

BOGOTA BOARD OF EDUCATION
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Bogota, New Jersey

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

of the

Bogota Board of Education

Bogota, New Jersey

For The Fiscal Year Ended June 30, 2016

Prepared by

Business Office

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INTRODUCTORY SECTION

BOGOTA PUBLIC SCHOOLS

Administrative Offices

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

November 14, 2016

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, 2016 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and the respective changes in financial position of the basic financial statements. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

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

The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act and the U.S. Uniform Guidance and the State Treasury Circular OMB 15-08. Information related to this single audit, including the auditors' report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1) **REPORTING ENTITY AND ITS SERVICES:** The District provides a full range of educational services appropriate to grade levels Pre-K through 12. These include regular, vocational as well as special education for handicapped youngsters. The District completed the 2015-2016 fiscal year with an average daily enrollment of 1,143 students, which is 4.86% greater than the previous year's enrollment.

<u>Average Fiscal Year</u>	<u>Daily Enrollment</u>	<u>Percent Change</u>
2015-16	1,143	4.86%
2014-15	1,090	(1.45)
2013-14	1,106	(4.49)
2012-13	1,158	(0.43)
2011-12	1,163	(0.43)
2010-11	1,168	1.13
2009-10	1,155	(3.67)
2008-09	1,199	.33
2007-08	1,195	.34
2006-07	1,191	4.47

2) **ECONOMIC CONDITION AND OUTLOOK:** The Borough of Bogota is fully developed. The existing number of businesses in the Borough has remained relatively stable. The residential area of the School District has experienced a turnover from homes with few school-aged children to families with two to three students. Due to strong budget controls and best practices, Fund Balance will be available for taxpayer relief in the 2016-2017 and 2017-2018 Budget cycles.

3) **MAJOR INITIATIVES:**

The Bogota Board of Education had three primary goals for the 2015-2016 school year.

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

Goal II was to *Develop additional courses related to technology that related to STEM initiatives and submit to the Board for adoption.* Students took courses in Robotics and STEM in grades seven and eight. The Graphic Arts program expanded to include 3D imaging and printing. These programs are expanding in the 16-17 school year. This goal was achieved.

Goal III was to *improve district communication with parents including an enhanced website.* The District increased the use of Power Announcement and opened the Parent Portal module of PowerSchool in an effort to increase communication and to keep parents advised of student performance and progress. There was an overall increase in the use of PowerSchool as the point of contact between schools and home. The District's website was enhanced to facilitate use. This goal was achieved. The website will continue to be enhanced in 2016-17.

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

3) MAJOR INITIATIVES: (Continued)

The district purchased the newest version on the En Vision Math program for grades K-6. Training was provided for the initial implementation and will continue into the 2016-17 school year. The high school will be exploring the adoption of a new textbook series.

The district is writing Science curriculum designed to address the next Generation Science standards which will be implemented in grades 6-12 during the 2016-17 school year. This initiative will continue beyond the 2016-17 school year as the roll out of the Next Generation Science standards is expanded into Grades K-5 in the subsequent year.

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

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

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

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

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of Fund Balance in the subsequent year. Those amounts to be reappropriated are reported as committed or assigned fund balance at June 30, 2016.

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

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

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

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

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

Respectfully submitted,

Robert Brown, CPA, RSBA

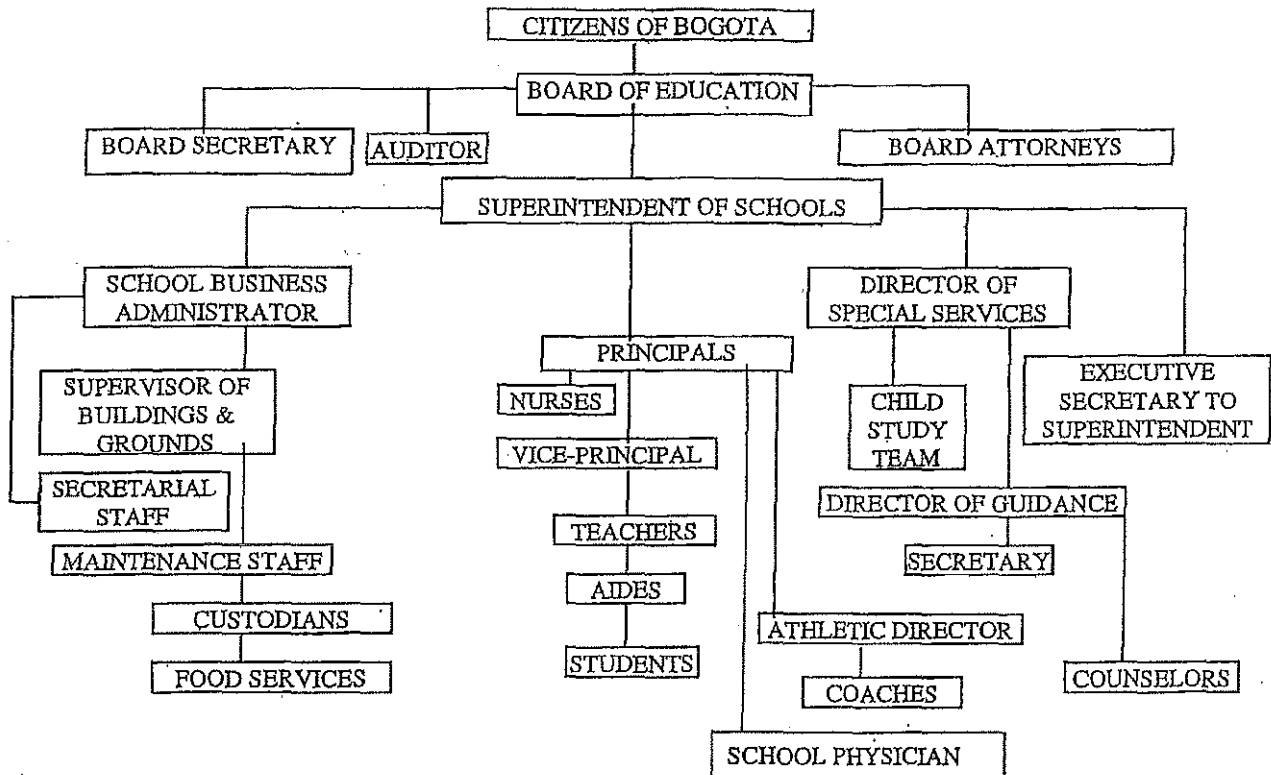
Robert Brown, CPA, RSBA
Interim Business Administrator

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, 2016**

Members of the Board of Education

Charles Severino, President

Patrick McHale, Vice President

Consuelo Carpenter

Jo-Ellen Granquist

Lisa Kohler

Eileen Lewis

Amanda Montgomery

James Moore

Katherine Van Buren

Other Officials

Dr. Letizia Pantoliano, Superintendent of Schools

Janet Behrmann, School Business Administrator/Board Secretary (7/1/15-10/24/15)

Weijium Jessica Kao, School Business Administrator/Board Secretary (10/24/15-6/30/16)

Robert Brown, Interim School Business Administrator/Board Secretary (7/1/16-Present)

**BOGOTA BOARD OF EDUCATION
CONSULTANTS AND ADVISORS**

AUDIT FIRM

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

ATTORNEY

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

OFFICIAL DEPOSITORY

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

FINANCIAL SECTION



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
ANDREW D. PARENTE, CPA, RMA, PSA

ELIZABETH A. SHICK, 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
MARK SACO, CPA
SHERYL M. NICOLosi, CPA
ROBERT AMPONSAH, 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, 2016 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Bogota Board of Education as of June 30, 2016, 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, budgetary comparison information, and pension information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

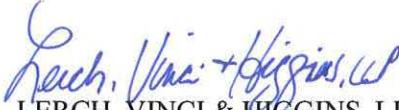
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Bogota Board of Education's basic financial statements. The introductory section, combining fund financial statements, financial schedules, statistical section, schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Bogota Board of Education.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated November 14, 2016 on our consideration of the Bogota Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Bogota Board of Education's internal control over financial reporting and compliance.


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


Gary J. Vinci
Public School Accountant
PSA Number CS00829

Fair Lawn, New Jersey
November 14, 2016

REQUIRED SUPPLEMENTARY INFORMATION – PART I

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, 2016. 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 (2015-2016) and the prior year (2014-2015) is required to be presented in the MD&A.

