011	 <u>\$ 4,964</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 AND FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SDA Grant	\$ 418,881		\$ 418,881	\$ 418,881
Transfer from Capital Reserve	386,659	-	386,659	386,659
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	805,540	-	805,540	805,540
<b>Expenditures and Other Financing Uses</b>				
Purchased Professional and Technical Services	48,836		48,836	48,836
Construction Services	751,740	-	751,740	751,740
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	800,576	-	800,576	800,576
Excess of Revenue Over Expenditures	<u>\$ 4,964</u>	<u>\$ -</u>	<u>\$ 4,964</u>	<u>\$ 4,964</u>

Additional Project Information:

Project Number	0440-020-09-2001
Grant Date	7/15/2009
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 805,540
Additional Authorized Cost	-
Revised Authorized Cost	805,540
Percentage Increase Over Original Authorized Cost	0.00%
Percentage Completion	100.00%
Original Target Completion Date	6/30/2010
Revised Target Completion Date	6/30/2010

**PROPRIETARY FUNDS**

**SCHEDULE G-1**

**BOGOTA BOARD OF EDUCATION  
PROPRIETARY FUND  
COMBINING SCHEDULE OF NET ASSETS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-4

**SCHEDULE G-2**

**COMBINING SCHEDULE OF REVENUES, EXPENSES AND  
CHANGES IN NET ASSETS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

**SCHEDULE G-3**

**COMBINING SCHEDULE OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-6

**BOGOTA BOARD OF EDUCATION  
INTERNAL SERVICE FUND  
COMBINING SCHEDULE OF NET ASSETS  
AS OF JUNE 30, 2011**

THIS STATEMENT NOT APPLICABLE

**COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES  
IN NET ASSETS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

THIS STATEMENT IS NOT APPLICABLE

**COMBINING SCHEDULE OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

THIS STATEMENT IS NOT APPLICABLE

**FIDUCIARY FUNDS**

**BOGOTA BOARD OF EDUCATION  
FIDUCIARY FUNDS  
COMBINING SCHEDULE OF AGENCY NET ASSETS  
AS OF JUNE 30, 2011**

	<u>Student Activity</u>	<u>Payroll</u>	<u>Total Agency Funds</u>
<b>ASSETS</b>			
Cash	\$ 82,439	\$ 17,136	\$ 99,575
Due from Unemployment Compensation Trust	<u>-</u>	<u>1,655</u>	<u>1,655</u>
Total Assets	<u>\$ 82,439</u>	<u>\$ 18,791</u>	<u>\$ 101,230</u>
 <b>LIABILITIES</b>			
Payroll Deductions and Withholdings		\$ 13,661	\$ 13,661
Accrued Salaries and Wages		993	993
Due to General Fund		4,137	4,137
Due to Student Groups	<u>\$ 82,439</u>	<u>-</u>	<u>82,439</u>
Total Liabilities	<u>\$ 82,439</u>	<u>\$ 18,791</u>	<u>\$ 101,230</u>

**BOGOTA BOARD OF EDUCATION  
FIDUCIARY FUNDS  
SCHEDULE OF CHANGES IN NET ASSETS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

FINANCIAL STATEMENT IS PRESENTED ON EXHIBIT B-8

## EXHIBIT H-3

**STUDENT ACTIVITY AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<b>Balance, July 1, <u>2010</u></b>	<b>Cash <u>Receipts</u></b>	<b>Cash <u>Disbursements</u></b>	<b>Balance June 30, <u>2011</u></b>
<b>ELEMENTARY SCHOOLS</b>				
Bixby	\$ 4,083	\$ 17,558	\$ 21,386	\$ 255
Steen	2,766	4,906	5,823	1,849
Total Elementary Schools	<u>6,849</u>	<u>22,464</u>	<u>27,209</u>	<u>2,104</u>
<b>HIGH SCHOOL</b>				
Student Activities	67,810	112,204	101,712	78,302
Athletic Account	-	39,494	37,461	2,033
Total High School	<u>67,810</u>	<u>151,698</u>	<u>139,173</u>	<u>80,335</u>
Total All Schools	<u>\$ 74,659</u>	<u>\$ 174,162</u>	<u>\$ 166,382</u>	<u>\$ 82,439</u>

**BOGOTA BOARD OF EDUCATION  
PAYROLL AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<b>Balance, July 1, <u>2010</u></b>	<b>Cash <u>Receipts</u></b>	<b>Cash <u>Disbursements</u></b>	<b>Balance, June 30, <u>2011</u></b>
Payroll Deductions and Withholdings	\$ 23,085	\$ 3,971,011	\$ 3,980,435	\$ 13,661
Due from Unemployment Trust Fund	(1,655)			(1,655)
Due to General Fund	13,213	547	9,623	4,137
Accrued Salaries and Wages	<u>993</u>	<u>6,039,710</u>	<u>6,039,710</u>	<u>993</u>
 Total	 <u>\$ 35,636</u>	 <u>\$ 10,011,268</u>	 <u>\$ 10,029,768</u>	 <u>\$ 17,136</u>

**LONG-TERM DEBT**

EXHIBIT I-1

**BOGOTA BOARD OF EDUCATION  
LONG-TERM DEBT  
SCHEDULE OF SERIAL BONDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

<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, 2010</u>	<u>Retired</u>	<u>Balance, June 30, 2011</u>
School Improvements	1/15/1999	\$ 550,000	1/15/12-14	\$ 50,000	4.60 %	\$ 200,000	\$ 50,000	\$ 150,000
Refunding Bonds	6/23/2005	7,460,000	7/15/2011	430,000	3.00			
			7/15/2012	445,000	3.125			
			7/15/2013	460,000	3.25			
			7/15/2014	455,000	3.40			
			7/15/2015	470,000	4.00			
			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>6,900,000</u>	<u>435,000</u>	<u>6,465,000</u>
						<u>\$ 7,100,000</u>	<u>\$ 485,000</u>	<u>\$ 6,615,000</u>

