

BOGOTA BOARD OF EDUCATION
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Bogota, New Jersey

COMPREHENSIVE ANNUAL

FINANCIAL REPORT

of the

Bogota Board of Education

Bogota, New Jersey

For The Fiscal Year Ended June 30, 2013

Prepared by

Business Office

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INTRODUCTORY SECTION

BOGOTA PUBLIC SCHOOLS

Administrative Offices

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

Fax (201) 489-5759

December 3, 2013

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

Dear Board Members:

The Comprehensive Annual Financial Report of the Bogota Board of Education for the fiscal year ended June 30, 2013 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and the respective changes in financial position of the basic financial statements. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the independent auditor's report, management's discussion and analysis (MD&A) and the basic financial statements including the district-wide financial statements presented in conformity with Governmental Accounting Standards Board Statement No.34. The basic financial statements also include individual financial statements; notes to the basic financial statements and required supplemental information (RSI). The statistical section includes selected financial and demographic information generally presented on a multi-year basis.

The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act and the U.S. Office of Management and Budget Circular A-133. "Audits of States, Local Governments and Non-Profit Organizations", and the State Treasury Circular OMB 04-04. Information related to this single audit, including the auditors' report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1) **REPORTING ENTITY AND ITS SERVICES:** The District provides a full range of educational services appropriate to grade levels Pre-K through 12. These include regular, vocational as well as special education for handicapped youngsters. The District completed the 2012-2013 fiscal year with an average daily enrollment of 1,158 students, which is five less than the previous year's enrollment.

<u>Fiscal Year</u>	<u>Average Daily Enrollment</u>	<u>Percent Change</u>
2012-13	1,158	(0.43)%
2011-12	1,163	(0.43)%
2010-11	1,168	1.13%
2009-10	1,155	(3.67)%
2008-09	1,199	.33%
2007-08	1,195	.34%
2006-07	1,191	4.47%
2005-06	1,140	11.22 %
2004-05	1,025	(.19) %
2003-04	1,027	(10.77) %

2) **ECONOMIC CONDITION AND OUTLOOK:** The Borough of Bogota is fully developed. The existing number of businesses in the Borough has remained relatively stable. The residential area of the School District has experienced a turnover from homes with few school-aged children to families with two to three students. Due to careful Budget controls and best practices, additional Fund Balance will be available for taxpayer relief in the 2014-2015 Budget cycle.

3) **MAJOR INITIATIVES:**

Professional Development- The faculty participated in a number of workshops designed to enhance instructional focus. K-6 teachers, once again, will have ongoing Reading Workshop training throughout the 2013-2014 school year. The literacy consultants work with teachers to create and execute lesson plans aligned to the Common Core. The district has also provided training on the new teacher evaluation. Teachers and administrators participated in workshops that provided information on the instructional strategies directly linked to student achievement.

Teacher Evaluation Reform- The district has adopted the Marzano Teacher and Principal Evaluation Model. The instrument includes the purchase of iObservation, an instructional and leadership improvement system that collects, manages and reports data from classroom walkthroughs, teacher evaluations and teacher observations. To ensure successful implementation, the district will provide training to its staff to review goals and ensure common language of instruction.

PowerSchool-PowerSchool, a student information system has been implemented in all three schools. This software allows administrative staff and teachers to input attendance records and grades. We have implemented a parent portal to allow access to parents and students and students.

Power Announcement – Using voice, text or email, school officials can now communicate with parents by sending messages instantly and reliably. This school year, parents will be informed of weather-related school closing or upcoming events through Power Announcement. This notification system is our way of ensuring important information is delivered to parents in a timely manner.

Technology-More Promethean boards have been purchased and installed in an effort to create a more engaging instructional environment. iPads and netbooks are being used on a daily basis by both teachers and students to promote active learning environments and to further home 21st century skills.

3) MAJOR INITIATIVES: (Continued)

Title 1 Program Revision – The district added a Title 1 Coordinator to manage and organize all programs. A revised extended school day program for 7th and 8th graders provides direct instruction for English Language Arts and mathematics. These eligible students were identified using multiple measures and meet three days a week after school hours. A similar program at the elementary school helps eligible students improve performance. An additional Basic Skills teacher was added to the faculty to work with eligible students in the elementary school.

Web Page Development – The district continues to update its website in an effort to strengthen the link between school and community. A digital newsletter will be issued quarterly to highlight the district's learning experience and provide pertinent information with parents.

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

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

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of Fund Balance in the subsequent year. Those amounts to be reappropriated are reported as committed or assigned fund balance at June 30, 2013.

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 Basic Financial Statements".

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

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

9) **OTHER INFORMATION: Independent Audit** - State Statutes require an annual audit by independent certified public accountants or registered municipal 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 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 2012-2013 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. Letizia Pantoliano
Superintendent



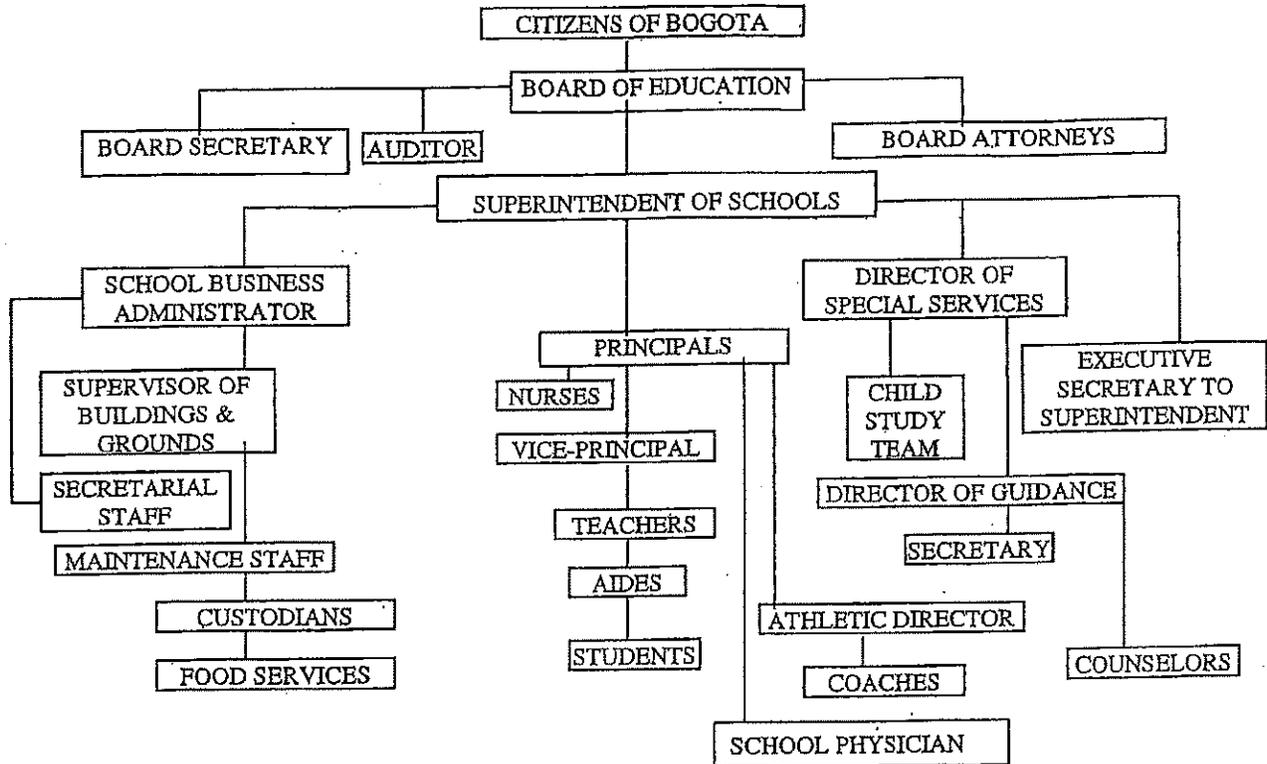
Norma M. Tursi
Business Administrator

POLICY

BOGOTA BOARD OF EDUCATION

ADMINISTRATION
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Organizational Chart

1110 ORGANIZATIONAL CHART



Adopted: 25 August 2003



**BOGOTA BOARD OF EDUCATION
ROSTER OF OFFICIALS
AS OF JUNE 30, 2013**

Members of the Board of Education

Laura Giumarra, President

Christopher Kelemen, Vice President

Michael Connors

Mary Ellen Murphy

John Powner

Daniel Jatovsky

Lisa Pella

John Mitchell

Charles Severino

Other Officials

Dr. Letizia Pantoliano, Superintendent of Schools

Norma Tursi, School Business Administrator/Board Secretary

**BOGOTA BOARD OF EDUCATION
CONSULTANTS AND ADVISORS**

AUDIT FIRM

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

ATTORNEY

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

OFFICIAL DEPOSITORY

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

ARCHITECTS

USA Architects
20 North Doughty Ave
Somerville, New Jersey 08876

FINANCIAL SECTION



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

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

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

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Bogota Board of Education as of and for the fiscal year ended June 30, 2013 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to 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, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

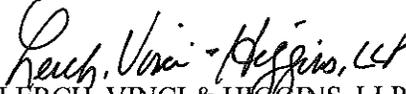
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Bogota Board of Education's basic financial statements. The introductory section, combining fund financial statements, financial schedules, statistical section, schedule of expenditures of federal awards as required by U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Bogota Board of Education.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated December 3, 2013 on our consideration of the Bogota Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Bogota Board of Education's internal control over financial reporting and compliance.


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


Gary J. Vinci
Public School Accountant
PSA Number CS00829

Fair Lawn, New Jersey
December 3, 2013

MANAGEMENT'S DISCUSSION AND ANALYSIS

BOGOTA BOARD OF EDUCATION

Management's Discussion and Analysis

This discussion and analysis of the Bogota School District's financial performance provides an overall review of its financial activities for the fiscal year ended June 30, 2013. 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 (2012-2013) and the prior year (2011-2012) is required to be presented in the MD&A.

Financial Highlights

Key financial highlights for 2012/13 are as follows:

- The assets and deferred outflows of resources of the Bogota Board of Education exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$8,081,376. (Net Position)
- The District's total net position increased by \$1,665,922.
- Overall District revenues were \$22,528,177. General revenues accounted for \$18,612,554 or 83% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$3,915,623 or 17% of total revenues.
- The school district had \$20,417,478 in expenses for governmental activities; only \$3,480,946 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes) of \$18,612,348 were adequate to provide for these programs.
- As of the close of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$2,568,996.
- The General Fund fund balance at June 30, 2013 was \$2,568,494, an increase of \$1,245,287 compared to the ending fund balance at June 30, 2012 of \$1,323,207.
- The General Fund unassigned budgetary fund balance at June 30, 2013 was \$371,143, which represents an increase of \$20,862 compared to the ending unassigned budgetary fund balance at June 30, 2012 of \$350,281.

BOGOTA BOARD OF EDUCATION

Management's Discussion and Analysis

Using this Comprehensive Annual Financial Report (CAFR)

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

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

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While this document reports on all funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and ask the question, "How did we do financially during 2012/13?" The Statement of Net Position and the Statement of Activities answer that question. These statements include all assets (and deferred outflows of resources) and liabilities (and deferred inflows of resources) using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting recognizes all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

BOGOTA BOARD OF EDUCATION

Management's Discussion and Analysis

Reporting the District's Most Significant Funds

Fund Financial Statements

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

Governmental Funds

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

Enterprise Fund

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

The District as a Whole

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

BOGOTA BOARD OF EDUCATION

Management's Discussion and Analysis

A summary of the District's net position as of June 30, 2013 and 2012 is as follows:

	<u>2013</u>	<u>2012</u>
ASSETS		
Current and Other Assets	\$ 3,268,509	\$ 2,763,171
Capital Assets	<u>11,309,966</u>	<u>11,416,466</u>
Total Assets	<u>14,578,475</u>	<u>14,179,637</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Charge on Refunding	<u>142,692</u>	<u>167,882</u>
Total Assets and Deferred Outflows of Resources	<u>14,721,167</u>	<u>14,347,519</u>
LIABILITIES		
Long-Term Liabilities	5,844,447	6,458,442
Other Liabilities	<u>795,089</u>	<u>1,472,260</u>
Total Liabilities	<u>6,639,536</u>	<u>7,930,702</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred Commodities Revenue	<u>255</u>	<u>1,363</u>
Total Liabilities and Deferred Inflows of Resources	<u>6,639,791</u>	<u>7,932,065</u>
NET POSITION		
Net Investment in Capital Assets	5,836,042	5,414,794
Restricted	1,407,205	591,234
Unrestricted	<u>838,129</u>	<u>409,426</u>
Total Net Position	<u>\$ 8,081,376</u>	<u>\$ 6,415,454</u>

BOGOTA BOARD OF EDUCATION

Management's Discussion and Analysis

The changes in net position for fiscal years ended June 30, 2013 and 2012 are as follows:

	<u>2013</u>	<u>2012</u>
REVENUES		
Program Revenues		
Charges for Services	\$ 178,793	\$ 202,355
Operating Grants and Contributions	3,672,242	3,637,577
Capital Grants and Contributions	64,588	398,532
General Revenues		
Property Taxes	13,908,164	13,648,576
State and Federal Aid- Unrestricted/Restricted	4,689,232	4,444,663
Other	<u>15,158</u>	<u>24,686</u>
Total Revenues	<u>22,528,177</u>	<u>22,356,389</u>
PROGRAM EXPENSES		
Instruction	13,984,174	14,179,756
Support Services		
Students and Instructional Staff	1,985,599	1,988,118
General Administration, School Administration	1,401,747	1,277,001
Business Operations and Maintenance of Facilities	2,180,785	1,681,175
Pupil Transportation	617,377	659,078
Interest on Debt and Other Charges	247,796	277,819
Food Services	<u>444,777</u>	<u>479,444</u>
Total Expenses	<u>20,862,255</u>	<u>20,542,391</u>
Increase in Net Position	1,665,922	1,813,998
Net Position, Beginning of Year	6,415,454	4,389,192
Prior Period Adjustment - Capital Assets	<u>-</u>	<u>212,264</u>
Net Position, End of Year	<u>\$ 8,081,376</u>	<u>\$ 6,415,454</u>

BOGOTA BOARD OF EDUCATION

Management's Discussion and Analysis

District as a Whole

The funding of schools are primarily through property taxes in New Jersey. Property taxes made up 62 percent of revenues for the Bogota Board of Education in fiscal year 2012/13. The District's total revenues were \$22,528,177 for the fiscal year ended June 30, 2013. Federal, state, and local grants for programs accounted for another 17 percent of revenue. Unrestricted State and Federal aid represented 21 percent of revenues. The total cost of all programs and services was \$20,862,255. Instruction comprises 67 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 expenses exceeded revenues by \$9,894.
- Charges for services or \$178,793 represent 41 percent of revenue.
- Revenues include lunches and ala carte meals paid for by the students and partial or total reimbursement provided by the district's participation in the National School Lunch Program.

Governmental Activities

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

	<u>Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Instruction	\$ 13,984,174	\$ 14,179,756	\$ 11,078,618	\$ 11,303,442
Support Services				
Students and Instructional Staff	1,985,599	1,988,118	1,740,667	1,612,980
General Administration, School Administration	1,401,747	1,277,001	1,260,955	1,167,269
Business Operations and Maintenance of Facilities	2,180,785	1,681,175	2,033,174	1,282,643
Pupil Transportation	617,377	659,078	575,322	659,078
Interest and Fiscal Charges	<u>247,796</u>	<u>277,819</u>	<u>247,796</u>	<u>277,819</u>
Total Governmental Activities	<u>\$ 20,417,478</u>	<u>\$ 20,062,947</u>	<u>\$ 16,936,532</u>	<u>\$ 16,303,231</u>

BOGOTA BOARD OF EDUCATION

Management's Discussion and Analysis

Governmental Activities (Continued)

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

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

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

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

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

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

The District's Funds

All governmental funds (i.e., general fund, special revenue fund, capital projects fund and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$22,093,294 and expenditures were \$20,913,032 for the fiscal year ended June 30, 2013.

The following schedule presents a summary of the governmental fund revenues for the fiscal years ended June 30, 2013 and 2012.

	<u>Amount</u>		<u>Amount of</u>	<u>Percent</u>
	<u>2013</u>	<u>2012</u>	<u>Increase</u>	<u>Increase</u>
			<u>(Decrease)</u>	<u>(Decrease)</u>
Local Sources	\$ 13,928,022	\$ 13,719,750	\$ 208,272	1.5%
State Sources	7,553,692	7,295,392	258,300	3.5%
Federal Sources	611,580	862,268	(250,688)	-29.1%
Total Revenues	<u>\$ 22,093,294</u>	<u>\$ 21,877,410</u>	<u>\$ 215,884</u>	1.0%

BOGOTA BOARD OF EDUCATION

Management's Discussion and Analysis

The District's Funds (Continued)

The following schedule represents a summary of general fund, special revenue fund, capital projects fund, and debt service fund expenditures for the fiscal year ended June 30, 2013 and 2012.