Financial Highlights

Key financial highlights for 2015/16 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 \$11,191,460. (Net Position)
- The District's total net position increased by \$1,560,725.
- Overall District revenues were \$26,454,856. General revenues accounted for \$19,722,484 or 75% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$6,732,372 or 25% of total revenues.
- The school district had \$24,412,274 in expenses for governmental activities; only \$6,231,119 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes) of \$19,722,210 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 \$5,283,674.
- The General Fund fund balance at June 30, 2016 was \$5,221,935, an increase of \$1,681,105 compared to the ending fund balance at June 30, 2015 of \$3,540,830.
- The General Fund unassigned budgetary fund balance at June 30, 2016 was \$472,214, which represents an increase of \$67,951 compared to the ending unassigned budgetary fund balance at June 30, 2015 of \$404,263.

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 2015/16?" 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, 2016 and 2015 is as follows:

	<u>2016</u>	<u>2015</u>
ASSETS		
Current and Other Assets	\$ 5,442,993	\$ 4,438,515
Capital Assets	<u>11,649,892</u>	<u>12,053,928</u>
Total Assets	<u>17,092,885</u>	<u>16,492,443</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Amounts on Refunding of Debt	150,888	101,544
Deferred Amounts on Net Pension Liability	<u>426,356</u>	<u>125,806</u>
Total Deferred Outflows of Resources	<u>577,244</u>	<u>227,350</u>
Total Assets and Deferred Outflows of Resources	<u>17,670,129</u>	<u>16,719,793</u>
LIABILITIES		
Long-Term Liabilities	6,259,256	6,100,585
Other Liabilities	<u>189,948</u>	<u>909,609</u>
Total Liabilities	<u>6,449,204</u>	<u>7,010,194</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred Amounts on Net Pension Liability	28,069	77,781
Deferred Commodities Revenue	<u>1,396</u>	<u>1,083</u>
Total Deferred Inflows of Resources	<u>29,465</u>	<u>78,864</u>
Total Liabilities and Deferred Inflows of Resources	<u>6,478,669</u>	<u>7,089,058</u>
NET POSITION		
Net Investment in Capital Assets	7,455,167	7,497,113
Restricted	3,854,767	2,597,010
Unrestricted	<u>(118,474)</u>	<u>(463,388)</u>
Total Net Position	<u>\$ 11,191,460</u>	<u>\$ 9,630,735</u>

BOGOTA BOARD OF EDUCATION

Management's Discussion and Analysis

The changes in net position for fiscal years ended June 30, 2016 and 2015 are as follows:

	<u>2016</u>	<u>2015</u>
REVENUES		
Program Revenues		
Charges for Services	\$ 348,108	\$ 248,553
Operating Grants and Contributions	6,357,562	5,503,160
Capital Grants and Contributions	26,702	
General Revenues		
Property Taxes	14,824,911	14,672,508
State and Federal Aid- Unrestricted/Restricted	4,724,773	4,758,551
Other	<u>172,800</u>	<u>121,915</u>
Total Revenues	<u>26,454,856</u>	<u>25,304,687</u>
PROGRAM EXPENSES		
Instruction	15,938,974	15,445,494
Support Services		
Students and Instructional Staff	2,708,024	2,678,526
General Administration, School Administration	2,244,173	2,126,627
Business Operations and Maintenance of Facilities	2,469,521	2,184,210
Pupil Transportation	932,164	673,795
Interest on Debt and Other Charges	119,418	206,766
Food Services	<u>481,857</u>	<u>440,392</u>
Total Expenses	<u>24,894,131</u>	<u>23,755,810</u>
Increase in Net Position	1,560,725	1,548,877
Net Position, Beginning of Year	<u>9,630,735</u>	<u>8,081,858</u>
Net Position, End of Year	<u>\$ 11,191,460</u>	<u>\$ 9,630,735</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 56 percent of revenues for the Bogota Board of Education in fiscal year 2015/16. The District's total revenues were \$26,454,856 for the fiscal year ended June 30, 2016. Federal, state, and local grants for programs accounted for another 42 percent of revenue. The total cost of all programs and services was \$24,894,131. Instruction comprises 64 percent of District expenses.

Business-Type Activities

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

Food Service Program

- Food service revenues exceeded expenses by \$19,670.
- Charges for services or \$208,028 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>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Instruction	\$ 15,938,974	\$ 15,445,494	\$ 10,844,518	\$ 11,187,703
Support Services				
Students and Instructional Staff	2,708,024	2,678,526	2,053,429	2,120,179
General Administration, School Administration	2,244,173	2,126,627	1,947,484	1,828,980
Business Operations and Maintenance of Facilities	2,469,521	2,184,210	2,331,118	2,072,056
Pupil Transportation	932,164	673,795	885,188	626,444
Interest and Fiscal Charges	119,418	206,766	119,418	206,766
Total Governmental Activities	<u>\$ 24,412,274</u>	<u>\$ 23,315,418</u>	<u>\$ 18,181,155</u>	<u>\$ 18,042,128</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 and other financing sources amounted to \$28,138,808 and expenditures and other financing uses were \$26,449,946 for the fiscal year ended June 30, 2016.

The following schedule presents a summary of the governmental fund revenues for the fiscal years ended June 30, 2016 and 2015.

	<u>Amount</u>		<u>Amount of</u>	<u>Percent</u>
	<u>2016</u>	<u>2015</u>	<u>Increase</u>	<u>Increase</u>
			<u>(Decrease)</u>	<u>(Decrease)</u>
Local Sources	\$ 15,160,460	\$ 14,839,517	\$ 320,943	2.2%
State Sources	7,846,798	7,535,389	311,409	4.1%
Federal Sources	<u>770,098</u>	<u>641,670</u>	<u>128,428</u>	20.0%
Total Revenues	<u>\$ 23,777,356</u>	<u>\$ 23,016,576</u>	<u>\$ 760,780</u>	3.3%

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, 2016 and 2015.

<u>Expenditures</u>	<u>Amount</u>		<u>Amount of Increase (Decrease)</u>	<u>Percent Increase (Decrease)</u>
	<u>2016</u>	<u>2015</u>		
Current:				
Instruction	\$ 14,132,330	\$ 14,024,226	\$ 108,104	0.8%
Support Services	7,244,575	6,743,493	501,082	7.4%
Capital Outlay	112,274	659,209	(546,935)	-83.0%
Debt Service:				
Principal	470,000	455,000	15,000	3.3%
Interest and Other Charges	<u>229,805</u>	<u>191,667</u>	<u>38,138</u>	19.9%
 Total Expenditures	 <u>\$ 22,188,984</u>	 <u>\$ 22,073,595</u>	 <u>\$ 115,389</u>	 0.5%

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 2016 and 2015, the District had \$11,616,030 and \$12,022,089, 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>2016</u>	<u>2015</u>
Land	\$ 69,852	\$ 69,852
Construction in Progress	43,746	
Building and Building Improvements	11,396,975	11,803,869
Improvements Other than Buildings	2,523	2,929
Machinery and Equipment	<u>102,934</u>	<u>145,439</u>
Total	<u>\$ 11,616,030</u>	<u>\$ 12,022,089</u>

Overall capital assets decreased by \$406,059 from fiscal year 2015 to fiscal year 2016 due to this year's depreciation expense of \$518,333 exceeding the capital asset additions of \$112,274.

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

BOGOTA BOARD OF EDUCATION

Management's Discussion and Analysis

Debt Administration

At June 30, 2016 and 2015, the District had \$6,259,256 and \$6,100,585, respectively of outstanding debt, which consists of serial bonds issued for school construction, compensated absences and net pension liability.