**BOGOTA BOARD OF EDUCATION  
LONG-TERM DEBT  
DEBT SERVICE FUND BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Budgeted Amounts</u>			<u>Actual</u>	<u>Variance Final to Actual</u>
	<u>Original</u>	<u>Budget Transfer</u>	<u>Final</u>		
<b>REVENUES</b>					
Local Sources					
Property Taxes	\$ 730,059		\$ 730,059	\$ 730,059	-
State Sources					
Debt Service Aid Type II	12,912	-	12,912	12,912	-
Total Revenues	<u>742,971</u>	<u>-</u>	<u>742,971</u>	<u>742,971</u>	<u>-</u>
<b>EXPENDITURES</b>					
Regular Debt Service					
Interest	257,971	-	257,971	257,971	-
Principal	485,000	-	485,000	485,000	-
Total Expenditures	<u>742,971</u>	<u>-</u>	<u>742,971</u>	<u>742,971</u>	<u>-</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>

## 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 ASSETS BY COMPONENT**  
**LAST NINE FISCAL YEARS**  
*(Unaudited)*  
*(accrual basis of accounting)*

	Fiscal Year Ended June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	
<b>Governmental activities</b>										
Invested in capital assets, net of related debt	\$ 516,082	\$ 2,129,187	\$ 4,664,300	\$ 4,408,683	\$ 4,439,421	\$ 4,454,677	\$ 5,002,455	\$ 5,967,801	\$ 4,424,003	
Restricted	(558,123)	1,065,860	628,942	(447,461)	(217,941)	109,146	187,995	192,973	292,973	
Unrestricted						(82,621)	(300,530)	(445,026)	(325,968)	
<b>Total governmental activities net assets</b>	<b>\$ (42,041)</b>	<b>\$ 3,195,047</b>	<b>\$ 5,293,242</b>	<b>\$ 4,216,890</b>	<b>\$ 4,326,932</b>	<b>\$ 4,481,202</b>	<b>\$ 4,889,920</b>	<b>\$ 5,715,748</b>	<b>\$ 4,391,008</b>	
<b>Business-type activities</b>										
Invested in capital assets	\$ 8,907	\$ 10,312	\$ 9,266	\$ 8,221	\$ 7,175	\$ 6,129	\$ 5,083	\$ 42,280	\$ 54,762	
Unrestricted	12,826	11,715	24,408	41,083	22,047	20,388	47,942	13,314	1,938	
<b>Total business-type activities net assets</b>	<b>\$ 21,733</b>	<b>\$ 22,027</b>	<b>\$ 33,674</b>	<b>\$ 49,304</b>	<b>\$ 29,222</b>	<b>\$ 26,517</b>	<b>\$ 53,025</b>	<b>\$ 55,594</b>	<b>\$ 56,700</b>	
<b>District-wide</b>										
Invested in capital assets, net of related debt	\$ 524,989	\$ 2,139,499	\$ 4,673,566	\$ 4,416,904	\$ 4,446,596	\$ 4,460,806	\$ 5,007,538	\$ 6,010,081	\$ 4,478,765	
Restricted	-	-	-	255,668	105,452	109,146	187,995	192,973	292,973	
Unrestricted	(545,297)	1,077,575	653,350	(406,378)	(195,894)	(62,233)	(252,588)	(431,712)	(324,030)	
<b>Total district net assets</b>	<b>\$ (20,308)</b>	<b>\$ 3,217,074</b>	<b>\$ 5,326,916</b>	<b>\$ 4,266,194</b>	<b>\$ 4,356,154</b>	<b>\$ 4,507,719</b>	<b>\$ 4,942,945</b>	<b>\$ 5,771,342</b>	<b>\$ 4,447,708</b>	

Note:  
 GASB requires that ten years of statistical data be presented. However, since the District implemented the new reporting model contained in GASB No. 34 in fiscal year 2003 only nine years of information are available. Each year thereafter, an additional year's data will be included until ten years of data is present.