<u>Expenditures</u>	<u>2013</u>	<u>Amount</u>	<u>2012</u>	<u>Amount of Increase (Decrease)</u>	<u>Percent Increase (Decrease)</u>
Current:					
Instruction	\$ 14,039,611		\$ 13,867,039	\$ 172,572	1.2%
Support Services	5,807,944		5,520,176	287,768	5.2%
Capital Outlay	344,571		811,417	(466,846)	-57.5%
Debt Service:					
Principal	495,000		480,000	15,000	3.1%
Interest and Other Charges	225,906		241,609	(15,703)	-6.5%
 Total Expenditures	 <u>\$ 20,913,032</u>		 <u>\$ 20,920,241</u>	 <u>\$ (7,209)</u>	 0.0%

General Fund Budgeting Highlights

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

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

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

BOGOTA BOARD OF EDUCATION

Management's Discussion and Analysis

General Fund Budgeting Highlights (Continued)

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

Capital Assets – Governmental Activities

At the end of fiscal years 2013 and 2012, the District had \$11,267,093 and \$11,367,772, respectively, invested in land, buildings, furniture, equipment and vehicles used for governmental activities. A comparison of the year end balances is as follows:

Capital Assets (Net of Depreciation) at June 30

	<u>2013</u>	<u>2012</u>
Land	\$ 69,852	\$ 69,852
Construction in Progress	144,446	772,349
Building and Building Improvements	10,807,330	10,198,059
Improvements Other than Buildings	1,461	1,753
Machinery and Equipment	<u>244,004</u>	<u>325,759</u>
Total	<u>\$ 11,267,093</u>	<u>\$ 11,367,772</u>

Overall capital assets decreased by \$100,679 from fiscal year 2012 to fiscal year 2013 due to depreciation expense of \$445,250 and capital asset additions of \$344,571.

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

BOGOTA BOARD OF EDUCATION

Management's Discussion and Analysis

Debt Administration

At June 30, 2013 and 2012, the District had \$5,844,447 and \$6,458,442, respectively of outstanding debt, which consists of serial bonds issued for school construction, capital leases and compensated absences.

Outstanding Debt at June 30

	<u>2013</u>	<u>2012</u>
General Obligation Bonds (Net)	\$ 5,616,616	\$ 6,107,488
Capital Leases	31,968	62,066
Compensated Absences	<u>195,863</u>	<u>288,888</u>
	<u>\$ 5,844,447</u>	<u>\$ 6,458,442</u>

At June 30, 2013 and 2012, the District's overall legal debt capacity was \$32,248,624 and \$34,090,368, respectively.

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

For the Future

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

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

Contacting the District's Financial Management

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

BASIC FINANCIAL STATEMENTS

**BOGOTA BOARD OF EDUCATION
STATEMENT OF NET POSITION
AS OF JUNE 30, 2013**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash	\$ 2,050,832	\$ 85,080	\$ 2,135,912
Receivables, net:			
Receivables from Other Governments	1,070,064	50,529	1,120,593
Internal Balances	20,642	(20,642)	
Other	6,993		6,993
Inventory		5,011	5,011
Capital Assets:			
Not Being Depreciated	214,298		214,298
Being Depreciated, Net	<u>11,052,795</u>	<u>42,873</u>	<u>11,095,668</u>
Total Assets	<u>14,415,624</u>	<u>162,851</u>	<u>14,578,475</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Charge on Refunding	<u>142,692</u>	-	<u>142,692</u>
Total Deferred Outflows of Resources	<u>142,692</u>	-	<u>142,692</u>
Total Assets and Deferred Outflows of Resources	<u>14,558,316</u>	<u>162,851</u>	<u>14,721,167</u>
LIABILITIES			
Accounts Payable and Other Current Liabilities	512,009	116,255	628,264
Intergovernmental Payables	53,720		53,720
Accrued Interest Payable	99,299		99,299
Unearned Revenue	13,806		13,806
Noncurrent Liabilities :			
Due Within One Year	541,968		541,968
Due Beyond One Year	<u>5,302,479</u>	-	<u>5,302,479</u>
Total Liabilities	<u>6,523,281</u>	<u>116,255</u>	<u>6,639,536</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Commodities Revenue	-	255	255
Total Deferred Inflows of Resources	-	255	255
Total Liabilities and Deferred Inflows of Resources	<u>6,523,281</u>	<u>116,510</u>	<u>6,639,791</u>
NET POSITION			
Net Investment in Capital Assets	5,793,169	42,873	5,836,042
Restricted for			
Capital Projects	1,406,204		1,406,204
Debt Service	1,001		1,001
Unrestricted	<u>834,661</u>	<u>3,468</u>	<u>838,129</u>
Total Net Position	<u>\$ 8,035,035</u>	<u>\$ 46,341</u>	<u>\$ 8,081,376</u>

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

**BOGOTA BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
Instruction							
Regular	\$ 7,798,699		\$ 1,288,397		\$ (6,510,302)		\$ (6,510,302)
Special Education	5,359,694		1,560,037		(3,799,657)		(3,799,657)
Other Instruction	380,752		57,122		(323,630)		(323,630)
School Sponsored Activities and Athletics Support Services	445,029				(445,029)		(445,029)
Student and Instruction Related Services	1,985,599		244,932		(1,740,667)		(1,740,667)
General Administrative Services	614,508		31,798		(582,710)		(582,710)
School Administrative Services	787,239		108,994		(678,245)		(678,245)
Plant Operations and Maintenance	1,650,872		66,495	\$ 64,588	(1,519,789)		(1,519,789)
Pupil Transportation	617,377		42,055		(575,322)		(575,322)
Central Services	529,913		16,528		(513,385)		(513,385)
Interest on Long-Term Debt and Other Charges	247,796				(247,796)		(247,796)
Total Governmental Activities	20,417,478	-	3,416,358	64,588	(16,936,532)	-	(16,936,532)
Business-Type Activities							
Food Service	444,777	\$ 178,793	255,884			\$ (10,100)	(10,100)
Total Business-Type Activities	444,777	178,793	255,884			(10,100)	(10,100)
Total Primary Government	\$ 20,862,255	\$ 178,793	\$ 3,672,242	\$ 64,588	(16,936,532)	(10,100)	(16,946,632)
General Revenues and Special Items							
Property Taxes, General					13,198,165		13,198,165
Property Taxes, Debt Service					709,999		709,999
State and Federal Aid - Unrestricted					4,677,324		4,677,324
State Aid - Restricted for Debt Service					11,908		11,908
Miscellaneous Income					14,952	206	15,158
Total General Revenues and Special Items					18,612,348	206	18,612,554
Change in Net Position					1,675,816	(9,894)	1,665,922
Net Position, Beginning of Year (Restated)					6,359,219	56,235	6,415,454
Net Position, End of Year					\$ 8,035,035	\$ 46,341	\$ 8,081,376

FUND FINANCIAL STATEMENTS

**BOGOTA BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2013**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
ASSETS					
Cash	\$ 2,049,831			\$ 1,001	\$ 2,050,832
Due from Other Funds	946,416				946,416
Receivables from Other Governments	28,389	\$ 578,555	\$ 463,120		1,070,064
Receivables- Other	2,856	-	-	-	2,856
	<u>3,027,492</u>	<u>578,555</u>	<u>463,120</u>	<u>1,001</u>	<u>4,070,168</u>
Total Assets	<u>\$ 3,027,492</u>	<u>\$ 578,555</u>	<u>\$ 463,120</u>	<u>\$ 1,001</u>	<u>\$ 4,070,168</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	\$ 443,998	\$ 53,011			\$ 497,009
Due to Other Funds	15,000	462,713	458,924		936,637
Payable to State Government		49,025	4,695		53,720
Unearned Revenue	-	13,806	-	-	13,806
	<u>458,998</u>	<u>578,555</u>	<u>463,619</u>	<u>-</u>	<u>1,501,172</u>
Total Liabilities	<u>458,998</u>	<u>578,555</u>	<u>463,619</u>	<u>-</u>	<u>1,501,172</u>
Fund Balances					
Restricted Fund Balance					
Capital Reserve	1,406,204				1,406,204
Emergency Reserve	147,000				147,000
Maintenance Reserve	50,000				50,000
Capital Projects			(499)		(499)
Debt Service				\$ 1,001	1,001
Excess Surplus Designated for Subsequent Year's Budget	387,497				387,497
Excess Surplus	375,409				375,409
Committed Fund Balance					
Encumbrances	43,722				43,722
Assigned Fund Balance					
Encumbrances	293,172				293,172
Designated for Subsequent Year's Budget	151,075				151,075
Unassigned Fund Balance					
General Fund	(285,585)	-	-	-	(285,585)
	<u>2,568,494</u>	<u>-</u>	<u>(499)</u>	<u>1,001</u>	<u>2,568,996</u>
Total Fund Balances	<u>2,568,494</u>	<u>-</u>	<u>(499)</u>	<u>1,001</u>	<u>2,568,996</u>
Total Liabilities and Fund Balances	<u>\$ 3,027,492</u>	<u>\$ 578,555</u>	<u>\$ 463,120</u>	<u>\$ 1,001</u>	

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

**BOGOTA BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2013**

Total Fund Balances (Exhibit B-1) \$ 2,568,996

Amounts reported for governmental activities in the statement of net assets (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$16,475,370 and the accumulated depreciation is \$5,208,277. 11,267,093

The District has financed capital assets through the issuance of serial bonds and long-term lease obligations. The interest accrual at year end is: (99,299)

Amounts resulting from the refunding of debt are reported as deferred outflows of resources on the statement of net position and amortized over the life of the debt. 142,692

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:

Bonds Payable (net)	\$	(5,616,616)	
Capital Leases		(31,968)	
Compensated Absences		<u>(195,863)</u>	
			<u>(5,844,447)</u>

Net Position of Governmental Activities (Exhibit A-1) \$ 8,035,035

**BOGOTA BOARD OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
REVENUES					
Local Sources					
Local Property Tax Levy	\$ 13,198,165			\$ 709,999	\$ 13,908,164
Miscellaneous	14,944	\$ 4,906	\$ 8	-	19,858
Total - Local Sources	13,213,109	4,906	8	709,999	13,928,022
State Sources	7,309,316	167,880	64,588	11,908	7,553,692
Federal Sources	7,390	604,190	-	-	611,580
Total Revenues	<u>20,529,815</u>	<u>776,976</u>	<u>64,596</u>	<u>721,907</u>	<u>22,093,294</u>
EXPENDITURES					
Current					
Regular Instruction	7,575,758	260,990			7,836,748
Special Education Instruction	4,944,118	434,573			5,378,691
Other Instruction	379,143				379,143
School-Sponsored Activities and Athletics	445,029				445,029
Support Services					
Student and Instruction Related Services	1,882,046	81,413			1,963,459
General Administrative Services	627,671				627,671
School Administrative Services	775,512				775,512
Plant Operations and Maintenance	1,302,351				1,302,351
Pupil Transportation	609,475				609,475
Central Services	529,476				529,476
Debt Service					
Principal				495,000	495,000
Interest and Other Charges				225,906	225,906
Capital Outlay	144,446	-	200,125	-	344,571
Total Expenditures	<u>19,215,025</u>	<u>776,976</u>	<u>200,125</u>	<u>720,906</u>	<u>20,913,032</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>1,314,790</u>	<u>-</u>	<u>(135,529)</u>	<u>1,001</u>	<u>1,180,262</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	8		69,511		69,519
Transfers Out	(69,511)	-	(8)	-	(69,519)
Total Other Financing Sources and Uses	<u>(69,503)</u>	<u>-</u>	<u>69,503</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	1,245,287	-	(66,026)	1,001	1,180,262
Fund Balance, Beginning of Year	<u>1,323,207</u>	<u>-</u>	<u>65,527</u>	<u>-</u>	<u>1,388,734</u>
Fund Balance, End of Year	<u>\$ 2,568,494</u>	<u>\$ -</u>	<u>\$ (499)</u>	<u>\$ 1,001</u>	<u>\$ 2,568,996</u>

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

**BOGOTA BOARD OF EDUCATION
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
WITH THE DISTRICT-WIDE STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

Net change in fund balances - governmental funds (Exhibit B-2) **\$ 1,180,262**

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

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

Capital Outlay	\$ 344,571	
Depreciation Expense	<u>(445,250)</u>	(100,679)

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		93,025
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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	(4,128)	
Deferred Amount on Refunding	<u>(25,190)</u>	(29,318)

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.

Principal Repayments:		
Bonds Payable	495,000	
Leases Payable	<u>30,098</u>	525,098

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

Decrease in Accrued Interest		<u>7,428</u>
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Change in net position of governmental activities (Exhibit A-2) **\$ 1,675,816**

**BOGOTA BOARD OF EDUCATION
 PROPRIETARY FUNDS
 FOOD SERVICE ENTERPRISE FUND
 STATEMENT OF NET POSITION
 AS OF JUNE 30, 2013**

ASSETS

Current Assets		
Cash	\$	85,080
Intergovernmental Receivable:		
State		1,065
Federal		49,464
Inventories		<u>5,011</u>
Total Current Assets		<u>140,620</u>
Capital Assets		
Equipment		103,125
Less: Accumulated Depreciation		<u>(60,252)</u>
Total Capital Assets, Net		<u>42,873</u>
Total Assets		<u>183,493</u>

LIABILITIES

Current Liabilities		
Accounts Payable		116,255
Due to Other Funds		<u>20,642</u>
Total Current Liabilities		<u>136,897</u>

DEFERRED INFLOWS OF RESOURCES

Deferred Commodities Revenue		<u>255</u>
Total Liabilities and Deferred Inflows of Resources		<u>137,152</u>

NET POSITION

Net Investment in Capital Assets		42,873
Unrestricted		<u>3,468</u>
Total Net Position	\$	<u><u>46,341</u></u>

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

**BOGOTA BOARD OF EDUCATION
 PROPRIETARY FUND
 FOOD SERVICE ENTERPRISE FUND
 STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

OPERATING REVENUES

Charges for Services	
Daily Sales	\$ 177,768
Miscellaneous	<u>1,025</u>
 Total Operating Revenues	 <u>178,793</u>

OPERATING EXPENSES

Cost of Sales	199,487
Salaries and Employee Benefits	188,775
Supplies and Materials	18,549
Insurance	11,424
Depreciation	5,821
Management Fee	15,426
Miscellaneous	<u>5,295</u>
 Total Operating Expenses	 <u>444,777</u>

Operating (Loss)	<u>(265,984)</u>
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NONOPERATING REVENUES

Interest Earnings	206
State Sources	
School Lunch Program	4,867
Federal Sources	
National School Lunch Program	187,931
National School Breakfast Program	26,621
Food Distribution Program	<u>36,465</u>
 Total Nonoperating Revenues	 <u>256,090</u>

Change in Net Position	(9,894)
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Net Position, Beginning of Year	<u>56,235</u>
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Net Position, End of Year	<u>\$ 46,341</u>
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**BOGOTA BOARD OF EDUCATION
 PROPRIETARY FUNDS
 FOOD SERVICE ENTERPRISE FUND
 STATEMENT OF CASH FLOWS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

CASH FLOWS FROM OPERATING ACTIVITIES

Cash Received from Customers	\$ 178,793
Cash Payments for Employees' Salaries and Benefits	(188,775)
Cash Payments to Suppliers for Goods and Services	<u>(163,090)</u>
Net Cash (Used for) Operating Activities	<u>(173,072)</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Cash Received from State and Federal Subsidy Reimbursements	<u>211,411</u>
Net Cash Provided by Noncapital Financing Activities	<u>211,411</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest Earnings	<u>206</u>
Net Cash Flows Provided by Investing Activities	<u>206</u>

Increase in Cash and Cash Equivalents	38,545
Cash and Cash Equivalents, Beginning of Year	<u>46,535</u>
Cash and Cash Equivalents, End of Year	<u>\$ 85,080</u>

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

Operating (Loss)	<u>\$ (265,984)</u>
Adjustments to Reconcile Operating Loss to Net Cash Used for Operating Activities	
Depreciation	5,821
USDA Commodities- Non Cash Assistance	36,465
Change in Assets and Liabilities	
Increase/(Decrease) in Deferred Inflows of Resources	(1,108)
Increase/(Decrease) in Accounts Payable	44,642
Increase/(Decrease) in Due to Other Funds	2,598
(Increase)/Decrease in Inventory	<u>4,494</u>
Total Adjustments	<u>92,912</u>