Outstanding Debt at June 30

	<u>2016</u>	<u>2015</u>
General Obligation Bonds (Net)	\$ 4,345,613	\$ 4,658,359
Compensated Absences	167,845	137,062
Net Pension Liability	<u>1,745,798</u>	<u>1,305,164</u>
	<u>\$ 6,259,256</u>	<u>\$ 6,100,585</u>

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

For the Future

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

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

Contacting the District's Financial Management

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

DISTRICT-WIDE FINANCIAL STATEMENTS

**BOGOTA BOARD OF EDUCATION
STATEMENT OF NET POSITION
AS OF JUNE 30, 2016**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash	\$ 2,889,383	\$ 48,845	\$ 2,938,228
Receivables, net:			
Receivables from Other Governments	2,166,453	49,745	2,216,198
Internal Balances	93,361	(93,361)	
Other	254,467	28,277	282,744
Inventory		5,823	5,823
Capital Assets:			
Not Being Depreciated	113,598		113,598
Being Depreciated, Net	<u>11,502,432</u>	<u>33,862</u>	<u>11,536,294</u>
Total Assets	<u>17,019,694</u>	<u>73,191</u>	<u>17,092,885</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amounts on Refunding of Debt	150,888		150,888
Deferred Amounts on Net Pension Liability	<u>426,356</u>	-	<u>426,356</u>
Total Deferred Outflows of Resources	<u>577,244</u>	-	<u>577,244</u>
Total Assets and Deferred Outflows of Resources	<u>17,596,938</u>	<u>73,191</u>	<u>17,670,129</u>
LIABILITIES			
Accounts Payable and Other Current Liabilities	66,289		66,289
Intergovernmental Payables	38,266		38,266
Accrued Interest Payable	66,985		66,985
Unearned Revenue	15,435	2,973	18,408
Noncurrent Liabilities :			
Due Within One Year	490,000		490,000
Due Beyond One Year	<u>5,769,256</u>	-	<u>5,769,256</u>
Total Liabilities	<u>6,446,231</u>	<u>2,973</u>	<u>6,449,204</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Amounts on Net Pension Liability	28,069		28,069
Deferred Commodities Revenue	-	1,396	1,396
Total Deferred Inflows of Resources	<u>28,069</u>	<u>1,396</u>	<u>29,465</u>
Total Liabilities and Deferred Inflows of Resources	<u>6,474,300</u>	<u>4,369</u>	<u>6,478,669</u>
NET POSITION			
Net Investment in Capital Assets	7,421,305	33,862	7,455,167
Restricted for			
Capital Projects	3,309,549		3,309,549
Debt Service	45,218		45,218
Other Purposes	500,000	-	500,000
Unrestricted	<u>(153,434)</u>	<u>34,960</u>	<u>(118,474)</u>
Total Net Position	<u>\$ 11,122,638</u>	<u>\$ 68,822</u>	<u>\$ 11,191,460</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, 2016**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
Instruction							
Regular	\$ 9,477,389	\$ 140,080	\$ 2,824,703		\$ (6,512,606)		\$ (6,512,606)
Special Education	5,568,650		2,013,514	\$ 11,956	(3,543,180)		(3,543,180)
Other Instruction	346,096		104,203		(241,893)		(241,893)
School Sponsored Activities and Athletics	546,839				(546,839)		(546,839)
Support Services							
Student and Instruction Related Services	2,708,024		654,595		(2,053,429)		(2,053,429)
General Administrative Services	1,048,012		76,094		(971,918)		(971,918)
School Administrative Services	1,196,161		220,595		(975,566)		(975,566)
Plant Operations and Maintenance	2,038,008		64,330	14,746	(1,958,932)		(1,958,932)
Pupil Transportation	932,164		46,976		(885,188)		(885,188)
Central Services	431,513		59,327		(372,186)		(372,186)
Interest on Long-Term Debt and Other Charges	119,418	-	-	-	(119,418)	-	(119,418)
Total Governmental Activities	24,412,274	140,080	6,064,337	26,702	(18,181,155)	-	(18,181,155)
Business-Type Activities							
Food Service	481,857	208,028	293,225	-	-	\$ 19,396	19,396
Total Business-Type Activities	481,857	208,028	293,225	-	-	19,396	19,396
Total Primary Government	\$ 24,894,131	\$ 348,108	\$ 6,357,562	\$ 26,702	(18,181,155)	19,396	(18,161,759)
General Revenues							
Property Taxes, General					14,180,378		14,180,378
Property Taxes, Debt Service					644,533		644,533
State - Unrestricted					4,724,773		4,724,773
Miscellaneous Income					172,526	274	172,800
Total General Revenues					19,722,210	274	19,722,484
Change in Net Position					1,541,055	19,670	1,560,725
Net Position, Beginning of Year					9,581,583	49,152	9,630,735
Net Position, End of Year					\$ 11,122,638	\$ 68,822	\$ 11,191,460

FUND FINANCIAL STATEMENTS

**BOGOTA BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2016**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
ASSETS					
Cash	\$ 2,889,383				\$ 2,889,383
Due from Other Funds	923,771				923,771
Receivables from Other Governments	1,423,781	\$ 234,334	\$ 463,120	\$ 45,218	2,166,453
Receivables- Other	-	408	-	-	408
Total Assets	\$ 5,236,935	\$ 234,742	\$ 463,120	\$ 45,218	\$ 5,980,015
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable		\$ 51,289			\$ 51,289
Due to Other Funds	\$ 15,000	129,752	\$ 446,599		591,351
Payable to State Government	-	38,266			38,266
Unearned Revenue	-	15,435	-	-	15,435
Total Liabilities	15,000	234,742	446,599	-	696,341
Fund Balances					
Restricted					
Capital Reserve	2,593,028				2,593,028
Capital Reserve-Designated for Subsequent Year's Budget	700,000				700,000
Emergency Reserve	250,000				250,000
Maintenance Reserve	500,000				500,000
Excess Surplus Designated for Subsequent Year's Budget	429,174				429,174
Excess Surplus	625,788				625,788
Capital Projects			16,521		16,521
Debt Service				\$ 45,218	45,218
Assigned					
Designated for Subsequent Year's Budget	246,277				246,277
Encumbrances	173,121				173,121
ARRA/SEMI - Designated for Subsequent Year's Budget	4,776				4,776
Unassigned					
General Fund	(300,229)	-	-	-	(300,229)
Total Fund Balances	5,221,935	-	16,521	45,218	5,283,674
Total Liabilities and Fund Balances	\$ 5,236,935	\$ 234,742	\$ 463,120	\$ 45,218	

**BOGOTA BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2016**

Total Fund Balances (Exhibit B-1)	\$	5,283,674
<p>Amounts reported for governmental activities in the statement of net assets (A-1) are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$18,328,039 and the accumulated depreciation is \$6,712,009.</p>		11,616,030
<p>The District has financed capital assets through the issuance of serial bonds and long-term lease obligations. The interest accrual at year end is:</p>		(66,985)
<p>Amounts resulting from the refunding of debt are reported as deferred outflows of resources on the statement of net position and amortized over the life of the debt.</p>		150,888
<p>Certain amounts resulting from the measurement of the net pension liability are reported as either deferred inflows of resources or deferred outflows of resources on the statement of net position and deferred over future years.</p>		
<p>Deferred Outflows of Resources</p>	\$ 426,356	
<p>Deferred Inflows of Resources</p>	<u>(28,069)</u>	
		398,287
<p>Long-term liabilities, including bonds payable, compensated absences and net pension liability are not due and payable in the current period and therefore are not reported as liabilities in the funds. These items are as follows:</p>		
<p>Bonds Payable (net)</p>	(4,345,613)	
<p>Compensated Absences</p>	(167,845)	
<p>Net Pension Liability</p>	<u>(1,745,798)</u>	
		<u>(6,259,256)</u>
Net Position of Governmental Activities (Exhibit A-1)	\$	<u>11,122,638</u>