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

	Fiscal Year Ended June 30,								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Expenses</b>									
<b>Governmental activities</b>									
Instruction									
Regular	\$ 5,952,913	\$ 5,871,933	\$ 6,789,968	\$ 7,334,952	\$ 7,480,789	\$ 8,007,192	\$ 8,328,788	\$ 8,225,228	\$ 8,071,997
Special education	2,408,727	2,328,861	2,794,314	3,230,732	3,430,920	3,828,439	3,980,707	4,785,657	5,403,583
Other instruction	554,721	442,444	419,254	340,769	315,805	334,699	334,889	344,556	312,379
School Sponsored Activities and Athletics	276,460	333,185	357,274	342,150	352,609	337,960	251,418	260,059	270,669
Support Services:									
Student & instruction related services	1,305,391	1,249,984	1,414,453	1,365,810	1,391,890	1,396,377	1,597,411	1,795,306	1,873,574
School Administrative services	695,523	704,844	860,424	578,768	989,824	1,006,124	996,703	1,109,618	942,836
General administration	716,933	644,806	537,638	921,608	589,474	555,603	645,568	683,252	705,920
Plant operations and maintenance	1,058,478	1,143,199	1,223,760	1,340,943	1,460,127	1,511,666	1,724,472	1,667,159	1,273,465
Pupil transportation	657,102	602,514	508,502	582,420	677,374	755,717	831,580	1,029,216	829,306
Central Services	304,228	323,919	337,522	357,514	373,181	412,141	366,136	459,500	428,516
Interest on long-term debt	449,847	434,856	274,876	362,778	359,021	339,508	330,272	317,564	304,201
<b>Total governmental activities expenses</b>	<b>14,380,323</b>	<b>14,080,545</b>	<b>15,517,985</b>	<b>16,758,444</b>	<b>17,421,014</b>	<b>18,485,426</b>	<b>19,387,944</b>	<b>20,677,115</b>	<b>20,416,446</b>
<b>Business-type activities:</b>									
Food service	242,003	262,140	248,397	325,847	393,558	436,736	454,604	457,610	463,072
<b>Total business-type activities expense</b>	<b>242,003</b>	<b>262,140</b>	<b>248,397</b>	<b>325,847</b>	<b>393,558</b>	<b>436,736</b>	<b>454,604</b>	<b>457,610</b>	<b>463,072</b>
<b>Total district expenses</b>	<b>\$ 14,622,326</b>	<b>\$ 14,342,685</b>	<b>\$ 15,766,382</b>	<b>\$ 17,084,291</b>	<b>\$ 17,814,572</b>	<b>\$ 18,922,162</b>	<b>\$ 19,842,548</b>	<b>\$ 21,134,725</b>	<b>\$ 20,879,518</b>
<b>Program Revenues</b>									
<b>Governmental activities:</b>									
Charges for services:									
Instruction (tuition)				\$ 198,497	\$ 153,063	\$ 14,793			
Operating grants and contributions	\$ 5,133,330	\$ 2,181,929	\$ 2,451,668	2,694,107	3,196,865	3,341,036	\$ 2,985,319	\$ 4,268,598	\$ 3,036,917
Capital grants and contributions	-	1,506,046	1,952,484	115,073	26,483	1,960	87,923	418,881	-
<b>Total governmental activities program revenues</b>	<b>5,133,330</b>	<b>3,687,975</b>	<b>4,404,152</b>	<b>3,007,677</b>	<b>3,376,411</b>	<b>3,357,789</b>	<b>3,073,242</b>	<b>4,687,479</b>	<b>3,036,917</b>
<b>Business-type activities:</b>									
Charges for services									
Food service	174,296	175,846	165,321	202,563	199,356	228,410	236,417	209,281	195,360
Operating grants and contributions	72,446	86,588	94,723	137,461	170,819	203,551	214,083	250,426	268,543
<b>Total business-type activities program revenues</b>	<b>246,742</b>	<b>262,434</b>	<b>260,044</b>	<b>340,024</b>	<b>370,175</b>	<b>431,961</b>	<b>450,500</b>	<b>459,707</b>	<b>463,903</b>
<b>Total district program revenues</b>	<b>\$ 5,380,072</b>	<b>\$ 3,950,409</b>	<b>\$ 4,664,196</b>	<b>\$ 3,347,701</b>	<b>\$ 3,746,586</b>	<b>\$ 3,789,750</b>	<b>\$ 3,523,742</b>	<b>\$ 5,147,186</b>	<b>\$ 3,500,820</b>
<b>Net (Expense)/Revenue</b>									
Governmental activities	\$ (9,246,993)	\$ (10,392,570)	\$ (11,113,833)	\$ (13,750,767)	\$ (14,044,603)	\$ (15,127,637)	\$ (16,314,702)	\$ (15,989,636)	\$ (17,379,529)
Business-type activities	4,739	294	11,647	14,177	(23,383)	(4,775)	(4,104)	2,097	831
<b>Total district-wide net expense</b>	<b>\$ (9,242,254)</b>	<b>\$ (10,392,276)</b>	<b>\$ (11,102,186)</b>	<b>\$ (13,736,590)</b>	<b>\$ (14,067,986)</b>	<b>\$ (15,132,412)</b>	<b>\$ (16,318,806)</b>	<b>\$ (15,987,539)</b>	<b>\$ (17,378,698)</b>
<b>General Revenues and Other Changes in Net Assets</b>									
<b>Governmental activities:</b>									
Property taxes levied for general purposes, net	\$ 9,163,100	\$ 9,107,058	\$ 9,185,154	\$ 8,905,350	\$ 10,238,743	\$ 11,051,878	\$ 11,821,544	\$ 12,294,405	\$ 12,783,703
Taxes levied for debt service		575,371	728,765	747,167	576,161	734,685	734,904	720,478	730,059
State and federal aid - unrestricted		3,106,349	3,228,098	3,233,817	3,228,165	3,426,222	4,117,791	3,768,363	4,160,485
State aid - restricted for debt service		198,584	14,056	13,643	13,229	14,099	13,627	14,438	12,912
Gain (Loss) on disposal of capital assets		685,000		(314,249)				(41,968)	(333)
Investment earnings	95,164	58,111	15,515	72,260	82,869	51,081	46,625		
Miscellaneous income	47,017	58,574	39,840	16,427	15,478	3,942	18,929	59,748	27,751
Transfers							(30,000)		
<b>Total governmental activities</b>	<b>9,305,281</b>	<b>13,789,047</b>	<b>13,212,028</b>	<b>12,674,415</b>	<b>14,154,645</b>	<b>15,281,907</b>	<b>16,723,420</b>	<b>16,815,464</b>	<b>17,714,577</b>
<b>Business-type activities:</b>									
Transfers							30,000		
Investment earnings				1,453	3,301	2,070	612	472	275
<b>Total business-type activities</b>				<b>1,453</b>	<b>3,301</b>	<b>2,070</b>	<b>30,612</b>	<b>472</b>	<b>275</b>
<b>Total district-wide</b>	<b>\$ 9,305,281</b>	<b>\$ 13,789,047</b>	<b>\$ 13,212,028</b>	<b>\$ 12,675,868</b>	<b>\$ 14,157,946</b>	<b>\$ 15,283,977</b>	<b>\$ 16,754,032</b>	<b>\$ 16,815,936</b>	<b>\$ 17,714,852</b>
<b>Change in Net Assets</b>									
Governmental activities	\$ 58,288	\$ 3,396,477	\$ 2,098,195	\$ (1,076,352)	\$ 110,042	\$ 154,270	\$ 408,718	\$ 825,828	\$ 335,048
Business-type activities	4,739	294	11,647	15,630	(20,082)	(2,705)	26,508	2,569	1,106
<b>Total district</b>	<b>\$ 63,027</b>	<b>\$ 3,396,771</b>	<b>\$ 2,109,842</b>	<b>\$ (1,060,722)</b>	<b>\$ 89,960</b>	<b>\$ 151,565</b>	<b>\$ 435,226</b>	<b>\$ 828,397</b>	<b>\$ 336,154</b>