Net Cash (Used for) Operating Activities	<u>\$ (173,072)</u>
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Non-Cash Financing Activities

Fair Value of Food Distribution Program - National School Lunch	\$ 35,357
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The accompanying Notes to the Financial Statements are an Integral Part of this Statement

**BOGOTA BOARD OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
AS OF JUNE 30, 2013**

	Unemployment Compensation <u>Trust</u>	<u>Agency Fund</u>
ASSETS		
Cash	\$ 260,444	\$ 326,781
Intergovernmental Receivable	4,457	
Due from Other Funds	<u>15,000</u>	<u>1,655</u>
Total Assets	<u>279,901</u>	<u>\$ 328,436</u>
LIABILITIES		
Payroll Deductions and Withholdings		\$ 247,750
Accrued Salaries and Wages		4,707
Intergovernmental Payable	9,302	
Due to Other Funds	1,655	4,137
Due to Student Groups	<u>-</u>	<u>71,842</u>
Total Liabilities	<u>10,957</u>	<u>\$ 328,436</u>
NET POSITION		
Held in Trust for Unemployment Claims	<u>\$ 268,944</u>	

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

**BOGOTA BOARD OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	Unemployment Compensation <u>Trust</u>
ADDITIONS	
Contributions	
Employees	\$ 23,902
Employer	150,000
Interest Earned	<u>362</u>
Total Additions	<u>174,264</u>
 DEDUCTIONS	
Unemployment Claims and Contributions	<u>104,329</u>
Total Deductions	<u>104,329</u>
Change in Net Position	69,935
Net Position, Beginning of Year	<u>199,009</u>
Net Position, End of Year	<u><u>\$ 268,944</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS

**BOGOTA BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

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

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

B. New Accounting Standards

During the 2012/13 fiscal year, the District adopted the following GASB statements:

- GASB 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The objective of this statement is to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements.
- GASB 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. The objective of this Statement is to improve financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effect on a government's net position. It alleviates uncertainty about reporting those financial statement elements by providing guidance where none previously existed.
- GASB 65, *Items Previously Reported as Assets and Liabilities*, although not required to be implemented until next year, the District elected to apply the statement to the current year financial statements. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

**BOGOTA BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

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

- GASB 66, *Technical Corrections – 2012, an Amendment of GASB Statements 10 and 62*, will be effective beginning with the fiscal year ending June 30, 2014. The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*.
- GASB 67, *Financial Reporting for Pension Plans, an Amendment of GASB 25*, will be effective beginning with the fiscal year ending June 30, 2014. The objective of this Statement is to improve financial reporting by state and local governmental pension plans. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces the requirements of Statements No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans* and No. 50, *Pension Disclosures*, as they relate to pension plans that are administered through trusts or equivalent arrangements that meet certain criteria. The District does not expect this Statement to impact its financial statements.
- GASB 68, *Accounting and Financial Reporting for Pensions*, will be effective beginning with the fiscal year ending June 30, 2015. The objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The District does not expect this Statement to impact its financial statements.

C. Basis of Presentation - Financial Statements

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

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

**BOGOTA BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

District-Wide Financial Statements

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

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

Fund Financial Statements

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

The District reports the following major governmental funds:

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

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

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

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

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

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

**BOGOTA BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

Fund Financial Statements (continued)

Additionally, the government reports the following fund types:

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

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

D. Measurement Focus and Basis of Accounting

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

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

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

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

**BOGOTA BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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.

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

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

1. Cash, Cash Equivalents and Investments

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

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

2. Receivables

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

3. Inventories

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

Food Service Fund inventories, exclusive of the federal commodities, are valued at cost, using the first-in first-out (FIFO) method and consist of food and expendable supplies. The cost of such inventories is recorded as expenses when consumed rather than when purchased. The United States Department of Agriculture (USDA) commodity portion of the Food Service Fund inventory consists of food donated by the USDA. It is valued at estimated market prices by the USDA. The amount of unused commodities at year-end is reported as deferred commodities 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 FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

4. Capital Assets (Continued)

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

Land and construction in progress are not depreciated. The other property, plant, and equipment of the District 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
Computer Equipment	5
Vehicles	8-15

5. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government only has one item that qualifies for reporting in this category. It is the deferred charge on refunding which results from the loss on a debt refunding reported in the district-wide statement of net position. A deferred charge on debt refunding results from the loss on the transaction when the debt's reacquisition price is greater than the carrying value of the refunded debt. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future periods and so will not be recognized as an inflow of resources (revenue) until that time. The government has one type of item which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, one item, U.S.D.A commodities, is reported only in the enterprise funds balance sheet for unused commodity inventory at year end. This amount is deferred and recognized as an inflow of resources in the period that the amounts become available.

6. Compensated Absences

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

**BOGOTA BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

7. Long-Term Obligations

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

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

8. Net Position/Fund Balance

District-Wide Statements

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

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

Governmental Fund Statements

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

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

**BOGOTA BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

8. Net Position/Fund Balance (Continued)

Governmental Fund Statements (Continued)

Restricted Fund Balance (Continued)

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

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

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

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

Debt Service – Represents fund balance restricted specifically for the repayment of long-term debt principal and interest in the Debt Service Fund.

Excess Surplus – Designated for Subsequent Year's Budget - This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2012 audited excess surplus that was appropriated in the 2013/2014 original budget certified for taxes.

Excess Surplus – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2013 audited excess surplus that is required to be appropriated in the 2014/2015 original budget certified for taxes.

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

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

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

Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of fund balance appropriated in the adopted 2013/2014 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.

**BOGOTA BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

8. *Net Position/Fund Balance (Continued)*

Governmental Fund Statements (Continued)

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

9. *Reclassifications*

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

F. Revenues and Expenditures/Expenses

1. *Program Revenues*

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

2. *Property Taxes*

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

3. *Tuition Expenditures*

Tuition Expenditures - Tuition charges for the fiscal years 2011-2012 and 2012-2013 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

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

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

**BOGOTA BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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.

Prior to the 2012/2013 budget year, the annual budget was required to be voted upon at the annual school election held on the third Tuesday in April. On January 17, 2012, Chapter 202 of the Laws of P.L. 2011 was approved which established procedures for moving the date of a school district’s annual school election from April to the general election in November. Under the new law, districts that have their school board members elected in November no longer have to submit their budgets that meet levy cap requirements for voter approval beginning with the 2012/2013 budget year. Only a school board decision to exceed the tax levy cap would require voter approval for the additional amount on the November ballot. On February 14, 2012, the Board adopted a resolution to move its annual election to the date of the general elections in accordance with the law; therefore voter approval of the annual budget is not required.

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 2012/2013. During 2012/2013 the Board increased the original budget by \$717,715. The increase was funded by grant awards and the reappropriation of prior year general fund encumbrances.

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 appropriations resulted in unfavorable variances.

	<u>Final Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
General Fund			
Learning and Language Disabilities			
Other Salaries for Instruction	\$248,920	\$254,444	(\$5,524)

The above variances were offset with other available resources.

**BOGOTA BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

C. Deficit Fund Equity

The District has an accumulated deficit in fund balance of \$499 in the Capital Projects Fund as of June 30, 2013. The Board expects to eliminate this deficit by transferring available capital reserve funds during the 2013/14 fiscal year.

The District has an unassigned (deficit) fund balance of \$285,585 in the General Fund as of June 30, 2013 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 2012/2013 budgeted state aid payments in the subsequent fiscal year, the school district cannot recognize such payments on the GAAP (fund) financial statements until the year the State records the payable. Due to the timing difference of recording these delayed state aid payments, the General Fund deficits 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 \$285,585 in the General Fund is less than the delayed state aid payments.

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.

**BOGOTA BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

D. Capital Reserve

The activity of the capital reserve for the fiscal year ended June 30, 2013 is as follows:

Balance, July 1, 2012		\$ 525,707
Increased by		
Interest Earnings	\$ 8	
Unexpended Capital Outlay Balance Funded by		
Capital Reserve	275,207	
Deposits Approved by Board Resolution	<u>950,000</u>	
		<u>1,225,215</u>
		1,750,922
Withdrawals		
Approved in District Budget	275,207	
Authorized Transfers	<u>69,511</u>	
		<u>344,718</u>
Balance, June 30, 2013		<u>\$ 1,406,204</u>

The June 30, 2013 LRFP balance of local support costs of uncompleted capital projects is estimated to be \$2.8 million. 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 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 restrict 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, 2013 is \$762,906. Of this amount, \$387,497 was designated and appropriated in the 2013/2014 original budget certified for taxes and the remaining amount of \$375,409 will be appropriated in the 2014/2015 original budget certified for taxes.

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Cash Deposits and Investments

Cash Deposits

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

**BOGOTA BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Cash Deposits (Continued)

Bank balances for interest bearing accounts are insured up to \$250,000 in the aggregate by the FDIC for each bank. Under the Dodd-Frank Wall Street Reform and Consumer Protection Act, temporary unlimited deposit insurance coverage was provided for non-interest bearing accounts from December 31, 2010 through December 31, 2012. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2013, the book value of the Board's deposits were \$2,723,137 and bank and brokerage firm balances of the Board's deposits amounted to \$3,444,759. The Board's deposits which are displayed on the various fund balance sheets as "cash" are categorized as:

Depository Account

Insured	<u>\$ 3,444,757</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, 2013 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, 2013, 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.

B. Receivables

Receivables as of June 30, 2013 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	\$ 28,389	\$ 578,555	\$ 463,120	\$ 50,529	\$ 4,457	\$ 1,125,050
Other	<u>2,856</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,856</u>
Gross Receivables	31,245	578,555	463,120	50,529	4,457	1,127,906
Less: Allowance for Uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Total Receivables	<u>\$ 31,245</u>	<u>\$ 578,555</u>	<u>\$ 463,120</u>	<u>\$ 50,529</u>	<u>\$ 4,457</u>	<u>\$ 1,127,906</u>

**BOGOTA BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

C. Unearned Revenue

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

	<u>Unearned</u>
Special Revenue Fund	
Unencumbered Grant Draw Downs	\$ 13,806
	<u>\$ 13,806</u>

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2013 was as follows:

	Balance, <u>July 1, 2012</u>	<u>Adjustment</u>	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2013</u>
Governmental Activities:					
Capital Assets, Not Being Depreciated:					
Land	\$ 69,852				\$ 69,852
Construction in Progress	<u>772,349</u>	<u>(772,349)</u>	<u>\$ 144,446</u>	<u>-</u>	<u>144,446</u>
Total Capital Assets, Not Being Depreciated	<u>842,201</u>	<u>(772,349)</u>	<u>144,446</u>	<u>-</u>	<u>214,298</u>
Capital Assets, Being Depreciated:					
Buildings	14,097,932	772,349	\$ 200,125		15,070,406
Improvements Other Than Buildings	85,426				85,426
Machinery and Equipment	<u>1,105,240</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>1,105,240</u>
Total Capital Assets Being Depreciated	<u>15,288,598</u>	<u>772,349</u>	<u>200,125</u>	<u>-</u>	<u>16,261,072</u>
Less Accumulated Depreciation for:					
Buildings	(3,899,873)		(363,203)		(4,263,076)
Improvements Other Than Buildings	(83,673)		(292)		(83,965)
Machinery and Equipment	<u>(779,481)</u>	<u>-</u>	<u>(81,755)</u>	<u>-</u>	<u>(861,236)</u>
Total Accumulated Depreciation	<u>(4,763,027)</u>	<u>-</u>	<u>(445,250)</u>	<u>-</u>	<u>(5,208,277)</u>
Total Capital Assets, Being Depreciated, Net	<u>10,525,571</u>	<u>772,349</u>	<u>(245,125)</u>	<u>-</u>	<u>11,052,795</u>
Governmental Activities Capital Assets, Net	<u>\$ 11,367,772</u>	<u>\$ -</u>	<u>\$ (100,679)</u>	<u>\$ -</u>	<u>\$ 11,267,093</u>

**BOGOTA BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

	Balance, <u>July 1, 2012</u>	<u>Adjustment</u>	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2013</u>
Business-Type Activities:					
Capital Assets, Being Depreciated:					
Machinery and Equipment	\$ 103,125	-	-	-	\$ 103,125
Total Capital Assets Being Depreciated	<u>103,125</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>103,125</u>
Less Accumulated Depreciation for:					
Machinery and Equipment	(54,431)	-	\$ (5,821)	-	(60,252)
Total Accumulated Depreciation	<u>(54,431)</u>	<u>-</u>	<u>(5,821)</u>	<u>-</u>	<u>(60,252)</u>
Total Capital Assets, Being Depreciated, Net	<u>48,694</u>	<u>-</u>	<u>(5,821)</u>	<u>-</u>	<u>42,873</u>
Business-Type Activities Capital Assets, Net	<u>\$ 48,694</u>	<u>\$ -</u>	<u>\$ (5,821)</u>	<u>\$ -</u>	<u>\$ 42,873</u>

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

Governmental Activities:

Instruction	
Regular	\$ 16,440
Total Instruction	<u>16,440</u>
Support Services	
Student and Instruction Related Services	27,195
General administration	7,200
School administration	23,420
Plant Operations and Maintenance	363,495
Pupil Transportation	<u>7,500</u>
Total Support Services	<u>428,810</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 445,250</u>
Business-Type Activities:	
Food Service Fund	<u>\$ 5,821</u>
Total Depreciation Expense-Business-Type Activities	<u>\$ 5,821</u>

**BOGOTA BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

Construction and Other Significant Commitments

The District has the following active construction projects as of June 30, 2013:

<u>Project</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Locker Replacement	\$ 66,500	\$ 26,317

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2013, is as follows:

Due to/from other funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Capital Projects Fund	\$ 458,924
General Fund	Agency Fund	4,137
General Fund	Food Service Fund	20,642
General Fund	Special Revenue Fund	462,713
Unemployment Compensation Fund	General Fund	15,000
Agency Fund	Unemployment Compensation Fund	1,655
Total		\$ 963,071

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.

Transfer In:

<u>Transfer Out:</u>	<u>General Fund</u>	<u>Capital Projects</u>
General Fund	\$ 8	\$ 69,511
Capital Projects	\$ 8	-
	<u>\$ 8</u>	<u>\$ 69,511</u>

**BOGOTA BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

F. Leases

Capital Leases

The District is leasing Apple technology products under a capital lease. The lease is for a term of 30 months with an interest rate of 6.04%.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2013 were as follows:

<u>Fiscal Year Ending June 30</u>	<u>Governmental Activities</u>
2014	\$ 31,968
Present value of minimum lease payments	<u>\$ 31,968</u>

G. Long-Term Debt

General Obligation Bonds

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

Bonds payable at June 30, 2013 are comprised of the following issues:

\$550,000, 1999 Bonds, due in annual installment of \$50,000 through January 15, 2014, interest at 4.60%	\$50,000
\$7,460,000, 2005 Bonds, due in annual installments of \$455,000 to \$545,000 through July 15, 2023, interest at 3.25% to 4.10%	<u>5,590,000</u>
	<u>\$5,640,000</u>

**BOGOTA BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued).

G. Long-Term Debt (Continued)

Governmental Activities:

Fiscal Year Ending June 30,	Serial Bonds		Total
	Principal	Interest	
2014	\$ 510,000	\$ 209,178	\$ 719,178
2015	455,000	191,668	646,668
2016	470,000	174,532	644,532
2017	505,000	155,790	660,790
2018	525,000	136,604	661,604
2019-2023	2,635,000	376,210	3,011,210
2024	540,000	11,070	551,070
	<u>\$ 5,640,000</u>	<u>\$ 1,255,052</u>	<u>\$ 6,895,052</u>

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2013 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 32,248,624
Less: Net Debt	<u>5,640,000</u>
Remaining Borrowing Power	<u>\$ 26,608,624</u>

Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2013, was as follows:

	Balance, July 1, 2012	Additions	Reductions	Balance, June 30, 2013	Due Within One Year
Governmental Activities:					
Bonds Payable	\$ 6,135,000		\$ (495,000)	\$ 5,640,000	\$ 510,000
Less:					
Unamortized Discount	(27,512)	-	4,128	(23,384)	-
Sub-total Bonds Payable	6,107,488	-	(490,872)	5,616,616	510,000
Capital Lease Payable	62,066		(30,098)	31,968	31,968
Compensated Absences	288,888	7,129	(100,154)	195,863	-
Governmental Activity Long-Term Liabilities	<u>\$ 6,458,442</u>	<u>\$ 7,129</u>	<u>\$ (621,124)</u>	<u>\$ 5,844,447</u>	<u>\$ 541,968</u>

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

**BOGOTA BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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 is a member of the New Jersey Educational Insurance Fund (the "Fund") administered by the New Jersey School Boards Association Insurance Group. The Fund provides 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 relationship between the Board and the insurance fund is governed by a contract and by-laws that have been adopted by resolution of each unit's governing body. The Board is contractually obligated to make all annual and supplementary contributions to the funds, to report claims on a timely basis, cooperate with the management of the funds, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by the funds. Members have a contractual obligation to fund any deficit of the funds attributable to a membership year during which they were a member.