**BOGOTA BOARD OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
REVENUES					
Local Sources					
Property Tax Levy	\$ 14,180,378			\$ 644,533	\$ 14,824,911
Miscellaneous	312,606	\$ 8,197	\$ 14,746	-	335,549
Total - Local Sources	14,492,984	8,197	14,746	644,533	15,160,460
State Sources	7,652,572	194,226			7,846,798
Federal Sources	25,912	744,186	-	-	770,098
Total Revenues	<u>22,171,468</u>	<u>946,609</u>	<u>14,746</u>	<u>644,533</u>	<u>23,777,356</u>
EXPENDITURES					
Current					
Regular Instruction	7,834,367	263,148			8,097,515
Special Education Instruction	4,754,903	456,053			5,210,956
Other Instruction	291,346				291,346
School-Sponsored Activities and Athletics	532,513				532,513
Support Services					
Student and Instruction Related Services	2,214,430	215,452			2,429,882
General Administrative Services	879,590				879,590
School Administrative Services	1,076,469				1,076,469
Plant Operations and Maintenance	1,543,147				1,543,147
Pupil Transportation	921,921				921,921
Central Services	393,566				393,566
Debt Service					
Principal				470,000	470,000
Interest and Other Charges				129,315	129,315
Cost of Issuance				100,490	100,490
Capital Outlay	48,111	11,956	52,207	-	112,274
Total Expenditures	<u>20,490,363</u>	<u>946,609</u>	<u>52,207</u>	<u>699,805</u>	<u>22,188,984</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>1,681,105</u>	<u>-</u>	<u>(37,461)</u>	<u>(55,272)</u>	<u>1,588,372</u>
OTHER FINANCING SOURCES (USES)					
Payments of Refunding Escrow Agent				(4,260,962)	(4,260,962)
Refunding Bond Proceeds				4,025,000	4,025,000
Premium on Issuance of Refunding	-	-	-	336,452	336,452
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>100,490</u>	<u>100,490</u>
Net Change in Fund Balances	1,681,105	-	(37,461)	45,218	1,688,862
Fund Balance, Beginning of Year	3,540,830	-	53,982	-	3,594,812
Fund Balance, End of Year	<u>\$ 5,221,935</u>	<u>\$ -</u>	<u>\$ 16,521</u>	<u>\$ 45,218</u>	<u>\$ 5,283,674</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, 2016**

Net Change in Fund Balances - Governmental Funds (Exhibit B-2) **\$ 1,688,862**

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	\$ 112,274	
Depreciation Expense	<u>(518,333)</u>	(406,059)

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

Increase in Compensated Absences	(30,783)	
Increase in Pension Expense	<u>(90,372)</u>	(121,155)

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.

Debt Issuance		
Refunding Bond Proceeds	(4,025,000)	
Add: Issuance Premium	(336,452)	
Principal Repayments		
Bonds Payable	470,000	
Payments to Escrow Agent for Refunding	<u>4,260,962</u>	369,510

Governmental Funds report the effect of issuance costs, premiums, discount and deferred amounts on refundings in the statement of activities.

Amortization of Bond Premiums	15,839	
Amortization of Bond Discounts	(2,495)	
Amortization of Deferred Amount on Refunding	<u>(20,764)</u>	(7,420)

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>17,317</u>
------------------------------	--	---------------

Change in Net Position of Governmental Activities (Exhibit A-2) **\$ 1,541,055**

**BOGOTA BOARD OF EDUCATION
 PROPRIETARY FUNDS
 FOOD SERVICE ENTERPRISE FUND
 STATEMENT OF NET POSITION
 AS OF JUNE 30, 2016**

ASSETS

Current Assets	
Cash	\$ 48,845
Intergovernmental Receivable:	
State	955
Federal	48,790
Other Accounts Receivable	28,277
Inventories	<u>5,823</u>
Total Current Assets	<u>132,690</u>
Capital Assets	
Equipment	110,867
Less: Accumulated Depreciation	<u>(77,005)</u>
Total Capital Assets, Net	<u>33,862</u>
Total Assets	<u>166,552</u>

LIABILITIES

Current Liabilities	
Due to Other Funds	93,361
Unearned Revenue	<u>2,973</u>
Total Current Liabilities	<u>96,334</u>

DEFERRED INFLOWS OF RESOURCES

Deferred Commodities Revenue	<u>1,396</u>
Total Liabilities and Deferred Inflows of Resources	<u>97,730</u>

NET POSITION

Investment in Capital Assets	33,862
Unrestricted	<u>34,960</u>
Total Net Position	<u>\$ 68,822</u>

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

**BOGOTA BOARD OF EDUCATION
PROPRIETARY FUNDS
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

OPERATING REVENUES

Charges for Services	
Daily Sales -	
Reimbursable Programs	\$ 90,871
Non-Reimbursable Programs	<u>117,157</u>
 Total Operating Revenues	 <u>208,028</u>

OPERATING EXPENSES

Cost of Sales	
Reimbursable Programs	179,395
Non-Reimbursable Programs	41,266
Salaries and Employee Benefits	198,602
Supplies and Materials	24,546
Insurance	10,969
Depreciation	5,719
Management Fee	16,150
Other Purchased Services	5,027
Miscellaneous	<u>183</u>
 Total Operating Expenses	 <u>481,857</u>

Operating (Loss)	<u>(273,829)</u>
------------------	------------------

NONOPERATING REVENUES

Interest Earnings	274
State Sources	
School Lunch Program	5,532
Federal Sources	
National School Lunch Program	222,831
National School Breakfast Program	39,101
USDA Commodities- Non Cash Assistance	<u>25,761</u>
 Total Nonoperating Revenues	 <u>293,499</u>

Change in Net Position	19,670
Net Position, Beginning of Year	<u>49,152</u>
Net Position, End of Year	<u>\$ 68,822</u>

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

**BOGOTA BOARD OF EDUCATION
PROPRIETARY FUNDS
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

CASH FLOWS FROM OPERATING ACTIVITIES

Cash Received from Customers	\$ 208,028
Cash Payments for Employees' Salaries and Benefits	(198,602)
Cash Payments to Suppliers for Goods and Services	<u>(290,879)</u>
Net Cash (Used for) Operating Activities	<u>(281,453)</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Cash Received from State and Federal Subsidy Reimbursements	238,469
Cash Received from Other Funds	<u>72,719</u>
Net Cash Provided by Noncapital Financing Activities	<u>311,188</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Purchases of Equipment	<u>(7,742)</u>
Net Cash Used by Capital and Related Financing Activities	<u>(7,742)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest Earnings	<u>274</u>
Net Cash Provided by Investing Activities	<u>274</u>

Net Change in Cash and Cash Equivalents

22,267

Cash and Cash Equivalents, Beginning of Year

26,578

Cash and Cash Equivalents, End of Year

\$ 48,845**RECONCILIATION OF OPERATING (LOSS) TO NET CASH
(USED FOR) OPERATING ACTIVITIES**

Operating (Loss)	\$ (273,829)
Adjustments to Reconcile Operating (Loss) to Net Cash Used for Operating Activities	
Depreciation	5,719
USDA Commodities- Non Cash Assistance	25,761
Change in Assets and Liabilities	
Increase/(Decrease) in Deferred Inflows of Resources	313
Increase/(Decrease) in Accounts Payable	(30,125)
Increase/(Decrease) in Unearned Revenue	(694)
(Increase)/Decrease in Other Accounts Receivable	(6,886)
(Increase)/Decrease in Inventory	<u>(1,712)</u>
Total Adjustments	<u>(7,624)</u>

Net Cash (Used for) Operating Activities

\$ (281,453)

Non-Cash Financing Activities

Fair Value of Food Distribution Program - National School Lunch

\$ 26,074

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, 2016**

	Unemployment Compensation <u>Trust</u>	<u>Agency Fund</u>
ASSETS		
Cash	\$ 341,914	\$ 443,739
Due from Other Funds	<u>27,412</u>	<u>-</u>
Total Assets	<u>369,326</u>	<u>\$ 443,739</u>
LIABILITIES		
Payroll Deductions and Withholdings		\$ 93,447
Accrued Salaries and Wages		13,590
Intergovernmental Payable	9,443	
Due to Other Funds		266,471
Due to Student Groups	<u>-</u>	<u>70,231</u>
Total Liabilities	<u>9,443</u>	<u>\$ 443,739</u>
NET POSITION		
Held in Trust for Unemployment Claims	<u>\$ 359,883</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, 2016**

	Unemployment Compensation <u>Trust</u>
ADDITIONS	
Contributions	
Employees	\$ 29,150
Employer	1,967
Interest Earned	<u>781</u>
Total Additions	<u>31,898</u>
 DEDUCTIONS	
Unemployment Claims and Contributions	<u>61,590</u>
Total Deductions	<u>61,590</u>
Change in Net Position	(29,692)
Net Position, Beginning of Year	<u>389,575</u>
Net Position, End of Year	<u>\$ 359,883</u>

NOTES TO THE FINANCIAL STATEMENTS

**BOGOTA BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

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

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

B. New Accounting Standards

During fiscal year 2016, the District adopted the following GASB statements as required:

- GASB No. 72, *Fair Value Measurement and Application*. This Statement addresses accounting and financial reporting issues related to fair value measurements. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement applies to donated capital assets, donated works of art, donated historical treasures, and also to similar assets and capital assets received in a service concession arrangement. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.
- GASB No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The objective of this Statement is to identify – in the context of the current governmental financial reporting environment – the hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP.