Note:  
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**BOGOTA BOARD OF EDUCATION  
FUND BALANCES - GOVERNMENTAL FUNDS  
LAST NINE FISCAL YEARS**

(Unaudited)  
(modified accrual basis of accounting)

	Fiscal Year Ended June 30,								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>General Fund</b>									
Restricted	\$ 272,038	\$ 1,360,953	\$ 913,052	\$ 263,292	\$ 4,454,677	\$ 432,177	\$ 427,216	\$ 329,615	\$ 307,414
Assigned	(231,364)	196,368	51,819	(108,246)	35,783	98,312	(81,629)	(213,796)	202,124
Unassigned									(173,342)
Reserved									
Unreserved									
<b>Total General Fund</b>	<u>\$ 40,674</u>	<u>\$ 1,557,321</u>	<u>\$ 964,871</u>	<u>\$ 155,046</u>	<u>\$ 4,490,460</u>	<u>\$ 530,489</u>	<u>\$ 345,587</u>	<u>\$ 115,819</u>	<u>\$ 336,196</u>
<b>All Other Governmental Funds</b>									
Restricted									\$ 4,964
Reserved	\$ 606,464	\$ 6,867,162	\$ 434,260	\$ 33,432	\$ 2,506				
Unreserved	8,047,858	(1,499,851)	(122,421)	170,810	(19,868)	\$ (22,402)		\$ 4,964	
<b>Total All Other Governmental Funds</b>	<u>\$ 8,654,322</u>	<u>\$ 5,367,311</u>	<u>\$ 311,839</u>	<u>\$ 204,242</u>	<u>\$ (17,362)</u>	<u>\$ (22,402)</u>	<u>\$ -</u>	<u>\$ 4,964</u>	<u>\$ 4,964</u>

Note:

GASB requires that ten years of statistical data be presented. However, since the District implemented the new reporting model contained in GASB No. 34 in fiscal year 2003 only nine years of information are available. Each year thereafter, an additional year's data will be included until ten years of data is present.

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 NINE FISCAL YEARS**  
(Unaudited)  
(modified accrual basis of accounting)

	Fiscal Year Ended June 30,								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Revenues</b>									
Property Tax levy	\$ 9,163,100	\$ 9,682,429	\$ 9,913,919	\$ 9,652,517	\$ 10,814,904	\$ 11,786,563	\$ 12,556,448	\$ 13,014,883	\$ 13,513,762
Tuition charges				198,497	153,063	14,793			
Interest earnings	95,164	58,111	15,515	72,260	82,869	51,081	46,625		
Miscellaneous	47,017	743,574	39,840	16,427	15,478	3,942	18,929	65,968	94,908
State sources	4,805,700	6,701,763	7,248,055	5,563,333	5,895,473	6,302,274	6,480,028	6,632,806	6,395,370
Federal sources	327,630	291,145	398,851	493,307	569,269	481,043	724,632	1,831,254	747,787
<b>Total revenue</b>	<b>14,438,611</b>	<b>17,477,022</b>	<b>17,616,180</b>	<b>15,996,341</b>	<b>17,531,056</b>	<b>18,639,696</b>	<b>19,826,662</b>	<b>21,544,911</b>	<b>20,751,827</b>
<b>Expenditures</b>									
<b>Instruction</b>									
Regular Instruction	5,859,420	5,902,364	6,679,599	7,066,273	7,353,871	7,758,584	8,151,403	8,055,814	7,884,433
Special education instruction	2,391,087	2,317,232	2,806,518	3,160,108	3,380,880	3,777,870	3,936,232	4,744,098	5,344,012
Other instruction	550,651	440,011	422,277	327,081	304,349	323,458	243,478	253,046	261,021
School sponsored activities and athletics	276,460	333,185	342,328	340,769	352,609	337,960	327,076	337,783	304,446
<b>Support Services:</b>									
Student & inst. related services	1,299,162	1,238,623	1,393,420	1,315,844	1,349,391	1,353,862	1,560,203	1,760,899	1,832,053
General administration	757,707	643,206	535,339	562,888	571,317	537,626	971,650	673,650	693,733
School administrative services	691,162	701,283	861,121	890,797	967,221	982,975	633,196	1,085,290	918,061
Plant operations and maintenance	1,040,838	1,128,253	1,208,814	1,275,646	1,410,483	1,462,955	1,699,902	1,644,824	1,267,234
Pupil transportation	657,102	602,514	508,502	582,420	677,374	755,717	821,730	1,028,386	820,971
Central services	301,514	321,620	335,223	347,468	365,544	404,646	366,136	450,881	410,698
Capital outlay	601,131	4,795,554	7,365,735	438,686	94,583	7,000	499,625	1,000,128	51,817
<b>Debt service:</b>									
Principal	374,359	381,416	376,460	372,012	410,000	435,000	455,000	460,000	485,000
Interest and other charges	457,011	442,125	428,766	233,771	332,894	313,784	293,531	274,916	257,971
Bond issuance costs			129,055						
Advance refunding escrow			370,269						
<b>Total expenditures</b>	<b>15,257,604</b>	<b>19,247,386</b>	<b>23,763,426</b>	<b>16,913,763</b>	<b>17,570,516</b>	<b>18,451,437</b>	<b>19,959,162</b>	<b>21,769,715</b>	<b>20,531,450</b>
<b>Excess (Deficiency) of revenues over (under) expenditures</b>	<b>(818,993)</b>	<b>(1,770,364)</b>	<b>(6,147,246)</b>	<b>(917,422)</b>	<b>(39,460)</b>	<b>188,259</b>	<b>(132,500)</b>	<b>(224,804)</b>	<b>220,377</b>
<b>Other Financing sources (uses)</b>									
Original issue discount			(60,676)						
Refunding bonds issued			7,460,000						
Payments to refunded bond escrow agent			(6,900,000)						
Transfers in	95,164	48,376	15,515	12,734	2,917	9	121,741	386,661	1
Transfers out	(95,164)	(48,376)	(15,515)	(12,734)	(2,917)	(9)	(151,741)	(386,661)	(1)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>499,324</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(30,000)</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ (818,993)</b>	<b>\$ (1,770,364)</b>	<b>\$ (5,647,922)</b>	<b>\$ (917,422)</b>	<b>\$ (39,460)</b>	<b>\$ 188,259</b>	<b>\$ (162,500)</b>	<b>\$ (224,804)</b>	<b>\$ 220,377</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>5.67%</b>	<b>5.70%</b>	<b>4.91%</b>	<b>3.68%</b>	<b>4.25%</b>	<b>4.06%</b>	<b>3.85%</b>	<b>3.54%</b>	<b>3.63%</b>

\* Noncapital expenditures are total expenditures less capital outlay.