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 respective insurance funds are on file with the School's Business Administrator.

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

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

<u>Fiscal Year Ended</u> <u>June 30,</u>	<u>Employer</u> <u>Contributions</u>	<u>Employee</u> <u>Contributions</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2013	\$ 150,000	\$ 23,902	\$ 104,329	\$ 268,944
2012	150,000	22,344	179,641	199,009
2011	473,445	21,881	352,024	205,826

**BOGOTA BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 4 OTHER INFORMATION (Continued)

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, 2013, 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, 2013, the District has not estimated its arbitrage earnings due to the IRS, if any.

D. Employee Retirement Systems and Pension Plans

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

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

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.

**BOGOTA BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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.

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.

Significant Legislation

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

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

- For new members of TPAF and PERS hired on or after June 28, 2011 (Tier 5 members), the years of creditable service needed for early retirement benefits increased from 25 to 30 years and the early retirement age increased from 55 to 65.
- The eligibility age to qualify for a service retirement in the TPAF and PERS increased from age 62 to 65 for Tier 5 members.
- It increased the TPAF and PERS active member rates from 5.5 percent of annual compensation to 6.5 percent plus an additional 1 percent phased-in over 7 years for members hired or reappointed on or after June 28, 2011. For Fiscal Year 2012, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contributions for TPAF and PERS members takes place in July of each subsequent fiscal year.

**BOGOTA BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Significant Legislation (Continued)

- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries was suspended. COLA increases may be reactivated at a future date as permitted by this law.
- It changed the method for amortizing the pension system's unfunded accrued liability (from a level percent of pay method to a level dollar of pay method).

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.

Funding Status and Funding Progress

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

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

Actuarial calculations reflect a long-term perspective and are based on the benefits provided under the terms of the retirement systems in effect at the time of each valuation and also consider the pattern of the sharing of costs between the employer and members at that point in time. The projection of benefits for 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 July 1, 2011 actuarial valuation, the projected unit credit was used as the actuarial cost method, and the five year average of market value was used as the asset valuation method for the retirement systems. The actuarial assumptions included (a) a revised investment rate of return for all retirement systems from 8.25 percent to 7.95 percent and (b) revised projected salary increases of 4.52 percent for the PERS and 3.90 percent for TPAF.

**BOGOTA BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan member and employer contributions may be amended by State of New Jersey legislation with the amount of contributions by the State of New Jersey contingent upon the Annual Appropriations Act. As defined, the retirement systems require employee contributions based on 6.5% for PERS, 6.5% for TPAF and 5.50% for DCRP of the employee's annual compensation.

Annual Pension Costs (APC)

Per the requirements of GASB Statement No. 27 for the fiscal year ended June 30, 2013 for TPAF, which is a cost sharing plan with special funding situations, the annual pension cost differs from the annual required contribution. For PERS, which is a cost sharing multi-employer defined benefit pension plan, the annual pension cost equals contributions made. TPAF employer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution.

During the fiscal years ended June 30, 2013, 2012 and 2011 the Board was required to contribute for PERS and DCRP and the State of New Jersey was required to contribute for TPAF for normal cost pension and accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

<u>Year Ended</u> <u>June 30,</u>	<u>PERS</u>	<u>On-behalf</u> <u>TPAF</u>	<u>DCRP</u>
2013	\$ 76,452	\$ 501,926	\$ 2,673
2012	168,538	262,175	
2011	148,555	23,984	

The State contributed \$501,926 and \$262,175 during 2012/2013 and 2011/2012, respectively for normal cost pension, accrued liability and the NCGI premium. For fiscal year 2010/2011, the State did not contribute to the TPAF for normal cost and accrued liability; however, the State contributed \$23,984 for the NCGI premium only.

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$575,385 during the fiscal year ended June 30, 2013 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.

**BOGOTA BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 4 OTHER INFORMATION (Continued)

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 566 state and local participating employers and contributing entities for Fiscal Year 2012.

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

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

Basis of Accounting

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

Significant Legislation

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

**BOGOTA BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 5 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Investment Valuation

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

Funded Status and Funding Progress

As of July 1, 2011, the most recent actuarial valuation date, the State had a \$48.9 billion unfunded actuarial accrued liability for other post-employment benefits (OPEB) which is made up to \$18.0 billion for state active and retired members and \$30.9 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.

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 July 1, 2011, actuarial valuation, the projected unit credit was used as the actuarial cost method. The actuarial assumptions included an assumed investment rate of return of 4.50 percent.

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, 2012, there were 97,661, retirees receiving post-retirement medical benefits and the State contributed \$958.9 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 \$146.6 million toward Chapter 126 benefits for 16,618 eligible retired members in Fiscal Year 2012.

**BOGOTA BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits Contributions (Continued)

The State sets the contribution rate based on a pay as you go basis and not on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contributions to the State Health Benefits Program Fund for TPAF retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2013, 2012 and 2011 were \$567,552, \$527,043 and \$477,161, 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.

NOTE 6 RESTATEMENT

On July 1, 2012, the Bogota Board of Education implemented GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position" and GASB Statement No. 65, "Items Previously Reported in Assets and Liabilities". The Bogota Board of Education has determined that the effect of implementing these accounting changes on the financial statements previously reported as of and for the year ended June 30, 2012 was to eliminate in the District-wide statement of net position the deferred charge related to debt issuance costs in the amount of \$58,516 with a corresponding reduction in the net investment in capital assets component of net position. The result of this restatement is to reduce total net position of Governmental Activities at June 30, 2012 from \$6,417,735 as originally reported to \$6,359,219 as adjusted for the effects of the change in accounting principle.

BUDGETARY COMPARISONS

**BOGOTA BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	Budgeted Amounts			Actual	Variance
	Original	Adjustments	Final		Final To Actual
REVENUES					
Local Sources					
Local Property Tax Levy	\$ 13,198,165		\$ 13,198,165	\$ 13,198,165	
Interest Earned on Capital Reserve Funds	500		500	8	\$ (492)
Interest Income	5,500		5,500	9,073	3,573
Miscellaneous	-	-	-	5,863	5,863
Total Local Sources	13,204,165	-	13,204,165	13,213,109	8,944
State Sources					
Special Education Aid	763,875		763,875	763,875	
Equalization Aid	4,643,456		4,643,456	4,643,456	
School Choice Aid	58,185		58,185	58,185	
Transportation Aid	46,081		46,081	46,081	
Security Aid	72,862		72,862	72,862	
Extraordinary Aid	150,417		150,417	168,767	18,350
On-behalf TPAF					
Normal Cost				476,838	476,838
NCGI Premium				25,088	25,088
Post Retirement Medical Contributions				567,552	567,552
Social Security Contributions	-	-	-	575,385	575,385
Total State Sources	5,734,876	-	5,734,876	7,398,089	1,663,213
Federal Sources					
Medicaid Reimbursement	13,940	-	13,940	7,390	(6,550)
Total Federal Sources	13,940	-	13,940	7,390	(6,550)
Total Revenues	18,952,981	-	18,952,981	20,618,588	1,665,607
EXPENDITURES					
CURRENT EXPENDITURES					
Instruction - Regular Programs					
Salaries of Teachers					
Preschool/Kindergarten	229,307	-	229,307	221,962	7,345
Grades 1-5	1,921,019	-	1,921,019	1,825,482	95,537
Grades 6-8	801,698	\$ (99,771)	701,927	660,825	41,102
Grades 9-12	2,009,430	82,293	2,091,723	2,057,483	34,240
Regular Programs - Home Instruction					
Salaries of Teachers	28,000	-	28,000	13,024	14,976
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction		-			-
Purchased Professional -Educational Services	170,488	20,619	191,107	191,107	-
Other Purchased Services	7,750	(1,219)	6,531	4,128	2,403
General Supplies	263,991	16,448	280,439	268,963	11,476
Textbooks	47,602	1,284	48,886	45,647	3,239
Other Objects	2,345	(309)	2,036	1,249	787
Total Regular Programs	5,481,630	19,345	5,500,975	5,289,870	211,105
Cognitive - Mild					
Purchased Professional -Educational Services	74,392	(13,893)	60,499	46,945	13,554
Total Cognitive - Mild	74,392	(13,893)	60,499	46,945	13,554

(Continued)

**BOGOTA BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	Budgeted Amounts			Actual	Variance
	Original	Adjustments	Final		Final To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Special Education (Continued)					
Learning and Language Disabilities					
Salaries of Teachers	\$ 317,405	\$ 31,234	\$ 348,639	\$ 334,163	\$ 14,476
Other Salaries for Instruction	248,920	-	248,920	254,444	(5,524)
General Supplies	-	-	-	-	-
Textbooks	-	-	-	-	-
Total Learning and Language Disabilities	<u>566,325</u>	<u>31,234</u>	<u>597,559</u>	<u>588,607</u>	<u>8,952</u>
Multiple Disabilities					
Other Salaries for Instruction	16,835	-	16,835	14,469	2,366
General Supplies	-	1,524	1,524	1,465	59
Total Multiple Disabilities - Instruction	<u>16,835</u>	<u>1,524</u>	<u>18,359</u>	<u>15,934</u>	<u>2,425</u>
Resource Room/Resource Center					
Salaries of Teachers	754,766	(16,129)	738,637	693,372	45,265
Other Salaries for Instruction	16,835	-	16,835	1,048	15,787
General Supplies	9,000	-	9,000	5,344	3,656
Total Resource Room/Resource Center	<u>780,601</u>	<u>(16,129)</u>	<u>764,472</u>	<u>699,764</u>	<u>64,708</u>
Preschool Disabilities - Full Time					
Salaries of Teachers	81,020	2,373	83,393	83,393	-
Other Salaries for Instruction	16,835	-	16,835	14,266	2,569
General Supplies	2,500	(1,000)	1,500	488	1,012
Textbooks	-	1,000	1,000	-	1,000
Total Preschool Disabilities - Full Time	<u>100,355</u>	<u>2,373</u>	<u>102,728</u>	<u>98,147</u>	<u>4,581</u>
Total Special Education	<u>1,538,508</u>	<u>5,109</u>	<u>1,543,617</u>	<u>1,449,397</u>	<u>94,220</u>
Basic Skills/Remedial - Instruction					
Salaries of Teachers	20,000	471	20,471	19,910	561
Total Basic Skills/Remedial - Instruction	<u>20,000</u>	<u>471</u>	<u>20,471</u>	<u>19,910</u>	<u>561</u>
Bilingual Education					
Salaries of Teachers	247,211	-	247,211	245,056	2,155
General Supplies	-	297	297	297	-
Textbooks	1,000	-	1,000	722	278
Total Bilingual Education	<u>248,211</u>	<u>297</u>	<u>248,508</u>	<u>246,075</u>	<u>2,433</u>
School Sponsored Co-Curricular Activities					
Salaries	83,153	-	83,153	73,881	9,272
Purchased Services	6,050	-	6,050	3,991	2,059
Supplies and Materials	9,250	12,079	21,329	20,453	876
Other Objects	10,650	-	10,650	8,594	2,056
Total School Sponsored Co-Curricular Activities	<u>109,103</u>	<u>12,079</u>	<u>121,182</u>	<u>106,919</u>	<u>14,263</u>
School Sponsored Athletics - Instruction					
Salaries	122,745	-	122,745	115,071	7,674
Purchased Services	66,522	(8,033)	58,489	58,489	-
Supplies and Materials	18,100	36,799	54,899	34,106	20,793
Other Objects	64,250	(11,232)	53,018	52,825	193
Total School Sponsored Athletics - Instruction	<u>271,617</u>	<u>17,534</u>	<u>289,151</u>	<u>260,491</u>	<u>28,660</u>

(Continued)

**BOGOTA BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	Budgeted Amounts			Actual	Variance
	Original	Adjustments	Final		Final To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Total - Instruction	\$ 7,669,069	\$ 54,835	\$ 7,723,904	\$ 7,372,662	\$ 351,242
Undistributed Expenditures					
Instruction					
Tuition to Other LEAs Within the State - Regular		25,705	25,705	11,445	14,260
Tuition to Other LEAs Within the State - Special	670,149	(201,316)	468,833	442,029	26,804
Tuition to County Vocational Schools- Regular	378,580	(170,660)	207,920	207,920	-
Tuition to County Vocational Schools- Special	455,175	278,130	733,305	584,335	148,970
Tuition to CSSD and Regional Day Schools	1,056,000	(2,726)	1,053,274	1,034,015	19,259
Tuition Private School for the Disabled					
Within State	782,518	(35,713)	746,805	701,806	44,999
Tuition - Other	207,858	(53,599)	154,259	117,728	36,531
Total Undistributed Expenditures - Instruction	3,550,280	(160,179)	3,390,101	3,099,278	290,823
Health Services					
Salaries	190,275	-	190,275	183,135	7,140
Purchased Professional - Technical Services	15,000	-	15,000	12,872	2,128
Supplies and Materials	3,600	3,051	6,651	2,918	3,733
Total Health Services	208,875	3,051	211,926	198,925	13,001
Speech/Occupational Therapy/Physical Therapy and Related Svcs.					
Salaries	152,540	(125,000)	27,540		27,540
Purchased Professional - Educational Services	201,495	147,520	349,015	288,708	60,307
Miscellaneous Expenditures	-	85	85	-	85
Total Speech/Occup. Therapy/Physical Therapy and Related Svcs.	354,035	22,605	376,640	288,708	87,932
Guidance Services					
Salaries of Other Professional Staff	341,789	-	341,789	339,120	2,669
Other Salaries	2,025	-	2,025	1,800	225
Purchased Professional - Educational Services	41,656	738	42,394	42,067	327
Other Purchased Prof. And Tech. Services	4,135	2,595	6,730	6,730	-
Other Purchased Services	1,500	(1,500)			
Supplies and Materials	11,140	(1,081)	10,059	8,756	1,303
Other Objects	135	(50)	85	85	-
Total Guidance Services	402,380	702	403,082	398,558	4,524
Child Study Team					
Salaries of Other Professional Staff	414,367	(86,700)	327,667	294,752	32,915
Purchased Professional - Educational Services	34,550	94,275	128,825	96,072	32,753
Other Purchased Prof. And Tech. Services	1,500	-	1,500	1,328	172
Miscellaneous Purchased Services	3,200	-	3,200	379	2,821
Supplies and Materials	11,410	185	11,595	11,358	237
Total Child Study Team	465,027	7,760	472,787	403,889	68,898

(Continued)

**BOGOTA BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	Budgeted Amounts			Actual	Variance
	Original	Adjustments	Final		Final To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Improvement of Instructional Services					
Salaries of Supervisor of Instruction	\$ 100,000	\$ (88,100)	\$ 11,900	\$ 11,900	-
Salaries of Other Professional Staff	7,260	-	7,260	1,330	\$ 7,260
Purchased Professional Educational Services	10,000	-	10,000	1,330	8,670
Other Purchased Services	575	-	575	-	575
Supplies and Materials	500	-	500	-	500
Total Improvement of Instructional Services	118,335	(88,100)	30,235	13,230	17,005
Educational Media Services/School Library					
Salaries	114,010	-	114,010	112,730	1,280
Other Purchased Services	6,900	(500)	6,400	6,400	-
Supplies and Materials	12,460	9,449	21,909	21,776	133
Other Objects	14,650	5,813	20,463	20,463	-
Total Educational Media Services/School Library	148,020	14,762	162,782	161,369	1,413
Instructional Staff Training Services					
Purchased Professional Educational Services	-	21,725	21,725	17,470	4,255
Total Instructional Staff Training Services	-	21,725	21,725	17,470	4,255
Support Services General Administration					
Salaries	297,775	(7,434)	290,341	223,324	67,017
Legal Services	90,000	-	90,000	87,203	2,797
Audit Fees	26,500	-	26,500	26,070	430
Other Purchased Professional Services	12,000	14,165	26,165	12,265	13,900
Purchased Technical Services	73,100	90,188	163,288	59,294	103,994
Communications/Telephone	46,813	6,400	53,213	51,632	1,581
BOE Other Purchased Services	-	500	500	171	329
Misc. Purchased Services	24,100	3,986	28,086	18,821	9,265
General Supplies	6,600	30,062	36,662	1,326	35,336
BOE In-House Training/Meeting Supplies	3,200	-	3,200	2,696	504
Miscellaneous Expenditures	8,150	-	8,150	5,272	2,878
BOE Membership Dues and Fees	10,000	-	10,000	9,865	135
Total Support Services General Administration	598,238	137,867	736,105	497,939	238,166
Support Services School Administration					
Salaries of Principals/Assistant Principals	439,523	93,680	533,203	505,581	27,622
Salaries of Secretarial and Clerical Assistants	-	2,050	2,050	-	2,050
Purchased Professional - Educational Services	-	35	35	35	-
Other Purchased Services	15,635	12,373	28,008	25,373	2,635
Supplies and Materials	22,960	484	23,444	22,657	787
Other Objects	9,020	(2,771)	6,249	5,951	298
Total Support Services School Administration	487,138	105,851	592,989	559,597	33,392
Central Services					
Salaries	265,029	(8,672)	256,357	256,357	-
Purchased Technical Services	90,494	83,093	173,587	149,977	23,610
Miscellaneous Purchased Services	3,000	2,930	5,930	1,600	4,330
Supplies and Materials	13,134	2,395	15,529	10,487	5,042
Miscellaneous Expenditures	4,500	402	4,902	4,499	403
Total Central Services	376,157	80,148	456,305	422,920	33,385