**BOGOTA BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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 No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, will be effective beginning with the fiscal year ending June 30, 2017. The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability.
- GASB No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, will be effective beginning with the fiscal year ending June 30, 2017. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability.
- GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, will be effective beginning with the fiscal year ending June 30, 2018. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities.
- GASB No. 77, *Tax Abatement Disclosures*, will be effective beginning with the fiscal year ending June 30, 2017. The requirements of this Statement will improve financial reporting by providing disclosure of information about the nature and magnitude of tax abatements that will make these transactions more transparent to financial statement users. As a result, users will be better equipped to understand (1) how tax abatements affect a government's future ability to raise resources and meet its financial obligations and (2) the impact those abatements have on a government's financial position and economic condition.
- GASB No. 82, *Pension Issues – An Amendment of GASB Statements No.67, No.68, and No.73*, will be effective beginning with the fiscal year ending June 30, 2017. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pension*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements.

C. Basis of Presentation - Financial Statements

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

**BOGOTA BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

District-Wide Financial Statements

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

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

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

Fund Financial Statements

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

The District reports the following major governmental funds:

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

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

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

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

**BOGOTA BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

Fund Financial Statements (Continued)

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

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

Additionally, the government reports the following fund type:

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

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

Reclassifications

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

D. Measurement Focus and Basis of Accounting

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

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

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

**BOGOTA BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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

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

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

1. Cash, Cash Equivalents and Investments

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

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

2. Receivables

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

3. Inventories

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

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

4. Capital Assets

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

**BOGOTA BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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	40
Site Improvements	10-20
Office Equipment and Furniture	10-10
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 Board has two items which arise only under the accrual basis of accounting that qualify for reporting in this category. One item is the deferred amounts on refunding of debt which results from the loss on a debt refunding reported in the district-wide statement of net position. Deferred amounts on debt refunding result from the loss on the transaction when the debt's reacquisition price is greater than the carrying value of the refunded debt. These amounts are deferred and amortized over the shorter of the life of the refunded or refunding debt. The other item that qualifies for reporting in this category is the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; (4) changes in proportion and differences between employer contributions and proportionate share of contributions; and (5) contributions made subsequent to the measurement date. These amounts are deferred and amortized over future years.

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

**BOGOTA BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

6. *Compensated Absences*

It is the District's policy to permit employees to accumulate (with certain restrictions) earned but unused vacation and sick leave benefits. A long-term liability of accumulated vacation and 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 accumulated vacation 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.

7. *Pensions*

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

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

8. *Long-Term Obligations*

In the district-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Gains resulting from debt refundings are classified as deferred inflows of resources and losses are reported as deferred outflows of 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.

**BOGOTA BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

9. *Net Position/Fund Balance*

District-Wide Statements

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

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

Governmental Fund Statements

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

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

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

Capital Reserve - Designated for Subsequent Year's Budget – This designation was created to dedicate the portion of capital reserve fund balance appropriated in the adopted 2016/2017 District budget certified for taxes.

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.

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

Excess Surplus – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2016 audited excess surplus that is required to be appropriated in the 2017/2018 original budget certified for taxes.

**BOGOTA BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Governmental Fund Statements (Continued)

Restricted Fund Balance (Continued)

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.

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 Budget – This designation was created to dedicate the portion of fund balance appropriated in the adopted 2016/2017 District budget certified for taxes.

Designated for ARRA/SEMI – This designation was created to dedicate the portion of the ARRA/SEMI revenue that is unexpended at June 30, 2016.

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

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

F. Revenues and Expenditures/Expenses

1. *Program Revenues*

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

**BOGOTA BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Revenues and Expenditures/Expenses (Continued)

2. *Property Taxes*

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

3. *Tuition Revenues and Expenditures*

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

Tuition Expenditures - Tuition charges for the fiscal years 2014-2015 and 2015-2016 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 Nonoperating 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 funds are charges to customers for sales and services. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. Federal and State subsidies for the food service operation are considered nonoperating revenues.

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

**BOGOTA BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgetary Information (Continued)

The annual budget is adopted in the spring of the preceding year for the general, special revenue and debt service funds. The District is not required to adopt an annual budget for the capital projects fund. The budget is submitted to the county superintendent for review and approval prior to adoption. 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 2015/2016. Also, during 2015/2016 the Board increased the original budget by \$477,808. 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			
Student Transportation Services- Contracted Serv. (Spec. Ed Students) Trust Agreement	\$598,970	\$618,636	\$(19,666)

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, 2016**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

C. Deficit Fund Equity

The District has an unassigned fund balance deficit of \$300,229 in the General Fund as of June 30, 2016 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 2015/2016 budgeted state aid payments in the subsequent fiscal year, the school district cannot recognize such payments on the GAAP (fund) financial statements until the year the State records the payable. Due to the timing difference of recording these delayed state aid payments, the General Fund deficit does not alone indicate that the District is facing financial difficulties; however, unless the State of New Jersey budgets the delayed payments in future years, the District may also report fund deficits in the future.

Pursuant to NJSA 18A:22-44.2, any negative unreserved, undesignated (i.e., unassigned) general fund balance that is reported as a direct result of a delay in the payment of state aid until the following fiscal year, is not considered as a violation of New Jersey Statute or regulation and is not considered an item in need of corrective action. The District's deficit in the GAAP (fund) financial statements of \$300,229 in the General Fund is less than the delayed state aid payments.

D. Capital Reserve

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

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

The activity of the capital reserve for the fiscal year ended June 30, 2016 is as follows:

Balance, July 1, 2015	\$ 2,293,028
Increased by	
Deposits Approved by Board Resolution	<u>1,000,000</u>
Balance, June 30, 2016	<u>\$ 3,293,028</u>

The Board appropriated \$700,000 of the Capital Reserve balance to fund various capital projects included in the 2016/17 District budget.

**BOGOTA BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

E. Maintenance Reserve

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

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

The activity of the maintenance reserve for the fiscal year ended June 30, 2016 is as follows:

Balance, July 1, 2015	\$ 250,000
Increased by	
Deposits Approved by Board Resolution	<u>250,000</u>
Balance, June 30, 2016	<u>\$ 500,000</u>

F. Emergency Reserve

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

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

The activity of the emergency reserve for the fiscal year ended June 30, 2016 is as follows:

Balance, July 1, 2015	<u>\$ 250,000</u>
Balance, June 30, 2016	<u>\$ 250,000</u>

**BOGOTA BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

G. Transfers to Capital Outlay

During the 2015/2016 school year, the district transferred \$43,750 to the non-equipment capital outlay accounts. The transfer was made from the capital reserve account.

H. 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, 2016 is \$1,054,962. Of this amount, \$429,174 was designated and appropriated in the 2016/2017 original budget certified for taxes and the remaining amount of \$625,788 will be appropriated in the 2017/2018 original budget certified for taxes.

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Cash Deposits and Investments

Cash Deposits

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

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2016, the book value of the Board's deposits were \$3,723,881 and bank and brokerage firm balances of the Board's deposits amounted to \$4,594,868. The Board's deposits which are displayed on the various fund balance sheets as "cash" are categorized as:

Depository Account

Insured	\$ <u>4,594,868</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, 2016 the Board has no bank balances exposed to custodial credit risk.