**Note:**

GASB requires that ten years of statistical data be presented. However, since the District implemented the new reporting model contained in GASB No. 34 in fiscal year 2003 only nine years of information are available. Each year thereafter, an additional year's data will be included until ten years of data is present.

**BOGOTA BOARD OF EDUCATION  
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE\*  
TEN FISCAL YEARS ENDED JUNE 30  
(UNAUDITED)**

<u>Fiscal Year Ended June 30,</u>	<u>Tuition</u>	<u>Interest on Investments</u>	<u>Insurance Refund</u>	<u>Sale of Property</u>	<u>Cancel Prior Year Accounts Payable</u>	<u>Miscellaneous</u>	<u>Total</u>
2011		\$ 7,363			\$ 9,129	\$ 11,258	\$ 27,750
2010		20,438			32,990	6,318	59,746
2009		46,581				18,929	65,510
2008	\$ 14,793	51,072				3,942	69,807
2007	153,063	79,952				15,478	248,493
2006	198,497	59,526				16,427	274,450
2005	3,116	35,245				1,479	39,840
2004		9,735	\$ 14,776	\$ 685,000		43,798	753,309
2003		3,635				43,382	47,017
2002	12,000	8,990				48,051	69,041

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	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate <sup>a</sup>
*	2002	\$ 394,566,800			\$ 32,106,000	\$ 14,808,100	\$ 25,059,100	\$ 469,562,400	\$ 794,407	\$ 470,356,807	\$ 495,710,765	\$ 1.900
	2003	394,254,900			31,812,100	14,808,100	25,059,100	469,037,400	612,757	469,650,157	511,044,784	1.937
	2004	393,480,900			35,903,000	14,808,100	24,736,500	471,026,900	523,084	471,549,984	581,875,373	2.112
	2005	393,657,680			35,919,100	14,862,100	24,756,500	472,083,780	521,727	472,605,507	666,875,191	2.091
	2006	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	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	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	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	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	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

Source: County Abstract of Ratables

<sup>a</sup> Tax rates are per \$100

\*- Revaluation of Real Property effective 2002

\*\*-. Revaluation of Real Property effective 2009

N/A - Not Available

**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</u>	<u>County (1)</u>
2011	\$ 2.574	\$ 1.600	\$ 0.759	\$ 0.215
2010	2.549	1.620	0.714	0.215 *
2009	2.421	1.532	0.665	0.224
2008	4.024	2.564	1.101	0.359
2007	3.730	2.402	1.000	0.328
2006	3.395	2.156	0.949	0.290
2005	3.280	2.091	0.917	0.272
2004	3.280	2.112	0.918	0.250
2003	3.135	1.937	0.918	0.280
2002	3.090	1.900	0.950	0.240

\* Revaluation of Real Property Effective 2009.

(1) 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	2011		2002	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Bogota Golf	\$ 10,848,500	1.30%		
Stirling Management	10,785,700	1.29%		
P. Feiner	4,323,100	0.52%		
McHael Court	4,105,800	0.49%		NOT AVAILABLE
Evergreen Realty	3,200,000	0.38%		
Landmark Developers	3,845,100	0.46%		
BR Holding	2,921,800	0.35%		
River Road Associates	2,059,900	0.25%		
Hess Oil	4,343,100	0.52%		
	<u>\$ 46,433,000</u>	<u>5.05%</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	
2002	\$ 8,351,927	\$ 8,351,927	100.00%	
2003	9,163,100	9,163,100	100.00%	
2004	9,682,429	9,441,540	97.51%	\$ 240,889
2005	9,913,919	9,913,919	100.00%	
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%	

Source: District records.

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

Fiscal Year Ended June 30,	Governmental Activities		Total District	Estimated Population	Per Capita
	General Obligation Bonds	Capital Leases			
2005	\$ 9,215,000	\$ 17,012	\$ 9,232,012	8,015	\$ 1,152
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	7,917 *	897
2011	6,615,000		6,615,000	7,917 *	836

Source: District records

\*Estimated

Note:

GASB requires that ten years of statistical data be presented. As a result of the implementation of GASB No. 44 in fiscal year 2006 only seven years of information is available. Each year thereafter, an additional year's data will be included until ten years of data is present.

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions			
2005	\$ 9,215,000		\$ 9,215,000	1.95%	\$ 1,150
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%	955
2011	6,615,000		6,615,000	0.79%	836

Source: District records

Notes:

a See Exhibit J-6 for property tax data.

b See Exhibit J-14 for population data.

Note:

GASB requires that ten years of statistical data be presented. As a result of the implementation of GASB No. 44 in fiscal year 2006 only seven years of information is available. Each year thereafter, an additional year's data will be included until ten years of data is present.

**BOGOTA BOARD OF EDUCATION  
COMPUTATION OF DIRECT AND OVERLAPPING OUTSTANDING BONDED DEBT  
FOR YEAR ENDED DECEMBER 31, 2010  
(UNAUDITED)**

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Municipal Debt: (1)			
Borough of Bogota School District	\$ 6,615,000	\$ 6,615,000	
Borough of Bogota	<u>6,997,624</u>	<u>\$ 751,516</u>	<u>\$ 6,246,108</u>
	<u>\$ 13,612,624</u>	<u>\$ 7,366,516</u>	6,246,108
Overlapping Debt Apportioned to the Municipality:			
Bergen County (3);(A):			
County of Bergen (A)			3,368,131
Bergen County Utilities Authority (2) - Water Pollution (B)			<u>2,950,387</u>
Total Direct and Overlapping Debt			<u>\$ 12,564,626</u>

(A) The debt for this entity was apportioned to the Borough of Bogota by dividing the Municipality's 2010 equalized value by the total 2010 equalized value for Bergen County.