(Continued)

**BOGOTA BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	Budgeted Amounts			Actual	Variance
	Original	Adjustments	Final		Final To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Required Maintenance for School Facilities					
Salaries	\$ 112,639	\$ 4,318	\$ 116,957	\$ 84,075	\$ 32,882
Cleaning, Repair, and Maintenance Services	147,313	90,286	237,599	205,252	32,347
General Supplies	36,100	(15,000)	21,100	20,604	496
Other Objects	6,000	-	6,000	5,189	811
	<u>302,052</u>	<u>79,604</u>	<u>381,656</u>	<u>315,120</u>	<u>66,536</u>
Total Required Maintenance for School Facilities					
Custodial Services					
Salaries	21,888	-	21,888	15,027	6,861
Purchased Professional and Technical Services	13,847	(6,478)	7,369	1,300	6,069
Cleaning, Repair, and Maintenance Services	378,000	120,954	498,954	479,684	19,270
Other Purchased Property Services	2,000	29,800	31,800	31,800	-
Insurance	131,290	(7,000)	124,290	124,185	105
Miscellaneous Purchased Services	800	-	800	-	800
General Supplies	17,000	1,250	18,250	12,743	5,507
Energy (Heat and Electricity)	346,800	(43,591)	303,209	280,557	22,652
	<u>911,625</u>	<u>94,935</u>	<u>1,006,560</u>	<u>945,296</u>	<u>61,264</u>
Total Custodial Services					
Student Transportation Services					
Sal. For Pupil Trans(Bet Home & Sch) - Reg.	81,830	373	82,203	70,169	12,034
Cleaning, Repair & Maint. Services	3,000	5,000	8,000	6,907	1,093
Lease Purchase Payments - School Buses	4,800	(1,665)	3,135	-	3,135
Contracted Services (Between Home and School) - Vendors	44,960	(30,728)	14,232	14,232	-
Contracted Services (Between Home and School) Joint Agreement	137,000	-	137,000	50,928	86,072
Contracted Serv. (Spec.Ed Stud) - Joint Agreement	438,587	-	438,587	428,750	9,837
Transportation Supplies	-	9,665	9,665	9,664	1
	<u>710,177</u>	<u>(17,355)</u>	<u>692,822</u>	<u>580,650</u>	<u>112,172</u>
Total Student Transportation Services					
Allocated Benefits- Regular Programs- Instruction					
Other Retirement Contributions - PERS	3,357	-	3,357	-	3,357
	<u>3,357</u>	<u>-</u>	<u>3,357</u>	<u>-</u>	<u>3,357</u>
Total Allocated Benefits- Regular Programs Instruction					
Allocated Benefits- Special Programs- Instruction					
Social Security	-	10,759	10,759	-	10,759
	<u>-</u>	<u>10,759</u>	<u>10,759</u>	<u>-</u>	<u>10,759</u>
Total Allocated Benefits- Special Programs Instruction					
	<u>3,357</u>	<u>10,759</u>	<u>14,116</u>	<u>-</u>	<u>14,116</u>
Total Allocated Benefits					

(Continued)

**BOGOTA BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	Budgeted Amounts			Actual	Variance
	Original	Adjustments	Final		Final To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Unallocated Benefits- Employee Benefits					
Social Security Contributions	\$ 136,000	\$ (10,715)	\$ 125,285	\$ 98,759	\$ 26,526
Other Retirement Contributions	59,796	60,728	120,524	119,664	860
Unemployment Compensation	150,000	-	150,000	150,000	-
Worker's Compensation	87,749	-	87,749	55,980	31,769
Health Benefits	2,023,662	(278,287)	1,745,375	1,639,374	106,001
Total Unallocated Benefits	2,457,207	(228,274)	2,228,933	2,063,777	165,156
On-Behalf TPAF					
Normal Costs				476,838	(476,838)
NCGI Premium				25,088	(25,088)
Post Retirement Medical Contributions				567,552	(567,552)
Social Security Contributions	-	-	-	575,385	(575,385)
Total On-Behalf Benefits	-	-	-	1,644,863	(1,644,863)
Total Undistributed Expenditures	11,092,903	85,861	11,178,764	11,611,589	(432,825)
Total Expenditures - Current Expenditures	18,761,972	140,696	18,902,668	18,984,251	(81,583)
CAPITAL OUTLAY					
Interest Deposit to Capital Reserve	500	-	500	-	500
Equipment					
Instruction					
Multiple Disabilities		23,615	23,615	23,615	-
Other Support Services	-	35,000	35,000	-	35,000
Total Equipment	-	58,615	58,615	23,615	35,000
Facilities Acquisition and Construction Services					
Other Objects	35,593		35,593	35,593	
Other Purchased Professional & Technical Services		7,290	7,290	7,090	200
Construction Services	635,274	(400)	634,874	72,081	562,793
Infrastructure	-	92,817	92,817	66,500	26,317
Total Facilities Acquisition and Construction Services	670,867	99,707	770,574	181,264	589,310
Total Capital Outlay	671,367	158,322	829,689	204,879	624,810
Transfer of Funds to Charter Schools	-	26,508	26,508	25,895	613
Total Expenditures	19,433,339	325,526	19,758,865	19,215,025	543,840
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	(480,358)	(325,526)	(805,884)	1,403,563	2,209,447

(Continued)

**BOGOTA BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	Budgeted Amounts			Actual	Variance Final To Actual
	Original	Adjustments	Final		
OTHER FINANCING SOURCES (USES)					
Transfer In - Capital Projects				\$ 8	\$ 8
Capital Reserve - Transfer to Capital Projects	-	-	-	(69,511)	(69,511)
	-	-	-	(69,503)	(69,503)
Excess/(Deficiency)of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	\$ (480,358)	\$ (325,526)	\$ (805,884)	1,334,060	2,139,944
Fund Balances, Beginning of Year	1,891,162	-	1,891,162	1,891,162	-
Fund Balances, End of Year	<u>\$ 1,410,804</u>	<u>\$ (325,526)</u>	<u>\$ 1,085,278</u>	<u>\$ 3,225,222</u>	<u>\$ 2,139,944</u>

Recapitulation of Fund Balances:

Restricted Fund Balance					
Excess Surplus				\$ 375,409	
Excess Surplus - Designated for Subsequent Year's Budget				387,497	
Emergency Reserve				147,000	
Maintenance Reserve				50,000	
Capital Reserve				1,406,204	
Committed					
Encumbrances				43,722	
Assigned					
Designated For Subsequent Year's Budget				151,075	
Encumbrances				293,172	
Unassigned Fund Balance				<u>371,143</u>	
				3,225,222	

Reconciliation to Governmental Fund Statements (GAAP)

Less:					
2012/2013 State Aid Payments not Recognized on GAAP Basis			\$ 487,961		
Extraordinary Aid Payment not Recognized on GAAP Basis			<u>168,767</u>		
				<u>656,728</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 2,568,494</u>	

**BOGOTA BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	<u>Budgeted Amounts</u>			<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Adjustments</u>	<u>Final</u>		<u>Final to Actual</u>
REVENUES					
Intergovernmental					
State	\$ 157,540	\$ 59,562	\$ 217,102	\$ 168,077	\$ (49,025)
Federal	531,070	313,704	844,774	621,974	(222,800)
Local Sources					
Miscellaneous	-	18,923	18,923	5,860	(13,063)
Total Revenues	<u>688,610</u>	<u>392,189</u>	<u>1,080,799</u>	<u>795,911</u>	<u>(284,888)</u>
EXPENDITURES					
Instruction					
Salaries of Teachers	143,474	96,435	239,909	201,570	38,339
Tuition	163,442	46,095	209,537	209,330	207
Purchased Professional & Technical Svc.	63,317	33,135	96,452	74,787	21,665
Purchased Professional & Educational Svc.	39,803	(39,803)			
Other Purchased Services	151,892	59,169	211,061	162,478	48,583
General Supplies	32,001	148,600	180,601	44,106	136,495
Textbooks	9,495	3,979	13,474	13,037	437
Total Instruction	<u>603,424</u>	<u>347,610</u>	<u>951,034</u>	<u>705,308</u>	<u>245,726</u>
Support Services					
Salaries of Teachers	4,882	1,938	6,820	6,360	460
Personal Services - Employee Benefits	42,506	(21,532)	20,974	20,974	-
Purchased Professional & Technical Svs	24,395	16,605	41,000	29,171	11,829
Purchased Professional & Educational	6,480	(6,480)			
Other Purchased Services	6,540	27,914	34,454	24,956	9,498
Supplies and Materials	383	18,398	18,781	1,406	17,375
Total Support Services	<u>85,186</u>	<u>36,843</u>	<u>122,029</u>	<u>82,867</u>	<u>39,162</u>
Facilities Acquisition and Construction Services					
Instructional Equipment	-	7,736	7,736	7,736	-
Total Facilities and Construction Services	<u>-</u>	<u>7,736</u>	<u>7,736</u>	<u>7,736</u>	<u>-</u>
Total Expenditures	<u>688,610</u>	<u>392,189</u>	<u>1,080,799</u>	<u>795,911</u>	<u>284,888</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	-	-	-	-	-
Fund Balances, Beginning of Year	-	-	-	-	-
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, 2013**

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

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

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedules (Exhibit C-1 & C-2)	\$ 20,618,588	\$ 795,911
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, 2013		(18,935)
State Aid and Extraordinary Aid payment recognized for GAAP purpose, not recognized for budgetary statements (2011/2012 State Aid)	567,955	
State Aid and Extraordinary Aid payment recognized for budgetary purpose, not recognized for GAAP statements (2012/2013 State Aid)	<u>(656,728)</u>	<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds. (Exhibit B-2)	<u>\$ 20,529,815</u>	<u>\$ 776,976</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 19,215,025	\$ 795,911
Differences - Budget to GAAP		
Encumbrances for goods and services ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the goods and services are received for financial reporting purposes. June 30, 2013	<u>-</u>	<u>(18,935)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 19,215,025</u>	<u>\$ 776,976</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, 2013

	Chapter 192			Chapter 193			Exhibit E-1a Totals	Grand Totals	
	Nonpublic Nursing	Nonpublic Technology	Nonpublic Textbooks	Comp. Ed.	Transportation	ESL			Exam. and Class
REVENUES									
Intergovernmental									
State	\$ 18,701	\$ 4,968	\$ 13,037	\$ 60,192	\$ 8,820	\$ 3,410	\$ 22,455	\$ 19,218	\$ 17,276
Federal									
Local Sources									
Miscellaneous									
	\$ 5,860								
Total Revenues	\$ 18,701	\$ 4,968	\$ 13,037	\$ 60,192	\$ 8,820	\$ 3,410	\$ 22,455	\$ 19,218	\$ 17,276
EXPENDITURES									
Instruction									
Salaries of Teachers									
Tuition									
Purchased Professional & Technical Svcs									
Other Purchased Services	\$ 18,701	\$ 4,968	\$ 13,037	\$ 60,192	\$ 8,820	\$ 3,410	\$ 22,455	\$ 19,218	\$ 17,276
General Supplies									
Textbooks									
Total Instruction	\$ 18,701	\$ 4,968	\$ 13,037	\$ 60,192	\$ 8,820	\$ 3,410	\$ 22,455	\$ 19,218	\$ 17,276
Support Services									
Salaries of Teachers									
Personal Services - Employee Benefits									
Purchased Professional & Technical Svc									
Other Purchased Services									
General Supplies									
Total Support Services									
Facilities Acquisition and Construction Services									
Instructional Equipment									
Total Facilities Acq. & Construction									
Total Expenditures	\$ 18,701	\$ 4,968	\$ 13,037	\$ 60,192	\$ 8,820	\$ 3,410	\$ 22,455	\$ 19,218	\$ 17,276

**BOGOTA BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	NCLB			Individuals with Disabilities Education Act		Race to the Top	Total
	Title I	Title IIA	Title III	Part B, Basic	Part B, Preschool		
REVENUES							
Intergovernmental							
Federal	\$ 228,063	\$ 30,465	\$ 9,492	\$ 11,293	\$ 14,058	\$ 13,460	\$ 621,974
Total Revenues	\$ 228,063	\$ 30,465	\$ 9,492	\$ 11,293	\$ 14,058	\$ 13,460	\$ 621,974
EXPENDITURES							
Instruction							
Salaries of Teachers	\$ 199,530		\$ 2,040				\$ 201,570
Tuition							209,330
Purchased Professional & Technical Svs.							74,787
Other Purchased Services	1,199	6,588	7,452	11,293	12,406	-	12,406
General Supplies					1,652		39,138
Total Instruction	200,729	6,588	9,492	11,293	14,058	-	537,231
Support Services							
Salaries of Teachers	6,360						6,360
Personal Services - Employee Benefits	20,974						20,974
Purchased Professional & Technical Svc.		\$ 21,877					29,171
Other Purchased Services		2,000				13,460	20,502
General Supplies							-
Total Support Services	27,334	23,877	-	-	-	13,460	77,007
Facilities Acquisition and Construction							
Instructional Equipment							7,736
Total Facilities Acq. & Construction							7,736
Total Expenditures	\$ 228,063	\$ 30,465	\$ 9,492	\$ 11,293	\$ 14,058	\$ 13,460	\$ 621,974

**BOGOTA BOARD OF EDUCATION
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL EDUCATION AID
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOT APPLICABLE

CAPITAL PROJECTS FUND

BOGOTA BOARD OF EDUCATION
 CAPITAL PROJECTS FUND
 SUMMARY SCHEDULE OF PROJECT EXPENDITURES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013

<u>Issue/Project Title</u>	<u>Original Appropriation</u>	<u>Additional Appropriation</u>	<u>Expenditures to Date</u>		<u>Adjustments</u>	<u>Balance June 30, 2013</u>
			<u>Prior Years</u>	<u>Current Year</u>		
Junior/High School Roof Replacement	\$ 805,540		\$ 800,576	-	\$ (4,964)	
Junior/Senior High School Window Replacement and Electrical Upgrades	897,500	\$ 69,511	772,349	\$ 200,125	4,964	\$ (499)
Total			<u>\$ 1,572,925</u>	<u>\$ 200,125</u>	<u>\$ -</u>	<u>(499)</u>
						<u>Less Unrealized Revenue - State Aid</u>
						<u>\$ -</u>
						<u>Fund Balance -GAAP Basis</u>
						<u>\$ (499)</u>

**BOGOTA BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

Revenues and Other Financing Sources

Interest Earned	\$ 8
Transfer In	<u>69,511</u>
 Total Revenues and Other Financing Sources	 <u>69,519</u>

Expenditures and Other Financing Uses

Construction Services	200,125
Transfer Out	<u>8</u>
 Total Expenditures and Other Financing Uses	 <u>200,133</u>

Excess of Revenues and Other Financing Sources over Expenditures
and Other Financing Uses

(130,614)

Fund Balance, Beginning of Year

130,115

Fund Balance, End of Year

\$ (499)

Reconciliation to GAAP Fund Balance

Fund Balance, Budgetary Basis	<u>\$ (499)</u>
 Fund Balance, GAAP Basis	 <u>\$ (499)</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, 2013**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 418,881		\$ 418,881	\$ 418,881
Transfer from Capital Reserve	<u>386,659</u>	\$ (4,964)	<u>381,695</u>	<u>381,695</u>
 Total Revenues	 <u>805,540</u>	 <u>(4,964)</u>	 <u>800,576</u>	 <u>800,576</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	48,836		48,836	48,836
Construction Services	<u>751,740</u>	<u>-</u>	<u>751,740</u>	<u>751,740</u>
 Total Expenditures	 <u>800,576</u>	 <u>-</u>	 <u>800,576</u>	 <u>800,576</u>
 Excess of Revenue Over Expenditures	 <u>\$ 4,964</u>	 <u>\$ (4,964)</u>	 <u>\$ -</u>	 <u>\$ -</u>