**BOGOTA BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

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, 2016, 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, 2016 for the district's individual major 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>Debt Service</u>	<u>Food Service</u>	<u>Total</u>
Receivables:						
Federal		\$232,499			\$ 48,790	\$ 281,289
State	\$ 28,534	1,835	\$ 463,120		955	494,444
Other	<u>1,395,247</u>	<u>408</u>	<u>-</u>	<u>\$ 45,218</u>	<u>-</u>	<u>1,440,873</u>
Gross Receivables	1,423,781	234,742	463,120	45,218	49,745	2,216,606
Less: Allowance for Uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Total Receivables	<u>\$1,423,781</u>	<u>\$234,742</u>	<u>\$ 463,120</u>	<u>\$ 45,218</u>	<u>\$ 49,745</u>	<u>\$ 2,216,606</u>

**BOGOTA BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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:

Special Revenue Fund	
Unencumbered Grant Draw Downs	<u>\$ 15,435</u>

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2016 was as follows:

	<u>Balance, July 1, 2015</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance, June 30, 2016</u>
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 69,852			\$ 69,852
Construction in Progress	<u>-</u>	<u>\$ 43,746</u>	<u>-</u>	<u>43,746</u>
Total Capital Assets, Not Being Depreciated	<u>69,852</u>	<u>43,746</u>	<u>-</u>	<u>113,598</u>
Capital Assets, Being Depreciated:				
Buildings	16,865,011	52,207		16,917,218
Improvements Other Than Buildings	87,706			87,706
Machinery and Equipment	<u>1,193,196</u>	<u>16,321</u>	<u>-</u>	<u>1,209,517</u>
Total Capital Assets Being Depreciated	<u>18,145,913</u>	<u>68,528</u>	<u>-</u>	<u>18,214,441</u>
Less Accumulated Depreciation for:				
Buildings	(5,061,142)	(459,101)		(5,520,243)
Improvements Other Than Buildings	(84,777)	(406)		(85,183)
Machinery and Equipment	<u>(1,047,757)</u>	<u>(58,826)</u>	<u>-</u>	<u>(1,106,583)</u>
Total Accumulated Depreciation	<u>(6,193,676)</u>	<u>(518,333)</u>	<u>-</u>	<u>(6,712,009)</u>
Total Capital Assets, Being Depreciated, Net	<u>11,952,237</u>	<u>(449,805)</u>	<u>-</u>	<u>11,502,432</u>
Governmental Activities Capital Assets, Net	<u>\$ 12,022,089</u>	<u>\$ (406,059)</u>	<u>\$ -</u>	<u>\$ 11,616,030</u>

**BOGOTA BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

	Balance, July 1, 2015	Increases	Decreases	Balance, June 30, 2016
Business-Type Activities:				
Capital Assets, Being Depreciated:				
Machinery and Equipment	\$ 103,125	\$ 7,742	-	\$ 110,867
Total Capital Assets Being Depreciated	<u>103,125</u>	<u>7,742</u>	<u>-</u>	<u>110,867</u>
Less Accumulated Depreciation for:				
Machinery and Equipment	(71,286)	(5,719)	-	(77,005)
Total Accumulated Depreciation	<u>(71,286)</u>	<u>(5,719)</u>	<u>-</u>	<u>(77,005)</u>
Total Capital Assets, Being Depreciated, Net	<u>31,839</u>	<u>2,023</u>	<u>-</u>	<u>33,862</u>
Business-Type Activities Capital Assets, Net	<u>\$ 31,839</u>	<u>\$ 2,023</u>	<u>\$ -</u>	<u>\$ 33,862</u>

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

Governmental Activities:	
Instruction	
Regular	\$ 21,231
Total Instruction	<u>21,231</u>
Support Services	
Student and Instruction Related Services	14,630
General Administration	900
School Administration	2,160
Plant Operations and Maintenance	471,912
Pupil Transportation	<u>7,500</u>
Total Support Services	<u>497,102</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 518,333</u>
Business-Type Activities:	
Food Service Fund	\$ 5,719
Total Depreciation Expense-Business-Type Activities	<u>\$ 5,719</u>

**BOGOTA BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

E. Interfund Receivables and Payables Transfers

The composition of interfund balances as of June 30, 2016, is as follows:

Due to/from Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Capital Projects Fund	\$ 446,599
General Fund	Agency Fund	254,059
General Fund	Food Service Fund	93,361
General Fund	Special Revenue Fund	129,752
Unemployment Compensation Fund	General Fund	15,000
Unemployment Compensation Fund	Agency Fund	12,412
		<hr/>
Total		<u>\$ 951,183</u>

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

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

F. Leases

Operating Leases

The District leases copiers under noncancelable operating leases. Lease payments for the fiscal year ended June 30, 2016 were \$24,429. The future minimum lease payments for these operating leases are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Governmental Activities</u>
2017	\$ 24,429
2018	24,429
2019	24,429
2020	2,036
	<hr/>
Present value of minimum lease payments	<u>\$ 75,323</u>

**BOGOTA BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

G. Long-Term Debt

General Obligation Bonds

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

Bonds payable at June 30, 2016 are comprised of the following issues:

\$4,025,000, 2015 Refunding Bonds, due in annual installments of \$490,000 to \$520,000 through July 15, 2023, interest at 2.00% to 4.00%	<u>\$4,025,000</u>
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Governmental Activities:

Fiscal Year Ending <u>June 30,</u>	<u>Serial Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2017	\$ 490,000	\$ 141,250	\$ 631,250
2018	505,000	128,775	633,775
2019	500,000	111,200	611,200
2020	490,000	91,400	581,400
2021	505,000	71,500	576,500
2022-2024	1,535,000	92,700	1,627,700
	\$ 4,025,000	\$ 636,825	\$ 4,661,825

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2016 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 28,405,140
Less: Net Debt	4,025,000
Remaining Borrowing Power	\$ 24,380,140

Current Refundings of Debt

On October 13, 2015 the District issued \$4,025,000 in School Refunding Bonds having an interest rates of 2.00% to 4.00%. These Bonds were issued in order to currently refund the principal maturities of the 2005 School Refunding Bonds of the District. The total principal currently refunded was \$4,205,000. The reacquisition price exceeded the net carrying amount of the old debt by \$70,108. This amount has been reported as Deferred Outflows of Resources on the financial statements and amortized over the remaining life of the new debt issued. This current refunding was undertaken to reduce total debt service payments over the next nine years by \$286,066 and resulted in an economic gain of \$251,347.

**BOGOTA BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

H. Other Long-Term Liabilities

Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2016, was as follows:

	<u>Balance, July 1, 2015</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance, June 30, 2016</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds Payable	\$ 4,675,000	\$ 4,025,000	\$ 4,675,000	\$ 4,025,000	\$ 490,000
Add: Unamortized Premium		336,452	15,839	320,613	
Less: Unamortized Discount	(16,641)	-	(16,641)	-	-
Sub-total Bonds Payable	4,658,359	4,361,452	4,674,198	4,345,613	490,000
Compensated Absences	137,062	\$ 52,470	21,687	167,845	
Net Pension Liability	1,305,164	507,496	66,862	1,745,798	-
Governmental Activity Long-Term Liabilities	<u>\$ 6,100,585</u>	<u>\$ 4,921,418</u>	<u>\$ 4,762,747</u>	<u>\$ 6,259,256</u>	<u>\$ 490,000</u>

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

NOTE 4 OTHER INFORMATION

A. Risk Management

The District is exposed to various risks of loss related to property, general liability, automobile coverage, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; student accident; termination of employees and natural disasters. The Board is a member of the New Jersey Schools Insurance Group (NJSIG) administered by the New Jersey School Boards Association Insurance Group. The Group 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 fund, to report claims on a timely basis, cooperate with the management of the fund, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by the fund. Members have a contractual obligation to fund any deficit of the fund attributable to a membership year during which they were a member.

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

**BOGOTA BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 4 OTHER INFORMATION (Continued)

A. Risk Management (Continued)

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 June 30,</u>	<u>Employer Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2016	\$ 1,967	\$ 29,150	\$ 61,590	\$ 359,883
2015	148,290	25,231	33,872	389,575
2014		25,093	45,283	249,346

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, 2016, 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, 2016, the District has not estimated its arbitrage earnings due to the IRS, if any.

**BOGOTA BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans

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

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

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

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

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

Other Pension Funds

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

The cost of living increase for PERS and TPAF, are funded directly by each of the respective systems but are currently suspended as a result of reform legislation.

According to state law, all obligations of each retirement system will be assumed by the State of New Jersey should any retirement system be terminated.

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

**BOGOTA BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Basis of Accounting

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

Investment Valuation

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

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

Funding Status and Funding Progress

As of July 1, 2014, the most recent actuarial valuation date, the aggregate funded ratio for the State administered TPAF and local PERS retirement systems, is 35 percent with an unfunded actuarial accrued liability of \$86 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded TPAF system is 28.71 percent and \$63.6 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS is 47.9 percent and \$22.4 billion, respectively.