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

Sources:

- (1) Borough of Bogota Annual Debt Statement
- (2) BCUA 2010 audit.
- (3) Bergen County Debt Statement 12/31/10

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

Legal Debt Margin Calculation for Fiscal Year 2011

Equalized valuation basis	
2008	\$ 953,661,260
2009	903,745,746
2010	849,050,076
	<u>\$2,706,457,082</u>

	\$ 902,152,361
	36,086,094 <sup>a</sup>
	<u>6,615,000</u>
	\$ 29,471,094

Average equalized valuation of taxable property

Debt limit (4 % of average equalization value)  
Total Net Debt Applicable to Limit  
Legal debt margin

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Debt limit	\$ 16,164,853	\$ 17,157,979	\$ 18,616,879	\$ 20,633,507	\$ 23,410,022	\$ 30,366,957	\$ 33,582,135	\$ 36,317,516	\$ 37,299,367	\$ 36,086,094
Total net debt applicable to limit	9,985,000	9,675,000	9,345,000	9,010,000	9,215,000	8,485,000	8,015,000	7,560,000	7,100,000	6,615,000
Legal debt margin	\$ 6,179,853	\$ 7,482,979	\$ 9,271,879	\$ 11,623,507	\$ 14,195,022	\$ 21,881,957	\$ 25,567,135	\$ 28,757,516	\$ 30,199,367	\$ 29,471,094
Total net debt applicable to the limit as a percentage of debt limit	61.77%	56.39%	50.20%	43.67%	39.36%	27.94%	23.87%	20.82%	19.04%	18.33%

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

<sup>a</sup> Limit set by NUSA 18A:24-19 for a K through I2 district; other % limits would be applicable for other district types.

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

<u>Year Ended December 31,</u>	<u>Unemployment Rate</u>	<u>Per Capita Income(1)</u>	<u>Borough Population</u>
2010	14.2%	N/A	N/A
2009	13.9%	\$ 64,388	7,917
2008	8.0%	68,541	7,887
2007	6.2%	67,113	7,907
2006	6.9%	63,021	7,938
2005	6.5%	56,963	8,015
2004	5.4%	54,669	8,094
2003	6.6%	51,291	8,125
2002	6.7%	51,931	8,169
2001	4.9%	52,102	8,206

Source: United States Bureau of Census, April 2000  
School District Records

(1) Bergen County per capita income

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

<u>Employer</u>	<u>2011</u>		<u>2002</u>	
	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>

NOT AVAILABLE

NOT AVAILABLE

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

<u>Function/Program</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Instruction								
Regular	83	104	103	86	92	104	102	100
Special education	15	2	4	31	30	15	15	14
Other special education	5	5	6	5	5	3	3	3
Vocational								
Other instruction								
Nonpublic school programs								
Adult/continuing education programs								
Support Services:								
Student & instruction related services	11	9	8	8		18	18	15
General administration	3	3	4	2	2	2	2	3
School administrative services	9	9	9	5	5	5	4	-
Other administrative services				9	9	5	4	2
Central services	4	4	4	3	3	3	3	3
Administrative Information Technology								
Plant operations and maintenance	14	14	14	16	16	15	12	1
Pupil transportation								
Other support services								
Food Service	-	-	-	-	-	-	-	-
<b>Total</b>	<u>144</u>	<u>150</u>	<u>152</u>	<u>165</u>	<u>162</u>	<u>170</u>	<u>163</u>	<u>141</u>

**Source:** Annual School Budget Statement

**Note:**

GASB requires that ten years of statistical data be presented. As a result of the implementation of GASB No. 44 in fiscal year 2006 only eight years of information is available. Each year thereafter, an additional year's data will be included until ten years of data is present.

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

Fiscal Year	Pupil/Teacher Ratio											
	Enrollment <sup>a</sup>	Operating Expenditures <sup>b</sup>	Cost Per Pupil <sup>c</sup>	Percentage Change	Teaching Staff	Elementary	Middle School	Senior High School	Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
2002	1,184	\$ 13,481,678	\$ 11,387	3.59%	110				1,184	1,127	4.41%	95.19%
2003	1,151	13,850,258	12,033	5.68%	101				1,151	1,096	-2.79%	95.22%
2004	1,027	13,677,877	13,318	10.68%	100				1,027	984	-10.77%	95.81%
2005	1,025	15,093,141	14,725	10.56%	107				1,025	978	-0.19%	95.41%
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	96	-3.67%	8.31%
2011	1,223	19,736,662	16,138	-3.26%	117	9:01		9:01	1,168	1,146	1.13%	98.12%

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)**

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<u>District Building</u>										
<u>Elementary</u>										
<u>E. Roy Bixby</u>										
Square Feet	31,458	31,458	# 31,458	40,394	41,394	40,475	40,475	40,475	40,475	20,475
Capacity (students)				290	290	335	303	N/A	300	292
Enrollment										
<u>Lillian M Steen</u>										
Square Feet	23,393	23,393	23,393	61,368	61,368	47,456	47,456	47,456	47,456	47,456
Capacity (students)				521	521	274	306	N/A	321	296
Enrollment										
<u>Jr./Sr. High School</u>										
Square Feet					87,671	78,464	78,464	86,104	86,104	86,104
Capacity (students)					310	536	543	N/A	580	575
Enrollment										
<u>Other</u>										
<u>Board of Education Offices</u>										
Square Feet					1,500	1,500	1,500	1,500	1,500	1,500
<u>Feigel Field House</u>					7,640	7,640	7,640	7,640	7,640	7,640
Square Feet										
Number of Schools at June 30, 2011					2	2	2	2	2	2
Elementary =					1	1	1	1	1	1
Junior/Senior High School =										