Additional Project Information:

Project Number	0440-020-09-2001
Grant Date	July 15, 2009
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 805,540
Additional Authorized Cost	(4,964)
Revised Authorized Cost	800,576
 Percentage Increase Over Original	
Authorized Cost	0.00%
Percentage Completion	100.00%
Original Target Completion Date	June 30, 2010
Revised Target Completion Date	June 30, 2010

**BOGOTA BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
JUNIOR/SENIOR HIGH SCHOOL - WINDOW REPLACEMENT AND ELECTRICAL UPGRADES
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 463,120		\$ 463,120	\$ 463,120
Local Share - Transfer from Capital Reserve	434,380	\$ 74,475	508,855	508,855
	<u>897,500</u>	<u>74,475</u>	<u>971,975</u>	<u>971,975</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	78,374		78,374	78,374
Construction Services	693,975	200,125	894,100	894,100
	<u>772,349</u>	<u>200,125</u>	<u>972,474</u>	<u>972,474</u>
Excess of Expenditures Over Revenues	<u>\$ 125,151</u>	<u>\$ (125,650)</u>	<u>\$ (499)</u>	<u>\$ (499)</u>

Additional Project Information:

Project Number	0440-020-10-1001
Grant Date	September 27, 2010
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 897,500
Additional Authorized Cost	74,475
Revised Authorized Cost	971,975
Percentage Increase Over Original Authorized Cost	8.30%
Percentage Completion	100.05%
Original Target Completion Date	June 30, 2012
Revised Target Completion Date	June 30, 2013

PROPRIETARY FUNDS

SCHEDULE G-1

**BOGOTA BOARD OF EDUCATION
PROPRIETARY FUND
COMBINING SCHEDULE OF NET POSITION
AS OF JUNE 30, 2013**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-4

SCHEDULE G-2

**COMBINING SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

SCHEDULE G-3

**COMBINING SCHEDULE OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-6

FIDUCIARY FUNDS

**BOGOTA BOARD OF EDUCATION
FIDUCIARY FUNDS
COMBINING SCHEDULE OF AGENCY NET POSITION
AS OF JUNE 30, 2013**

	<u>Student Activity</u>	<u>Payroll</u>	<u>Total Agency Funds</u>
ASSETS			
Cash	\$ 71,842	\$ 254,939	\$ 326,781
Due from Other Funds	<u>-</u>	<u>1,655</u>	<u>1,655</u>
Total Assets	<u>\$ 71,842</u>	<u>\$ 256,594</u>	<u>\$ 328,436</u>
LIABILITIES			
Payroll Deductions and Withholdings		\$ 247,750	\$ 247,750
Accrued Salaries and Wages		4,707	4,707
Due to Other Funds		4,137	4,137
Due to Student Groups	<u>\$ 71,842</u>	<u>-</u>	<u>71,842</u>
Total Liabilities	<u>\$ 71,842</u>	<u>\$ 256,594</u>	<u>\$ 328,436</u>

**BOGOTA BOARD OF EDUCATION
FIDUCIARY FUNDS
SCHEDULE OF CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

FINANCIAL STATEMENT IS PRESENTED ON EXHIBIT B-8

**STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	Balance, July 1, <u>2012</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance June 30, <u>2013</u>
ELEMENTARY SCHOOLS				
Bixby	\$ 201	\$ 10,595	\$ 10,621	\$ 175
Steen	<u>1,588</u>	<u>5,154</u>	<u>5,317</u>	<u>1,425</u>
Total Elementary Schools	<u>1,789</u>	<u>15,749</u>	<u>15,938</u>	<u>1,600</u>
HIGH SCHOOL				
Student Activities	80,111	99,257	109,128	70,240
Athletic Account	<u>217</u>	<u>57,829</u>	<u>58,044</u>	<u>2</u>
Total High School	<u>80,328</u>	<u>157,086</u>	<u>167,172</u>	<u>70,242</u>
Total All Schools	<u>\$ 82,117</u>	<u>\$ 172,835</u>	<u>\$ 183,110</u>	<u>\$ 71,842</u>

**BOGOTA BOARD OF EDUCATION
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	Balance, July 1, <u>2012</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance, June 30, <u>2013</u>
Payroll Deductions and Withholdings	\$ 106,120	\$ 3,945,879	\$ 3,804,249	\$ 247,750
Due from Unemployment Trust Fund	(1,655)			(1,655)
Due to General Fund	4,137	1,057	1,057	4,137
Accrued Salaries and Wages	<u>2,544</u>	<u>5,802,506</u>	<u>5,800,343</u>	<u>4,707</u>
 Total	 <u>\$ 111,146</u>	 <u>\$ 9,749,442</u>	 <u>\$ 9,605,649</u>	 <u>\$ 254,939</u>

LONG-TERM DEBT

BOGOTA BOARD OF EDUCATION
 LONG-TERM DEBT
 SCHEDULE OF SERIAL BONDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013

<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, 2012</u>	<u>Retired</u>	<u>Balance, June 30, 2013</u>
School Improvements	1/15/1999	\$ 550,000	1/15/14	\$ 50,000	4.60	\$ 100,000	\$ 50,000	\$ 50,000
Refunding Bonds	6/23/2005	7,460,000	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			
						6,035,000	445,000	5,590,000
						\$ 6,135,000	\$ 495,000	\$ 5,640,000

**BOGOTA BOARD OF EDUCATION
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	<u>Budgeted Amounts</u>			<u>Actual</u>	<u>Variance Final to Actual</u>
	<u>Original</u>	<u>Adjustments</u>	<u>Final</u>		
REVENUES					
Local Sources					
Property Taxes	\$ 709,999		\$ 709,999	\$ 709,999	-
State Sources					
Debt Service Aid Type II	<u>11,908</u>	<u>-</u>	<u>11,908</u>	<u>11,908</u>	<u>-</u>
Total Revenues	<u>721,907</u>	<u>-</u>	<u>721,907</u>	<u>721,907</u>	<u>-</u>
EXPENDITURES					
Regular Debt Service					
Principal	496,000		496,000	495,000	\$ 1,000
Interest	<u>225,907</u>	<u>-</u>	<u>225,907</u>	<u>225,906</u>	<u>1</u>
Total Expenditures	<u>721,907</u>	<u>-</u>	<u>721,907</u>	<u>720,906</u>	<u>1,001</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,001</u>	<u>1,001</u>
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,001</u>	<u>\$ 1,001</u>

**BOGOTA BOARD OF EDUCATION
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

<u>Issue</u>	<u>Interest Rate</u>	<u>Amount of Original Issue</u>	<u>Balance, July 1, 2012</u>	<u>Retired</u>	<u>Balance, June 30, 2013</u>
Technology Products	6.04%	\$ 90,405	\$ 62,066	\$ 30,098	\$ 31,968
			<u>\$ 62,066</u>	<u>\$ 30,098</u>	<u>\$ 31,968</u>

STATISTICAL SECTION

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

Contents

Exhibits

Financial Trends

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

J-1 to J-5

Revenue Capacity

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

J-6 to J-9

Debt Capacity

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

J-10 to J-13

Demographic and Economic Information

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

J-14 and J-15

Operating Information

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

J-16 to J-20

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

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

	Fiscal Year Ended June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental Activities								(1)		
Net Investment in Capital Assets	\$ 2,129,187	\$ 4,664,300	\$ 4,408,683	\$ 4,439,421	\$ 4,454,677	\$ 5,002,455	\$ 5,967,801	\$ 4,365,487	\$ 5,366,100	\$ 5,793,169
Restricted		255,668	255,668	105,452	109,146	187,995	192,973	292,973	591,234	1,407,205
Unrestricted	1,065,860	628,942	(447,461)	(217,941)	(82,621)	(300,530)	(445,026)	(325,968)	401,885	834,561
Total Governmental Activities Net Position	\$ 3,195,047	\$ 5,293,242	\$ 4,216,890	\$ 4,326,932	\$ 4,481,202	\$ 4,889,920	\$ 5,715,748	\$ 4,332,492	\$ 6,359,219	\$ 8,035,035
Business-Type Activities										
Net Investment in Capital Assets	\$ 10,312	\$ 9,266	\$ 8,221	\$ 7,175	\$ 6,129	\$ 5,083	\$ 42,280	\$ 54,762	\$ 48,694	\$ 42,873
Unrestricted	11,715	24,408	41,083	22,047	20,388	47,942	13,314	1,938	7,541	3,468
Total Business-Type Activities Net Position	\$ 22,027	\$ 33,674	\$ 49,304	\$ 29,222	\$ 26,517	\$ 53,025	\$ 55,594	\$ 56,700	\$ 56,235	\$ 46,341
District-Wide										
Net Investment in Capital Assets	\$ 2,139,499	\$ 4,673,566	\$ 4,416,904	\$ 4,446,596	\$ 4,460,806	\$ 5,007,538	\$ 6,010,081	\$ 4,420,249	\$ 5,414,794	\$ 5,836,042
Restricted	-	-	255,668	105,452	109,146	187,995	192,973	292,973	591,234	1,407,205
Unrestricted	1,077,575	653,350	(406,378)	(195,894)	(62,233)	(252,588)	(431,712)	(324,030)	409,426	838,129
Total District Net Position	\$ 3,217,074	\$ 5,326,916	\$ 4,266,194	\$ 4,356,154	\$ 4,507,719	\$ 4,942,945	\$ 5,771,342	\$ 4,389,192	\$ 6,415,454	\$ 8,081,376

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

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

	Fiscal Year Ended June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 5,871,933	\$ 6,789,968	\$ 7,334,952	\$ 7,480,789	\$ 8,007,192	\$ 8,328,788	\$ 8,225,228	\$ 8,071,997	\$ 8,382,081	\$ 7,798,699
Special Education	2,328,861	2,794,314	3,230,732	3,430,920	3,828,439	3,980,707	4,785,657	5,403,583	5,176,543	5,359,694
Other Instruction	442,444	419,254	340,769	315,805	334,699	334,889	344,556	312,379	297,318	380,752
School Sponsored Activities and Athletics	333,185	357,274	342,150	352,609	337,960	251,418	260,059	270,669	323,814	445,029
Support Services:										
Student & Instruction Related Services	1,249,984	1,414,453	1,365,810	1,391,890	1,396,377	1,597,411	1,795,306	1,873,574	1,988,118	1,985,599
School Administrative Services	704,844	860,424	578,768	989,824	1,006,124	996,703	1,109,618	942,836	661,409	787,239
General Administration	644,806	537,638	921,608	589,474	555,603	645,568	683,252	705,920	615,592	614,508
Plant Operations and Maintenance	1,143,199	1,223,760	1,340,943	1,460,127	1,511,666	1,724,472	1,667,159	1,273,465	1,236,440	1,650,872
Pupil Transportation	602,514	508,502	582,420	677,374	755,717	831,580	1,029,216	829,306	659,078	617,377
Central Services	323,919	337,522	357,514	373,181	412,141	366,136	459,500	428,516	444,735	529,913
Interest on Long-Term Debt	434,856	274,876	362,778	359,021	339,508	330,272	317,564	304,201	277,819	247,796
Total Governmental Activities Expenses	14,080,545	15,517,985	16,758,444	17,421,014	18,485,426	19,387,944	20,677,115	20,416,446	20,062,947	20,417,478
Business-Type Activities:										
Food Service	262,140	248,397	325,847	393,558	436,736	454,604	457,610	463,072	479,444	444,777
Total business-Type Activities Expense	262,140	248,397	325,847	393,558	436,736	454,604	457,610	463,072	479,444	444,777
Total District Expenses	\$ 14,342,685	\$ 15,766,382	\$ 17,084,291	\$ 17,814,572	\$ 18,922,162	\$ 19,842,548	\$ 21,134,725	\$ 20,879,518	\$ 20,542,391	\$ 20,862,255
Program Revenues										
Governmental Activities:										
Charges for Services:										
Instruction (Tuition)			\$ 198,497	\$ 153,063	\$ 14,793					
Operating Grants and Contributions	\$ 2,181,929	\$ 2,451,668	2,694,107	3,196,865	3,341,036	2,985,319	4,268,598	3,036,917	3,361,184	\$ 3,416,358
Capital Grants and Contributions	1,506,046	1,952,484	115,073	26,483	1,960	87,923	418,881		398,532	64,588
Total Governmental Activities Program Revenues	3,687,975	4,404,152	3,007,677	3,376,411	3,357,789	3,073,242	4,687,479	3,036,917	3,759,716	3,480,946
Business-Type Activities:										
Charges for Services:										
Food Service	175,846	165,321	202,563	199,356	228,410	236,417	209,281	195,360	202,355	178,793
Operating Grants and Contributions	86,588	94,723	137,461	170,819	203,551	214,083	250,426	268,545	276,393	255,884
Total Business Type Activities Program Revenues	262,434	260,044	340,024	370,175	431,961	450,500	459,707	463,903	478,748	434,677
Total District Program Revenues	\$ 3,950,409	\$ 4,664,196	\$ 3,347,701	\$ 3,746,586	\$ 3,789,750	\$ 3,523,742	\$ 5,147,186	\$ 3,500,820	\$ 4,238,464	\$ 3,915,623
Net (Expense)/Revenue										
Governmental Activities	\$ (10,392,570)	\$ (11,113,833)	\$ (13,750,767)	\$ (14,044,603)	\$ (15,127,637)	\$ (16,314,702)	\$ (15,989,636)	\$ (17,379,529)	\$ (16,303,231)	\$ (16,936,532)
Business-Type Activities	294	11,647	14,177	(23,383)	(4,775)	(4,104)	2,097	831	(696)	(10,100)
Total District-Wide Net Expense	\$ (10,392,276)	\$ (11,102,186)	\$ (13,736,590)	\$ (14,067,986)	\$ (15,132,412)	\$ (16,318,806)	\$ (15,987,539)	\$ (17,378,698)	\$ (16,303,927)	\$ (16,946,632)

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

	Fiscal Year Ended June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 9,107,058	\$ 9,185,154	\$ 8,905,350	\$ 10,238,743	\$ 11,051,878	\$ 11,821,544	\$ 12,294,405	\$ 12,783,703	\$ 12,939,377	\$ 13,198,165
Taxes Levied for Debt Service	575,371	728,765	747,167	576,161	734,685	734,904	720,478	730,059	709,199	709,999
State and Federal Aid - Unrestricted	3,106,349	3,228,698	3,233,817	3,228,165	3,426,222	4,117,791	3,768,363	4,160,485	4,432,253	4,677,324
State Aid - Restricted for Debt Service	198,584	14,056	13,643	13,229	14,099	13,627	14,438	12,912	12,410	11,908
Gain (Loss) on Disposal of Capital Assets	685,000		(314,249)				(41,968)	(533)		
Investment Earnings	58,111	15,515	72,260	82,869	51,081	46,625				
Miscellaneous Income	58,574	39,840	16,427	15,478	3,942	18,929	59,748	27,751	24,455	14,952
Transfers						(30,000)				
Total Governmental Activities	13,789,047	13,212,028	12,674,415	14,154,645	15,281,907	16,723,420	16,815,464	17,714,577	18,117,694	18,612,348
Business-Type Activities:										
Transfers			1,453	3,301	2,070	30,000	472	275	231	206
Investment Earnings			1,453	3,301	2,070	30,612	472	275	231	206
Total Business-Type Activities	-	-	1,453	3,301	2,070	30,612	472	275	231	206
Total District-Wide	\$ 13,789,047	\$ 13,212,028	\$ 12,675,868	\$ 14,157,946	\$ 15,283,977	\$ 16,754,032	\$ 16,815,936	\$ 17,714,852	\$ 18,117,925	\$ 18,612,554
Change in Net Position										
Governmental Activities	\$ 3,396,477	\$ 2,098,195	\$ (1,076,352)	\$ 110,042	\$ 154,270	\$ 408,718	\$ 825,828	\$ 335,048	\$ 1,814,463	\$ 1,675,816
Business-Type Activities	294	11,647	15,630	(20,082)	(2,705)	26,508	2,569	1,106	(465)	(9,894)
Total District	\$ 3,396,771	\$ 2,109,842	\$ (1,060,722)	\$ 89,960	\$ 151,565	\$ 435,226	\$ 828,397	\$ 336,154	\$ 1,813,998	\$ 1,665,922