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

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

Actuarial Methods and Assumptions

In the July 1, 2014 actuarial valuation, the projected unit credit was used as the actuarial cost method, and the five year average of market value was used as the asset valuation method for the retirement systems. The actuarial assumptions included (a) an investment rate of return for the retirement systems of 7.90 percent and (b) projected salary increases of 2.60-9.48 percent based on age for the PERS and varying percentages based on experience for TPAF.

**BOGOTA BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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 6.92% for PERS, 6.92% for TPAF and 5.50% for DCRP of the employee's annual compensation.

Annual Pension Costs (APC)

Per the requirements of GASB Statement No. 27 *Accounting for Pensions by State and Local Government Employees*, for the fiscal year ended June 30, 2016 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, 2016, 2015 and 2014 the Board was required to contribute for PERS and DCRP and the State of New Jersey was required to contribute for TPAF for normal cost pension and accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Year Ended June 30,	<u>PERS</u>	On-Behalf <u>TPAF</u>	<u>DCRP</u>
2016	\$ 66,862	\$ 611,236	\$ 3,166
2015	55,225	390,462	1,469
2014	48,569	323,635	1,723

For fiscal years 2015/2016 and 2014/2015, the state contributed \$611,236 and \$390,462 respectively for normal cost pension, accrued liability and the NCGI premium. For fiscal year 2013/2014 the State did not contribute to the TPAF for accrued liability but did contribute \$323,635 for normal cost pension and NCGI premium.

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

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$548,471 during the fiscal year ended June 30, 2016 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been recognized in the district-wide financial statements (accrual basis) and the governmental fund financial statements (modified accrual basis) as a revenue and expense/expenditure in accordance with GASB No. 24.

**BOGOTA BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS)

At June 30, 2016, the District reported in the statement of net position (accrual basis) a liability of \$1,745,798 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2015 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportionate share of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2015, the District's proportionate share was .00777 percent, which was an increase of .0008 percent from its proportionate share measured as of June 30, 2014 of .00697 percent.

For the fiscal year ended June 30, 2016, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$157,234 for PERS. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<u>2015</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 41,649	
Changes of Assumptions	187,485	
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		\$ 28,069
Changes in Proportion and Differences Between Board Contributions and Proportionate Share of Contributions	<u>197,222</u>	<u>-</u>
Total	<u>\$ 426,356</u>	<u>\$ 28,069</u>

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

Fiscal Year Ending <u>June 30,</u>	
2017	\$ 79,823
2018	79,823
2019	79,823
2020	99,268
2021	<u>59,550</u>
	<u>\$ 398,287</u>

**BOGOTA BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	3.04%
Salary Increases:	
2012-2021	2.15-4.40%
Thereafter	Based on Age 3.15-5.40%
Investment Rate of Return	7.90%
Mortality Rate Table	RP-2000
Period of Actuarial Experience	July 1, 2008 -
Study Upon Which Actuarial	June 30, 2011
Assumptions were Based	

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

**BOGOTA BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad US Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	-0.40%
REIT	4.25%	5.12%

Discount Rate

The discount rate used to measure the total pension liabilities of the PERS plan was 4.90%.

**BOGOTA BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Discount Rate (Continued)

The following table represents the crossover period, if applicable, for the PERS defined benefit plan:

Period of Projected Benefit

Payments for which the Following

Rates were Applied:

Long-Term Expected Rate of Return Through June 30, 2033

Municipal Bond Rate * From July 1, 2033
and Thereafter

* The municipal bond return rate used is 3.80%. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Sensitivity of Net Pension Liability

The following presents the District's proportionate share of the PERS net pension liability calculated using the discount rate of 4.90%, as well as what the District's proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.90 percent) or 1-percentage-point higher (5.90 percent) than the current rate:

	1% Decrease <u>(3.90%)</u>	Current Discount Rate <u>(4.90%)</u>	1% Increase <u>(5.90%)</u>
District's Proportionate Share of the PERS Net Pension Liability	<u>\$ 2,169,813</u>	<u>\$ 1,745,798</u>	<u>\$ 1,390,307</u>

The sensitivity analysis was based on the proportionate share of the District's net pension liability at June 30, 2015. A sensitivity analysis specific to the District's net pension liability was not provided by the pension system.

Pension Plan Fiduciary Net Position

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

**BOGOTA BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF)

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

For the fiscal year ended June 30, 2016, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$2,787,209 for TPAF. This amount has been included in the district-wide statement of activities (accrual basis) as a revenue and expense in accordance with GASB No. 24.

At June 30, 2016 the State's proportionate share of the net pension liability attributable to the District is \$45,647,790. The nonemployer allocation percentages are based on the ratio of the State's contributions made as an employer and nonemployer towards the actuarially determined contribution amount adjusted by locations who participated in the State early retirement incentives to total contributions to TPAF during the year ended June 30, 2015. At June 30, 2015, the state's share of the net pension liability attributable to the District was .07222 percent, which was a decrease of .00428 percent from its proportionate share measured as of June 30, 2014 of .07650 percent.

Actuarial Assumptions

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

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

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

**BOGOTA BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Cash	5.00%	0.53%
US Government Bonds	1.75%	1.39%
US Credit Bonds	13.50%	2.72%
US Mortgages	2.10%	2.54%
US Inflation-Indexed Bonds	1.50%	1.47%
US High Yield Bonds	2.00%	4.57%
US Equity Market	27.25%	5.63%
Foreign-Developed Equity	12.00%	6.22%
Emerging Markets Equity	6.40%	8.46%
Private Real Estate Property	4.25%	3.97%
Timber	1.00%	4.09%
Farmland	1.00%	4.61%
Private Equity	9.25%	9.15%
Commodities	1.00%	3.58%
Hedge Funds - MultiStrategy	4.00%	4.59%
Hedge Funds - Equity Hedge	4.00%	5.68%
Hedge Funds - Distressed	4.00%	4.30%

**BOGOTA BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Discount Rate

The discount rate used to measure the total pension liabilities of the TPAF plan 4.13%.

The following table represents the crossover period, if applicable, for the TPAF defined benefit plan:

Period of Projected Benefit	
Payments for which the Following	
Rates were Applied:	
Long-Term Expected Rate of Return	Through June 30, 2027
Municipal Bond Rate *	From July 1, 2027 and Thereafter

* The municipal bond return rate used is 3.80%. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Sensitivity of Net Pension Liability

The following presents the State's proportionate share of the TPAF net pension liability attributable to the District calculated using the discount rate of 4.13%, as well as what the State's proportionate share of the TPAF net pension liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (3.13 percent) or 1-percentage-point higher (5.13 percent) than the current rate:

	1% Decrease <u>(3.13%)</u>	Current Discount Rate <u>(4.13%)</u>	1% Increase <u>(5.13%)</u>
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	\$ 54,250,692	\$ 45,647,790	\$ 38,235,875

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District at June 30, 2015. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2015 was not provided by the pension system.

**BOGOTA BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Pension Plan Fiduciary Net Position

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

E. Post-Retirement Medical Benefits

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

As a result of implementing Governmental Accounting Standards Board (GASB) Statement No. 43, *Financial Reporting for Post-employment Benefit Plans Other than Pension Plans* (OPEB), effective for Fiscal Year 2007, the State Health Benefits Program (SHBP), and the Prescription Drug Program (PDP), and Post-Retirement Medical (PRM) of the PERS and TPAF are combined and reported as Pension and Other employee Benefit Trust Funds in the State's Comprehensive Annual Financial Report (CAFR). Specifically, SHBP-State, and the PRM of the PERS are combined and reported as a Health Benefits Program Fund – State classified as a single employer plan. The SHBP-Local, PDP-Local, and the PRM of the TPAF-Local are combined and reported as Health Benefits Program Fund –Local Government classified as a cost-sharing multiple-employer plan in the State's CAFR. The post-retirement benefit programs had a total of 590 state and local participating employers and contributing entities for Fiscal Year 2015.

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

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

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.

**BOGOTA BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Basis of Accounting

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

Significant Legislation

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

Investment Valuation

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

Funded Status and Funding Progress

As of July 1, 2014, the most recent actuarial valuation date, the State had a \$65.0 billion unfunded actuarial accrued liability for other post-employment benefits (OPEB) which is made up to \$24.4 billion for state active and retired members and \$40.6 billion for education employees and retirees that become the obligation of the State of New Jersey upon retirement.