Source: Long Range Facilities Plan 2005-2011

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

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
UNDISTRIBUTED EXPENDITURES - REQUIRED MAINTENANCE FOR SCHOOL FACILITIES										
School Facilities										
Bixby Elementary School	\$ 72,190	\$ 107,720	\$ 101,951	\$ 68,525	\$ 48,316	\$ 52,698	\$ 55,634	\$ 55,588	\$ 62,693	\$ 65,340
Steen Elementary School	57,550	121,186	119,536	82,800	73,409	82,811	45,038	45,000	49,632	51,437
Bogota High School	175,164	219,930	216,885	134,194	114,012	115,433	180,065	164,116	145,648	161,263
Grand Total	\$ 304,904	\$ 448,836	\$ 438,372	\$ 285,519	\$ 235,737	\$ 250,942	\$ 280,737	\$ 264,704	\$ 257,973	\$ 278,040

Source: School District's Financial Statements

**BOGOTA BOARD OF EDUCATION  
SCHEDULE OF INSURANCE  
JUNE 30, 2011  
(Unaudited)**

	<u>Coverage</u>	<u>Deductible</u>
Commercial Property Coverage - NJSBAIG		
Property - Blanket Building & Contents	\$ 34,940,817	\$ 5,000
Electronic Data Processing	500,000	
Equipment Breakdown	100,000,000	
Blanket Extra Expense	25,000,000	
General Liability - NJSBAIG		
General Aggregate	11,000,000	
Public Official Bonds - NJSBAIG		
School Business Administrator	200,000	
Treasurer of School Monies	205,000	
Boiler and Machinery - NJSBAIG		
Direct Damage	100,000,000	1,000
Commercial Automobile - NJSBAIG		
Liability	1,000,000	1,000
School Board Legal Liability	6,000,000	5,000
Excess/Umbrella Liability - NJSBAIG	50,000,000	
Firemen's Fund	10,000,000	
Workers Compensation - NJSBAIG		
Employer Liability - Each Accident/Each Employee/Limit	2,000,000	
Student/Athletic Accident	5,000,000	

Source: School District's records

**SINGLE AUDIT SECTION**

# LERCH, VINCI & HIGGINS, LLP

EXHIBIT K-1

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

17 - 17 ROUTE 208  
FAIR LAWN, NJ 07410  
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RALPH M. PICONE, CPA, RMA, PSA  
EDWARD N. KERE, CPA

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

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

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, 2011, which collectively comprise the Bogota Board of Education's basic financial statements and have issued our report thereon dated December 1, 2011. 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 Government Auditing Standards, issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Finance and Regulatory Compliance, Department of Education, State of New Jersey.

### **Internal Control Over Financial Reporting**

Management of the Bogota Board of Education is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Bogota Board of Education's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Bogota Board of Education's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Bogota Board of Education's internal control over financial reporting.

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 Bogota Board of Education's financial statements will not be prevented, or detected and corrected on a timely basis.

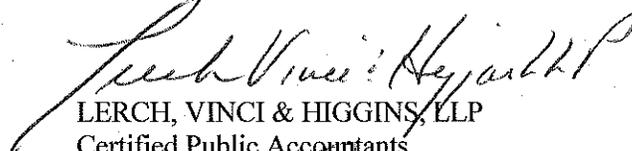
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

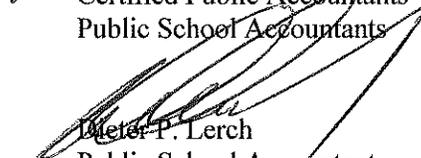
### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Bogota Board of Education's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Division of Finance and Regulatory Compliance, Department of Education, State of New Jersey.

However, we noted certain matters that we have reported to management of the Bogota Board of Education in a separate report entitled, "Auditors' Management Report on Administrative Findings – Financial, Compliance and Performance" dated December 1, 2011.

This report is intended solely for the information and use of management, the Board of Trustees, others within the District, the New Jersey State Department of Education and other federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

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

  
 Peter P. Lerch  
 Public School Accountant  
 PSA Number CS00756

Fair Lawn, New Jersey  
 December 1, 2011

# LERCH, VINCI & HIGGINS, LLP

EXHIBIT K-2

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

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FAIR LAWN, NJ 07410  
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PAUL J. LERCH, CPA, RMA, PSA  
DONNA L. JAPHET, CPA, PSA  
JULIUS B. CONSONI, CPA, PSA

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

## REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR 04-04

### Independent Auditor's Report

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

### Compliance

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 04-04 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of Bogota Board of Education's major federal and state programs for the fiscal year ended June 30, 2011. 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. Compliance with the requirement of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the Bogota Board of Education's management. Our responsibility is to express an opinion on Bogota Board of Education's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; audit requirements as prescribed by the Division of Finance and Regulatory Compliance, Department of Education, State of New Jersey; OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and New Jersey OMB Circular 04-04, 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 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. Our audit does not provide a legal determination on Bogota Board of Education's compliance with those requirements.

In our opinion, Bogota Board of Education complied, in all material respects, with the 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, 2011. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements which is required to be reported in accordance with OMB Circular A-133 and New Jersey OMB Circular 04-04 and which is described in the accompanying schedule of findings and questioned costs as item 2011-1.

### Internal Control Over Compliance

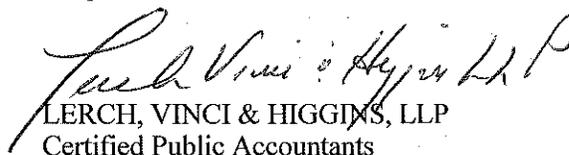
Management of Bogota Board of Education is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered Bogota Board of Education's internal control over compliance with requirements that could have a direct and material effect on a major federal or state program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and New Jersey OMB Circular 04-04, 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 Board's internal control over compliance.