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

	Fiscal Year Ended June 30.									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Fund										
Restricted								\$ 307,414	\$ 754,402	\$ 2,366,110
Committed	\$ 1,360,953	\$ 913,052	\$ 263,292	\$ 4,454,677	\$ 432,177	\$ 427,216	\$ 329,615	202,124	92,817	43,722
Assigned	196,368	51,819	(108,246)	35,783	98,312	(81,629)	(213,796)	(173,342)	693,662	444,247
Unassigned									(217,674)	(285,585)
Reserved										
Unreserved	\$ 1,557,321	\$ 964,871	\$ 155,046	\$ 4,490,460	\$ 530,489	\$ 345,587	\$ 115,819	\$ 336,196	\$ 1,323,207	\$ 2,568,494
Total General Fund										
All Other Governmental Funds								\$ 4,964	\$ 65,527	\$ 502
Restricted										
Committed	\$ 6,867,162	\$ 434,260	\$ 33,432	\$ 2,506			\$ 4,964			
Reserved	(1,499,851)	(122,421)	170,810	(19,868)	\$ (22,402)					
Unreserved										
Total All Other Governmental Funds	\$ 5,367,311	\$ 311,839	\$ 204,242	\$ (17,362)	\$ (22,402)	\$ -	\$ 4,964	\$ 4,964	\$ 65,527	\$ 502

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

**BOGOTA BOARD OF EDUCATION
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Unaudited)**

(modified accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Revenues										
Property Tax Levy	\$ 9,682,429	\$ 9,913,919	\$ 9,652,517	\$ 10,814,904	\$ 11,786,563	\$ 12,556,448	\$ 13,014,883	\$ 13,513,762	\$ 13,648,576	\$ 13,908,164
Tuition Charges		198,497	153,063	14,793						
Interest Earnings	58,111	15,515	72,260	82,869	51,081	46,625				
Miscellaneous	743,574	39,840	16,427	15,478	3,942	18,929	65,968	94,908	71,174	19,858
State Sources	6,701,763	7,248,055	5,563,333	5,895,473	6,302,274	6,480,028	6,632,806	6,393,370	7,295,392	7,553,692
Federal Sources	291,145	398,851	493,307	569,269	481,043	724,632	1,831,254	747,787	862,268	611,580
Total Revenue	17,477,022	17,616,180	15,996,341	17,531,056	18,639,696	19,826,662	21,544,911	20,751,827	21,877,410	22,093,294
Expenditures										
Instruction										
Regular Instruction	5,902,364	6,679,599	7,066,273	7,353,871	7,758,584	8,151,403	8,055,814	7,884,433	8,078,332	7,836,748
Special Education Instruction	2,317,232	2,806,518	3,160,108	3,380,880	3,777,870	3,936,232	4,744,098	5,344,012	5,167,575	5,378,691
Other Instruction	440,011	422,277	327,081	304,349	323,458	243,478	253,046	261,021	297,318	379,143
School Sponsored Activities and Athletics	333,185	342,328	340,769	352,609	337,960	327,076	337,783	304,446	323,814	445,029
Support Services:										
Student & Inst. Related Services	1,238,623	1,393,420	1,315,844	1,349,391	1,353,862	1,560,203	1,760,899	1,832,053	1,960,523	1,963,459
General Administration	643,206	535,339	562,888	571,317	537,626	971,650	673,650	693,733	608,392	627,671
School Administrative Services	701,283	861,121	890,797	967,221	982,975	633,196	1,085,290	918,061	634,077	775,512
Plant Operations and Maintenance	1,128,253	1,208,814	1,275,646	1,410,483	1,462,955	1,699,902	1,644,824	1,267,234	1,221,466	1,302,351
Pupil Transportation	602,514	508,502	582,420	677,374	755,717	821,730	1,028,386	820,971	651,298	609,475
Central Services	321,620	335,223	347,468	365,544	404,646	366,136	450,881	410,698	444,420	529,476
Capital Outlay	4,795,554	7,365,735	438,686	94,583	7,000	499,625	1,000,128	51,817	811,417	344,571
Debt Service:										
Principal	381,416	376,460	372,012	410,000	435,000	455,000	460,000	485,000	480,000	495,000
Interest and Other Charges	442,125	428,766	233,771	332,894	313,784	293,531	274,916	257,971	241,609	225,906
Bond Issuance Costs		129,055								
Advance Refunding Escrow		370,269								
Total Expenditures	19,247,386	23,763,426	16,913,763	17,570,516	18,451,437	19,959,162	21,769,715	20,531,450	20,920,241	20,913,032
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,770,364)	(6,147,246)	(917,422)	(39,460)	188,259	(132,500)	(224,804)	220,377	957,169	1,180,262
Other Financing Sources (Uses)										
Original Issue Discount		(60,676)								
Refunding Bonds Issued		7,460,000								
Payments to Refunded Bond Escrow Agent		(6,900,000)								
Capital Lease Proceeds										
Transfers In	48,376	15,515	12,734	2,917	9	121,741	386,661	1	90,405	69,519
Transfers Out	(48,376)	(15,515)	(12,734)	(2,917)	(9)	(151,741)	(386,661)	(1)	(434,380)	(69,519)
Total Other Financing Sources (Uses)	-	499,324	-	-	-	(30,000)	-	-	90,405	-
Net Change in Fund Balances	\$ (1,770,364)	\$ (5,647,922)	\$ (917,422)	\$ (39,460)	\$ 188,259	\$ (162,500)	\$ (224,804)	\$ 220,377	\$ 1,047,574	\$ 1,180,262
Debt Service as a Percentage of Noncapital Expenditures	5.70%	4.91%	3.68%	4.25%	4.06%	3.85%	3.54%	3.63%	3.59%	3.50%

* Noncapital expenditures are total expenditures less capital outlay.

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

Fiscal Year Ended June 30, _____	Tuition	Interest on Investments	Insurance Refund	Sale of Property	Cancel Prior Year Accounts Payable	Miscellaneous	Total
2004		\$ 9,735	\$ 14,776	\$ 685,000		\$ 43,798	\$ 753,309
2005	\$ 3,116	35,245				1,479	39,840
2006	198,497	59,526				16,427	274,450
2007	153,063	79,952				15,478	248,493
2008	14,793	51,072				3,942	69,807
2009		46,581				18,929	65,510
2010		20,438			\$ 32,990	6,318	59,746
2011		7,363			9,129	11,258	27,750
2012		7,971				16,484	24,455
2013		9,081				5,863	14,944

Source: School District's Financial Statements

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^a
2004	\$ 2,098,400	\$ 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	2,908,400	393,657,680	35,919,100	14,862,100	24,736,500	472,083,780	521,727	472,605,507	666,879,191	2.091
2006	2,786,600	394,559,800	36,015,700	14,550,200	24,664,900	472,577,200	437,073	473,014,273	760,934,497	2.156
2007	2,859,700	395,385,875	36,218,400	14,580,200	24,614,900	473,659,075	381,281	474,040,356	906,905,826	2.402
2008	2,791,700	396,497,975	36,227,800	14,550,200	24,664,900	474,732,575	381,281	475,113,856	921,748,850	2.564
2009	4,376,300	689,536,400	70,184,800	24,655,100	45,133,600	833,886,200	381,281	834,267,481	846,681,990	1.532
** 2010	4,376,300	689,382,200	69,997,900	24,265,200	44,472,000	832,493,600	1,561,663	834,055,263	916,167,917	1.620
2011	4,289,100	688,855,600	69,793,300	24,265,200	43,712,000	830,915,200	1,286,054	832,201,254	859,824,307	1.600
2012	4,174,300	687,218,200	68,483,700	22,919,200	43,456,200	826,251,600	1,266,437	827,518,037	811,078,125	1.668
*** 2013	2,972,900	527,461,700	56,975,200	17,102,700	38,959,800	643,472,300		643,472,300	711,789,326	2.160

^a Tax rates are per \$100

** - Revaluation of Real Property effective 2009

*** - Reassessed effective 2013

Source: County Abstract of Ratables

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

<u>Calendar Year</u>	<u>Total</u>	<u>Local School District</u>	<u>Municipality</u>	<u>County (1)</u>
2004	\$ 3.280	\$ 2.112	\$ 0.918	\$ 0.250
2005	3.280	2.091	0.917	0.272
2006	3.395	2.156	0.949	0.290
2007	3.730	2.402	1.000	0.328
2008	4.024	2.564	1.101	0.359 *
2009	2.421	1.532	0.665	0.224
2010	2.549	1.620	0.714	0.215
2011	2.574	1.600	0.759	0.215
2012	2.691	1.668	0.808	0.215
2013	3.531	2.160	1.119	0.252 **

* Revaluation of Real Property Effective 2009.

**Reassessed Effective 2013

(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	2013		2004	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
River Rock Equities	5,751,900	0.89%	4,899,900	1.04%
Michael Court Apartments	3,819,100	0.59%	2,279,800	0.48%
Delaware Valley	3,720,000	0.58%	5,647,300	1.20%
Landmark Development	3,396,300	0.53%	2,431,100	0.52%
BRC Property	3,110,500	0.48%		
Singh Real Estate	3,057,000	0.48%		
P. Feiner & Sons			2,306,800	0.49%
Bogota Tennis			2,109,800	0.45%
Evergreen Realty	2,797,100	0.43%	1,999,900	0.42%
Bogota Royale	2,752,000	0.43%		
Hess Oil		0.00%	2,860,300	0.61%
Delaware Valley	2,480,000	0.39%		
River Rock Equities	2,390,000	0.37%		
Individual			2,791,900	0.59%
Goldberg Slipper			1,977,900	0.42%
	<u>\$ 33,273,900</u>	<u>5.17%</u>	<u>29,304,700</u>	<u>6.21%</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	
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%	
2012	13,648,576	13,648,576	100.00%	
2013	13,908,164	13,908,164	100.00%	

Source: District records.

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

Fiscal Year Ended June 30,	<u>Governmental Activities</u>		Total District	Estimated Population	Per Capita
	General Obligation Bonds	Capital Leases			
2004	\$ 9,345,000		\$ 9,345,000	8,125	\$ 1,150
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	8,196	866
2011	6,615,000		6,615,000	8,241	803
2012	6,135,000	62,066	6,197,066	8,261	750
2013	5,640,000	31,968	5,671,968	8,261 *	687

Source: District records

*Estimated

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

Fiscal Year Ended June 30,	<u>General Bonded Debt Outstanding</u>		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Deductions			
2004	\$ 9,345,000		\$ 9,345,000	1.98%	\$ 1,150
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%	866
2011	6,615,000		6,615,000	0.79%	803
2012	6,135,000		6,135,000	0.74%	743
2013	5,640,000		5,640,000	0.88%	683

Source: District records

**BOGOTA BOARD OF EDUCATION
COMPUTATION OF DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2012
(UNAUDITED)**

	<u>Total Debt</u>
Municipal Debt: (1)	
Bogota Board of Education (as of June 30, 2013)	\$ 5,640,000
Borough of Bogota	<u>7,362,117</u>
	13,002,117
Overlapping Debt Apportioned to the Municipality:	
Bergen County (2);(A):	
County of Bergen (A)	3,781,672
Bergen County Utilities Authority - Water Pollution (B)	<u>2,584,734</u>
Total Direct and Overlapping Debt	<u>\$ 19,368,523</u>

Sources:

- (1) Borough of Bogota 2012 Annual Debt Statement
- (2) Bergen County 2012 Debt Statement

- (A) The debt for this entity was apportioned by dividing the Municipality's 2012 equalized value by the total 2012 equalized value for Bergen County.

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

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Debt limit	\$ 18,616,879	\$ 20,633,507	\$ 23,410,022	\$ 30,366,957	\$ 33,582,135	\$ 36,317,516	\$ 37,299,367	\$ 36,086,094	\$ 34,090,368	\$ 32,248,624
Total net debt applicable to limit	9,345,000	9,215,000	8,860,000	8,485,000	8,015,000	7,560,000	7,100,000	6,615,000	6,135,000	5,640,000
Legal debt margin	\$ 9,271,879	\$ 11,418,507	\$ 14,550,022	\$ 21,881,957	\$ 25,567,135	\$ 28,757,516	\$ 30,199,367	\$ 29,471,094	\$ 27,955,368	\$ 26,608,624
Total net debt applicable to the limit as a percentage of debt limit	50.20%	44.66%	37.85%	27.94%	23.87%	20.82%	19.04%	18.33%	18.00%	17.49%

Legal Debt Margin Calculation for Fiscal Year 2013

	2010	2011	2012
Equalized valuation basis	\$ 849,050,076	803,981,809	765,614,900
Average equalized valuation of taxable property	\$ 806,215,595		
Debt limit (4 % of average equalization value)	32,248,624		
Total Net Debt Applicable to Limit	5,640,000		
Legal debt margin	\$ 26,608,624		

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

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

<u>Year Ended December 31,</u>	<u>Population</u>	<u>County Per Capita Income</u>	<u>Unemployment Rate</u>
2003	8,125	\$ 51,132	6.6%
2004	8,094	54,462	5.4%
2005	8,015	56,706	6.5%
2006	7,938	62,714	6.9%
2007	7,907	67,394	6.2%
2008	7,887	68,227	8.0%
2009	7,917	63,198	13.9%
2010	8,196	65,486	14.2%
2011	8,241	66,096	14.0%
2012	8,261	N/A	14.2%

Source: New Jersey Department of Education

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

<u>Employer</u>	<u>2013</u>		<u>2004</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 TEN 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>	<u>2012</u>	<u>2013</u>
Instruction										
Regular	83	104	103	86	92	104	102	100	101	101
Special education	15	2	4	31	30	15	15	14	15	15
Other special education	5	5	6	5	5	3	3	3	3	3
Support Services:										
Student & instruction related services	11	9	8	8		18	18	15	15	15
General administration	3	3	4	2	2	2	2	3	3	3
School administrative services	9	9	9	5	5	5	4	-	-	-
Other administrative services				9	9	5	4	2	2	2
Central services	4	4	4	3	3	3	3	3	3	3
Plant operations and maintenance	14	14	14	16	16	15	12	1	1	1
Total	144	150	152	165	162	170	163	141	143	143

Source: Annual School Budget Statement

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

Fiscal Year	Enrollment ^a	Operating Expenditures ^b	Cost Per Pupil ^c	Percentage Change	Teaching Staff	Pupil/Teacher Ratio		Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Senior High School				
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	1,096	-3.67%	94.89%
2011	1,223	19,736,662	16,138	-3.26%	117	9:01	9:01	1,168	1,146	1.13%	98.12%
2012	1,194	19,387,215	16,237	0.62%	103	9:01	9:01	1,163	1,141	-0.43%	98.11%
2013	1,171	19,847,555	16,949	4.39%	108	9:01	9:01	1,158	1,136	-0.43%	98.10%

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)**

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
District Building										
<u>E. Roy Bixby</u>										
Square Feet	31,458	40,394	41,394	40,475	40,475	40,475	40,475	40,475	40,475	40,475
Capacity (students)			290	335	303	N/A	300	292	292	292
Enrollment									294	294
<u>Lillian M Steen</u>										
Square Feet	23,393	61,368	61,368	47,456	47,456	47,456	47,456	47,456	47,456	47,456
Capacity (students)			521	274	306	N/A	321	296	296	296
Enrollment									302	302
<u>Jr./Sr. High School</u>										
Square Feet			87,671	78,464	78,464	86,104	86,104	86,104	86,104	86,104
Capacity (students)			310	536	543	N/A	580	575	575	575
Enrollment									554	554
<u>Other</u>										
<u>Board of Education Offices</u>										
Square Feet			1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
<u>Feigel Field House</u>			7,640	7,640	7,640	7,640	7,640	7,640	7,640	7,640
Square Feet										
Number of Schools at June 30, 2013			2	2	2	2	2	2	2	2
Elementary ^m			1	1	1	1	1	1	1	1
Junior/Senior High School =										

Source: Long Range Facilities Plan 2005-2013

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

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
School Facilities										
Bixby Elementary School	\$ 55,588	\$ 55,634	\$ 52,698	\$ 48,316	\$ 68,525	\$ 101,951	\$ 107,720	\$ 72,190	\$ 66,979	\$ 73,287
Steen Elementary School	45,000	45,038	82,811	73,409	82,800	119,536	121,186	57,550	85,247	85,927
Bogota High School	164,116	180,065	115,433	114,012	134,194	216,885	219,930	175,164	152,227	155,906
Grand Total	\$ 264,704	\$ 280,737	\$ 250,942	\$ 235,737	\$ 285,519	\$ 438,372	\$ 448,836	\$ 304,904	\$ 304,453	\$ 315,120

Source: School District's Financial Statements

BOGOTA BOARD OF EDUCATION
SCHEDULE OF INSURANCE
JUNE 30, 2013
(Unaudited)

	<u>Coverage</u>	<u>Deductible</u>
Commercial Property Coverage - NJSBAIG		
Property - Blanket Building & Contents	\$ 40,435,403	\$ 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	430,000	
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

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
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EDWARD N. KERE, CPA
LORI T. MANUKIAN, CPA, PSA
MARK SACO, CPA

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Bogota Board of Education as of and for the fiscal year ended June 30, 2013 and the related notes to the financial statements, which collectively comprise the Bogota Board of Education's basic financial statements and have issued our report thereon dated December 3, 2013.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2013-001 that we consider to be a significant deficiency in internal control over financial reporting.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Bogota Board of Education's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and which is described in the accompanying schedule of findings and questioned costs as item 2013-001.

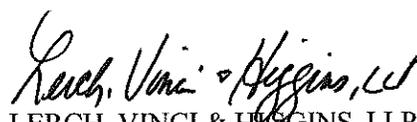
We also noted certain matters that we reported to management of the Bogota Board of Education in a separate report entitled, "Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance" dated December 3, 2013.

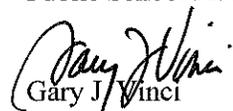
Bogota Board of Education's Responses to Findings

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

Purpose of this Report

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


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


 Gary J. Vinci
 Public School Accountant
 PSA Number CS00829

Fair Lawn, New Jersey
 December 3, 2013



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

DIETER P. LERCH, CPA, RMA, PSA
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**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE
OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY U.S. OMB CIRCULAR A-133 AND
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE REQUIRED BY NEW JERSEY
OMB CIRCULAR 04-04**

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major Federal and State Program

We have audited the Bogota Board of Education's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement and the New Jersey OMB Circular 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, 2013. The Bogota Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Bogota Board of Education's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; U.S. OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and New Jersey OMB Circular 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 the Bogota Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal and State Program

In our opinion, the Bogota Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2013.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with U.S. OMB Circular A-133 and New Jersey OMB Circular 04-04 and which are described in the accompanying schedule of findings and questioned costs as items 2013-002 and 2013-003. Our opinion on each major federal and state program is not modified with respect to these matters.

The Bogota Board of Education's responses to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The Bogota Board of Education's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Report on Internal Control Over Compliance

Management of the Bogota Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Bogota Board of Education's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with U.S. OMB Circular A-133 and New Jersey OMB Circular 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 Bogota Board of Education's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2013-002 and 2013-003 that we consider to be significant deficiencies.

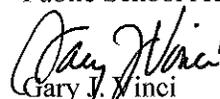
The Bogota Board of Education's responses to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The Bogota Board of Education's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of U.S. OMB Circular A-133 and New Jersey OMB Circular 04-04. Accordingly, this report is not suitable for any other purpose.

Report on Schedules of Expenditures of Federal Awards Required by U.S. OMB Circular A-133 and Schedule of Expenditures of State Financial Assistance Required by New Jersey OMB Circular 04-04

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, 2013 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements. We issued our report thereon dated December 3, 2013, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards as required by U.S. OMB Circular A-133 and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 04-04 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.


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


 Gary J. Vinci
 Public School Accountant
 PSA Number CS00829

Fair Lawn, New Jersey
 December 3, 2013

**BOGOTA BOARD OF EDUCATION
SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

Federal/Grantee/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant Period	Award Amount	Balance June 30, 2012		Def. Rev Carryover Amount	Cash Received	Budgetary Expenditures	Repayment Prior Year Balances	FY A/P Canceled	Adjustments	Balance June 30, 2013	
				(Accounts Receivable)	Unearned Revenue							(Accounts Receivable)	Unearned Revenue
U.S. Department of Education													
General Fund													
Education Jobs Fund	84-410A	7/1/11-6/30/12	\$ 196,240	\$ (196,240)			\$ 196,240						
Medicaid Assistance Program (Semi)	93-778	7/1/12-6/30/13	7,390				7,390						
Medicaid Assistance Program (Semi)	93-778	7/1/11-6/30/12	20,014	(868)			868						
				(197,108)			204,498						
U.S. Department of Agriculture													
Passed-Through State Department of Education													
Food Distribution Program- Non Cash Assistance	10-550	7/1/11-6/30/12	42,409	\$ 1,363				1,363				\$ 255	
National School Breakfast Program	10-553	7/1/11-6/30/12	29,366	(5,255)			35,357	35,102					
National School Lunch Program	10-555	7/1/11-6/30/13	26,621	(36,295)			19,594	26,621				\$ (7,027)	
National School Lunch Program	10-555	7/1/11-6/30/12	199,248				56,295						
National School Lunch Program	10-555	7/1/12-6/30/13	187,931				145,494	187,931				(42,437)	
				(41,550)			241,995	251,017				(49,464)	255
Total U.S. Department of Agriculture													
U.S. Department of Education													
Passed-Through State Department of Education													
Title I	84-010A	9/1/12-8/31/13	311,136										
Title I, Carryover	84-010A	9/1/11-8/31/12	310,724	66,373	\$ 7,700	(28,720)	138,575	214,584		\$ 177	(16,174)	(339,856)	125,272
Title I, Carryover	84-010A	9/1/08-8/31/09	240,265	180				13,479					
Title II Part A	84-367A	9/1/12-8/31/13	31,446										
Title II Part A	84-367A	9/1/11-8/31/12	43,825	18,681		(18,681)	550	30,465		1,994	(1,994)	(50,127)	19,662
Title II Part A, Carryover	84-367A	9/1/09-8/31/11	38,892	(7,391)		(18,681)					7,891		
Title II Part D, Carryover	84-318X	9/1/09-8/31/10	2,514		1,891				1,891				
Title III	84-365A	9/1/12-8/31/13	17,254										
Title III, Carryover	84-365A	9/1/11-8/31/12	20,176										
Title III, Immigrant	84-365A	9/1/10-8/31/11	19,767	9,158		(9,158)	823	7,452				(36,364)	18,920
Title III, Immigrant	84-365A	9/1/12-8/31/13	12,560	10,137		(9,158)		2,040					
Title IV, Carryover	84-186A	9/1/11-8/31/12	8,349			(8,349)		11,953			(8,097)	(20,909)	9,616
Title V, Carryover	84-186A	9/1/09-8/31/10	4,813	8,349		(8,349)							
Race to the Top	84-415A	9/1/11-11/30/13	24,573						5,109				
Race to the Top	84-298	9/1/12-8/31/13	316,779						3,518				
Race to the Top	84-027	9/1/11-11/30/13	326,648	9,525			105,501					(24,573)	11,113
Race to the Top	84-027	9/1/12-8/31/13	315,613	12				9,525				(316,779)	11,173
Race to the Top	84-027	9/1/10-8/31/11	315,613									(1,061)	
Race to the Top	84-391	9/1/09-8/31/11	332,387			(5,550)							
Race to the Top	84-173	9/1/12-8/31/13	8,671	6,121		(5,550)	2,651	13,487				(14,080)	595
Race to the Top	84-173	9/1/11-8/31/12	8,671	(8,671)				571					
Race to the Top	84-173	9/1/10-8/31/11	8,210		396				396				
				(328,237)			248,100	621,974	18,790	2,171	(18,915)	(792,688)	196,349
				122,516									
				\$ (566,895)	\$ 123,879	\$ 18,790	\$ 694,593	\$ 880,381	\$ 18,790	\$ 2,171	\$ (18,915)	\$ (842,152)	\$ 196,604
Total U.S. Department of Education													
Total													

**BOGOTA BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2012		Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances		Balance June 30, 2013		MEMO	
				(Accounts Receivable)	Unearned Revenue			(Accounts Receivable)	Unearned Revenue	GAAP Receivable	Cumulative Expenditures		
State Department of Agriculture													
Enterprise Fund													
State School Lunch Program	13-100-010-3350-023	7/1/12-6/30/13	\$ 4,867			\$ 3,802	\$ 4,867	\$ -	\$ (1,065)			\$ 4,867	
State School Lunch Program	12-100-010-3350-023	7/1/11-6/30/12	5,570	(971)	971								
				(971)	4,773		4,867		(1,065)			4,867	
Grand Total				\$ (1,060,426)	\$ 64,588	\$ 7,543,090	\$ 7,647,529	\$ 21,173	\$ (1,149,502)	\$ -	\$ 53,720	\$ (28,389)	\$ 8,464,942
Less On-Behalf TPAF Pension and Annuity Aid													
Normal Costs	13-495-034-5095-006	7/1/12-6/30/13	476,838			(476,838)	(476,838)						(476,838)
NCEI Premium	13-495-034-5095-007	7/1/12-6/30/13	25,088			(25,088)	(25,088)						(25,088)
Post Retirement Medical Contribution	13-495-034-5095-001	7/1/12-6/30/13	567,552			(567,552)	(567,552)						(567,552)
						(1,069,478)	(1,069,478)						(1,069,478)
Total for State Financial Assistance Determination				\$ (1,060,426)	\$ 64,588	\$ 6,473,612	\$ 6,578,051	\$ 21,173	\$ (1,149,502)	\$ -	\$ 53,720	\$ (28,389)	\$ 7,395,464

**BOGOTA BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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 prepared and presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes 1(C) to the Board's basic financial statements. The information in these schedules is presented in accordance with requirements of U.S. OMB Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations" and New Jersey OMB Circular 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid". Therefore, some amounts presented in these schedules may differ from the amounts presented in, or used in the preparation of, the 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 a decrease of \$88,773 for the general fund and a decrease of \$18,935 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	\$ 7,390	\$ 7,309,316	\$ 7,316,706
Special Revenue Fund	604,190	167,880	772,070
Capital Projects Fund		64,588	64,588
Debt Service Fund		11,908	11,908
Food Service Fund	251,017	4,867	255,884
	<hr/>	<hr/>	<hr/>
Total Financial Assistance	<u>\$ 862,597</u>	<u>\$ 7,558,559</u>	<u>\$ 8,421,156</u>

**BOGOTA BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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 \$575,385 represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year ended June 30, 2013. The amount reported as TPAF Pension System Contributions in the amount of \$501,926 and TPAF Post-Retirement Medical Benefits Contributions in the amount of \$567,552 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2013.

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, 2013**

Part I – Summary of Auditor’s Results

Financial Statement Section

Type of auditors' report issued:	<u>Unmodified</u>
Internal control over financial reporting:	
1) Material weakness(es) identified?	<u> </u> yes <u> X </u> no
2) Were significant deficiencies identified that were not considered to be material weaknesses?	<u> X </u> yes <u> </u> none reported
Noncompliance material to the basic financial statements noted?	<u> X </u> yes <u> </u> no

Federal Awards Section

Internal Control over compliance:	
1) Material weakness(es) identified?	<u> </u> yes <u> X </u> no
2) Were significant deficiencies identified that were not considered to be material weaknesses?	<u> X </u> yes <u> </u> none reported

Type of auditor's report on compliance for major programs:	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133 (section.510(a))?	<u> X </u> yes <u> </u> no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>84.027</u>	<u>IDEA Part B</u>
<u>84.173</u>	<u>IDEA Preschool</u>

Dollar threshold used to determine Type A Programs	<u>\$300,000</u>
Auditee qualified as low-risk auditee?	<u> X </u> yes <u> </u> no

**BOGOTA BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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.

Finding 2013-001:

Our audit revealed the following:

- Certain June 30, 2013 outstanding purchase orders were misclassified between year end Encumbrances and Accounts Payable.
- The year end financial reports, general ledgers, etc. were closed out in November, 2013.
- The cash balances reported on the June 30, 2013 Board Secretary's report for the governmental funds did not agree to the bank reconciliation balance.
- The Board's 2012/13 Extraordinary Aid (\$168,767) was not realized as a revenue on June 30, 2013.

Criteria or specific requirement:

GAAP Technical Systems Manual

Condition:

- Certain purchase orders for which goods were received or services rendered prior to June 30 were classified as year end encumbrances rather than accounts payable. Additionally, certain outstanding purchase orders were not valid commitments.
- Financial reports were not closed out in a timely manner at year end.
- There were erroneous outstanding checks and deposits in transit recorded on the general account bank reconciliation at year end. Additionally, there was a cash disbursement not recorded on Board Secretary's Report.
- The state aid notification received by the District was not recorded.

Questioned Costs:

None.

Context:

- General Fund accounts payable in the amount of \$298,375 were misclassified as year end encumbrances. Also, there were invalid accounts payable and encumbrances recorded in the General Fund in the amount of \$74,554 and \$317,246. Special Revenue accounts payable in the amount of \$53,011 were misclassified as year end encumbrances. Finally, there were invalid encumbrances in the Special Revenue Fund in the amount of \$48,988.
- Financial reports were not closed out in a timely manner at year-end.
- There were erroneous outstanding checks totaling \$720,099 relating to the debit/credit adjustment on the final state aid payment schedule. Also, there was a cash disbursement of \$20,000 from the Capital Projects Account not recorded on the Board Secretary's Report.
- State aid of \$168,767 was allocated to the District but not recorded as a year end receivable.

**BOGOTA BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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.

Finding 2013-001: (Continued)

Effect:

- Accounts Payable and Reserved for Encumbrances were not accurately reported in the District's year-end financial records. Audit adjustments were made to ensure accurate reporting in this CAFR.
- Financial reports were not closed out in a timely manner at year end.
- The balances reported on the Board Secretary's report for the governmental funds did not agree to the general account bank reconciliation. Adjustments were made to the bank reconciliation for invalid reconciling items and to the Board Secretary's Report for a \$20,000 cash disbursement not recorded.
- The Board's state aid revenues are understated.

Cause:

Unknown.

Recommendation:

- Internal controls be enhanced to ensure open purchase orders are reviewed for validity and properly recorded as accounts payable or encumbrances at year end.
- All year end financial reports, general ledgers, etc. be closed out in a timely manner by management.
- The monthly bank reconciliations should accurately reflect all valid outstanding items and be in agreement with the Board Secretary's Report cash balance.
- All state aid revenues be properly accrued in the District's financial statements.

Management's Response:

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

**BOGOTA BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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

Finding 2013-002:

Our audit revealed that the expenditures reported on the respective grant program reports were not always in agreement with expenditures as reflected in the District's budgetary reporting system.

Federal Program Information:

84.027/84.173 IDEA Basic/IDEA Preschool

Criteria or Specific Requirement:

OMB A-133, Grant Compliance Supplement - Cash Management and Reporting Requirements

Condition:

The District's budget expenditures were not reconciled to the grant reimbursement request.

Questioned Costs:

None.

Context:

The District did not reconcile the grant reimbursement report to the budget appropriation report.

Cause:

Unknown.

Effect:

Reimbursement requests may not reflect actual expenditures incurred.

**BOGOTA BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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

Finding 2013-002: (Continued)

Recommendation:

- Grant program expenditures be reviewed to ensure that amounts reported to the respective grantor agencies are in agreement with amounts reflected in the District's budgetary reporting system.

Management's Response:

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

**BOGOTA BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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 2013-003:

Our audit revealed the following:

- The cash balances reported on the Board Secretary's report for the governmental funds did not agree to the general operating account bank reconciliation due to erroneous outstanding checks and deposits in transit.
- The Board authorized certain budget transfers which required the approval of the County Superintendent. Correspondence substantiating the request for transfer is not on file in the District's business office.
- Post-travel reports were not always submitted by individuals who received reimbursement of travel expenses.

State program Information:

495-034-5120-078	Equalization Aid
495-034-5120-068	School Choice Aid
495-034-5120-089	Special Education Categorical Aid
495-034-5120-084	Security Aid

Criteria or Specific Requirement:

State of New Jersey Grant Compliance Supplement – State Aid Public

Condition:

- There were erroneous outstanding checks and deposits in transit recorded on the general account bank reconciliation at year end. Additionally, there was a cash disbursement of \$20,000 not recorded on the Board Secretary's Report.
- The Executive County Superintendent acknowledgement of the budget transfer request was not on file.
- Post-travel reports were not submitted by all individuals who attended approved seminars.

Questioned Costs:

Unknown.

Context:

- There were erroneous outstanding checks totaling \$720,099 which related to the debit/credit adjustment on the final state aid payment schedule. Also, there was a cash disbursement of \$20,000 from the Capital Projects Account not recorded on the Board Secretary's Report.
- Certain budget transfers require the review and/or approval of the Executive County Superintendent.
- Post-travel reports were not always submitted by individuals who are reimbursed for travel expenses attending a seminar.

**BOGOTA BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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 2013-003: (Continued)

Cause:

Unknown.

Effect:

The District is not in compliance with State Aid Grant program requirements.

Recommendation:

- The monthly bank reconciliations should accurately reflect all valid outstanding items and be in agreement with the Board Secretary's cash report.
- Acknowledgement of the County's receipt of the District's budget transfer request be obtained by the District and available for audit.
- Post travel reports be submitted by individuals who received reimbursement for travel related expenses, as required by the New Jersey Administrative Code.

Management's Response:

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

**BOGOTA BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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 2012-1

Condition

General Fund budget transfers for the months of May 2012 and June 2012 were not submitted to the Board nor approved within 30 days of transfer.

Current Status

Corrective action has been taken.