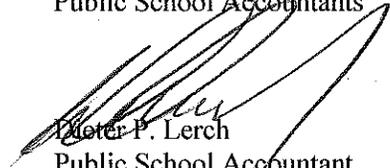
A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with a type of compliance requirement of a federal or 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.

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 deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

The Board of Education's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the Board of Education's response and, accordingly, we express no opinion on the response.

This report is intended solely for the information and use of management, the Board of Trustees, others within the District, the New Jersey State Department of Education and other federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

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

  
 Peter P. Lerch  
 Public School Accountant  
 PSA Number CS00756

Fair Lawn, New Jersey  
 December 1, 2011





**BOGOTA BOARD OF EDUCATION  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2010		Carryover Amount	Cash Received	Budgetary Expenditures	Adjustment	Repayment of Prior Years' Balances	Balance June 30, 2011		MEMO	
				(Accounts Receivable)	Deferred Revenue						Due to Grantor	Deferred Revenue	GAAP Receivable	Cumulative Expenditures
State Department of Education Debt Service Fund Debt Service State Support	11-495-034-5120-075	7/1/10-6/30/11	\$ 12,912	-	-	-	\$ 12,912	\$ 12,912	-	-	-	-	\$ 12,912	-
State Economic Development Authority Educational Facilities Construction and Financing Act Capital Projects Fund	0440-020-09-2001		418,881	-(83,849)	-	-	-	-	-	-(83,849)	-	-	-(83,849)	-
State Department of Agriculture Enterprise Fund			5,487	-(562)	-	5,069	5,487	-	-	-(418)	-	-	5,487	-
State School Lunch Program	08-100-010-3350-023	7/1/10-6/30/11	8,569	-(149)	-	562	562	-	-	-	-	-	-	-
State School Lunch Program	08-100-010-3350-021	7/1/09-6/30/10	1,675	-	-	149	-	-	-	-	-	-	-	-
State School Breakfast Program				-(711)	-	5,780	5,487	-	-	-(418)	-	-	5,487	-
<b>Grand Total</b>				\$ (749,670)	\$ 17,161	\$ 6,423,950	\$ 6,291,352	\$ -	\$ 22,602	\$ (639,674)	\$ -	\$ 22,602	\$ (112,211)	\$ 6,291,352
<b>Less On-Behalf TPAF Pension and Annuity Aid and SDA Grant Reimbursement</b>														
TPAF-Pension Aid	11-495-034-5095-006	7/1/10-6/30/11	23,984	-	-	(23,984)	(23,984)	-	-	-	-	-	-	(23,984)
TPAF Post Retirement Medical	11-495-034-5095-001	7/1/10-6/30/11	509,416	-	-	(509,416)	(509,416)	-	-	-	-	-	-	(509,416)
														(533,400)
<b>Total for State Financial Assistance Determination</b>				\$ (749,670)	\$ 17,161	\$ 5,890,550	\$ 5,757,952	\$ -	\$ 22,602	\$ (639,674)	\$ -	\$ 22,602	\$ (112,211)	\$ 5,757,952

**BOGOTA BOARD OF EDUCATION  
NOTES TO THE SCHEDULES OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**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 basic 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 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 basic financial statements.

**NOTE 3 RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

The basic 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 an increase of \$107,889 for the general fund and an increase of \$29,297 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 basic financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 5,000	\$ 6,200,734	\$ 6,205,734
Special Revenue Fund	742,787	181,724	924,511
Food Service Fund	263,056	5,487	268,543
Debt Service Fund	-	12,912	12,912
	<hr/>	<hr/>	<hr/>
Total Financial Assistance	\$ 1,010,843	\$ 6,400,857	\$ 7,411,700

**BOGOTA BOARD OF EDUCATION  
NOTES TO THE SCHEDULES OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011****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 \$578,263 represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the year ended June 30, 2011. The amount reported as TPAF Pension System Contributions in the amount of \$23,984 and TPAF Post-Retirement Medical Benefits Contributions in the amount of \$509,416 represents the amount paid by the State on behalf of the District for the year ended June 30, 2011.

**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 basic 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, 2011**

*Part I – Summary of Auditor’s Results*

**Financial Statement Section**

Type of auditors' report issued: Unqualified

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: Unqualified

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>84.027/84.173</u>	<u>IDEA Part B/Preschool</u>
<u>84.391/84.392</u>	<u>ARRA IDEA Part B/Preschool</u>
<u>84.010A</u>	<u>NCLB Title I</u>
<u>84.389</u>	<u>ARRA- Title I</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  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

*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, 2011**

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

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by OMB Circular A-133 and New Jersey OMB's Circular 04-04.

**CURRENT YEAR FEDERAL AWARDS**

There are none.

**BOGOTA BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by OMB Circular A-133 and New Jersey OMB's Circular 04-04.

**CURRENT YEAR STATE AWARDS**

**Finding 2011-1**

Our audit of travel expenses revealed that proper documentation and post travel reports were not on file.

**State program information:**

Equalization Aid	495-034-5120-078
Special Education Aid	495-034-5120-089

**Criteria or specific requirement:**

NJ Department of Education – Grant Compliance Supplement

**Condition:**

Documentation and post travel reports were not attached to vouchers for paid travel expenses.

**Questioned Costs:**

None.

**Context:**

See Condition.

**Effect:**

The District is not in compliance with the State of New Jersey Grant Compliance Supplement.

**Cause:**

See Condition

**Recommendation:**

Expenditures for travel reimbursements be properly documented and post travel reports be maintained on file in accordance with State Fiscal Accountability Regulations.

**View of Responsible Officials and Planned Corrective Action:**

Management has reviewed this finding and has indicated it will revise its procedures to ensure corrective action is taken.

**BOGOTA BOARD OF EDUCATION  
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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 04-04.

**STATUS OF PRIOR YEAR FINDINGS**

**Finding 2010-1 and 2010-2**

**Condition**

During our test of transactions it was noted that that district misclassified and incorrectly budgeted certain expenditures. The expenditure and the related appropriation were reclassified for financial statement presentation.

**Current Status**

Corrective action has been taken.