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

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

Actuarial Methods and Assumptions

In the July 1, 2014, OPEB actuarial valuation, the projected unit credit was used as the actuarial cost method. The actuarial assumptions included an assumed investment rate of return of 4.50 percent.

**BOGOTA BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Post-Retirement Medical Benefits Contributions

P.L. 1987, c. 384 and P.L. 1990, c.6 required the Teachers' Pension and Annuity Fund (TPAF) and Public Employees' Retirement System (PERS), respectively to fund post-retirement medical benefits for those State employees and education employees who retire after accumulating 25 years of credited service or on a disability retirement. As of June 30, 2015, there were 107,314, retirees receiving post-retirement medical benefits and the State contributed \$1.25 billion on their behalf. The cost of these benefits is funded through contributions by the State and in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$214.1 million toward Chapter 126 benefits for 19,056 eligible retired members in Fiscal Year 2015.

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et.seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for SEHBP. That report may be obtained from the Treasury website at: <http://www.nj.gov/treasury/pensions/pdf/financial/2015divisioncombined.pdf>.

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, 2016, 2015 and 2014 were \$727,814, \$619,859 and \$530,640, 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.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISONS

**BOGOTA BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Budgeted Amounts			Actual	Variance
	Original	Adjustments	Final		Final To
REVENUES					
Local Sources					
Local Property Tax Levy	\$ 14,180,378		\$ 14,180,378	\$ 14,180,378	
Interest Earned on Capital Reserve Funds	500		500		\$ (500)
Interest Income				19,730	19,730
Tuition from Other LEAs				140,080	140,080
Miscellaneous	25,000	-	25,000	152,796	127,796
Total Local Sources	14,205,878	-	14,205,878	14,492,984	287,106
State Sources					
Special Education Aid	757,950		757,950	757,950	
Equalization Aid	4,656,216		4,656,216	4,656,216	
School Choice Aid	33,438		33,438	33,438	
Transportation Aid	47,315		47,315	47,315	
Security Aid	64,794		64,794	64,794	
Additional Adjustment Aid	47,038		47,038	47,038	
PARCC Readiness Aid	11,100		11,100	11,100	
Per Pupil Growth Aid	11,100		11,100	11,100	
Extraordinary Aid	135,455		135,455	235,612	100,157
On-Behalf TPAF (Non-Budget)					
Normal Cost				582,233	582,233
NCGI Premium				29,003	29,003
Post Retirement Medical Contributions				727,814	727,814
Social Security Contributions	-	-	-	548,471	548,471
Total State Sources	5,764,406	-	5,764,406	7,752,084	1,987,678
Federal Sources					
Medicaid Reimbursement	24,887	-	24,887	25,912	1,025
Total Federal Sources	24,887	-	24,887	25,912	1,025
Total Revenues	19,995,171	-	19,995,171	22,270,980	2,275,809
EXPENDITURES					
CURRENT					
Instruction - Regular Programs					
Salaries of Teachers					
Kindergarten	210,784	\$ 35,579	246,363	246,363	-
Grades 1-5	2,022,521	(28,636)	1,993,885	1,966,357	27,528
Grades 6-8	773,434	-	773,434	763,972	9,462
Grades 9-12	2,127,295	(36,535)	2,090,760	1,982,778	107,982
Regular Programs - Home Instruction					
Salaries of Teachers	35,000	-	35,000	5,870	29,130
Purchased Professional -Educational Services	5,000	-	5,000	-	5,000
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction		11,040	11,040	11,040	
Purchased Professional -Educational Services	14,000	484	14,484	7,954	6,530
Other Purchased Services	11,415	(2,875)	8,540	4,109	4,431
General Supplies	351,942	2,714	354,656	328,011	26,645
Textbooks	54,205	3,001	57,206	27,051	30,155
Other Objects	-	-	-	-	-
Total Regular Programs	5,605,596	(15,228)	5,590,368	5,343,505	246,863

(Continued)

**BOGOTA BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Budgeted Amounts			Actual	Variance
	Original	Adjustments	Final		Final To Actual
EXPENDITURES					
CURRENT (Continued)					
Special Education (Continued)					
Learning and Language Disabilities					
Salaries of Teachers	\$ 373,366	\$ (47,117)	\$ 326,249	\$ 326,249	
Other Salaries for Instruction	226,700	74,815	301,515	301,515	
General Supplies	1,750	-	1,750	1,155	\$ 595
Total Learning and Language Disabilities	601,816	27,698	629,514	628,919	595
Multiple Disabilities					
Other Salaries for Instruction	14,250	-	14,250	756	13,494
Total Multiple Disabilities - Instruction	14,250	-	14,250	756	13,494
Resource Room/Resource Center					
Salaries of Teachers	517,190	179,845	697,035	697,035	-
Other Salaries for Instruction	131,550	(131,550)			
General Supplies	15,000	4,959	19,959	11,931	8,028
Total Resource Room/Resource Center	663,740	53,254	716,994	708,966	8,028
Preschool Disabilities - Full Time					
Salaries of Teachers	153,841	(9,085)	144,756	144,756	-
Other Salaries for Instruction	60,260	(60,260)	-	-	-
General Supplies	5,000	1,000	6,000	1,573	4,427
Total Preschool Disabilities - Full Time	219,101	(68,345)	150,756	146,329	4,427
Total Special Education	1,498,907	12,607	1,511,514	1,484,970	26,544
Basic Skills/Remedial Instruction					
Salaries of Teachers	-	1,475	1,475	-	1,475
Total Basic Skills/Remedial Instruction	-	1,475	1,475	-	1,475
Bilingual Education					
Salaries of Teachers	224,990	(8,125)	216,865	201,989	14,876
General Supplies	5,500	-	5,500	-	5,500
Total Bilingual Education	230,490	(8,125)	222,365	201,989	20,376
School Sponsored Co-Curricular Activities					
Salaries	93,339	674	94,013	94,013	-
Purchased Services	5,200	725	5,925	3,715	2,210
Supplies and Materials	11,700	(1,399)	10,301	8,681	1,620
Other Objects	14,350	-	14,350	7,190	7,160
Total School Sponsored Co-Curricular Activities	124,589	-	124,589	113,599	10,990
School Sponsored Athletics - Instruction					
Salaries	182,340	-	182,340	151,876	30,464
Purchased Services	149,382	(69,923)	79,459	79,459	-
Supplies and Materials	22,900	80,502	103,402	71,340	32,062
Miscellaneous Expenditures	79,887	(50,735)	29,152	28,812	340
Total School Sponsored Athletics - Instruction	434,509	(40,156)	394,353	331,487	62,866
Total - Instruction	7,894,091	(49,427)	7,844,664	7,475,550	369,114

(Continued)

**BOGOTA BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Budgeted Amounts			Actual	Variance
	Original	Adjustments	Final		Final To Actual
EXPENDITURES					
CURRENT (Continued)					
Undistributed Expenditures					
Instruction					
Tuition to Other LEAs Within the State - Regular		\$ 15,251	\$ 15,251	\$ 14,700	\$ 551
Tuition to Other LEAs Within the State - Special	\$ 673,918	11,000	684,918	650,425	34,493
Tuition to County Vocational Schools- Regular	200,790	(48,840)	151,950	146,598	5,352
Tuition to County Vocational Schools- Special	610,176	(9,000)	601,176	467,299	133,877
Tuition to CSSD and Regional Day Schools	663,360	(12,773)	650,587	428,173	222,414
Tuition Private School for the Disabled					
Within State	875,556	(60,000)	815,556	547,740	267,816
Tuition - State Facilities	67,771	-	67,771	67,771	-
Tuition - Other	997,517	(270,868)	726,649	484,326	242,323
Total Undistributed Expenditures - Instruction	4,089,088	(375,230)	3,713,858	2,807,032	906,826
Health Services					
Salaries	211,198	1,221	212,419	212,419	-
Purchased Professional - Technical Services	13,000	-	13,000	12,500	500
Supplies and Materials	5,250	(1,221)	4,029	1,746	2,283
Total Health Services	229,448	-	229,448	226,665	2,783
Speech/Occupational Therapy/Physical Therapy and Related Svcs.					
Purchased Professional - Educational Services	464,865	8,954	473,819	445,107	28,712
General Supplies	4,000	-	4,000	2,718	1,282
Miscellaneous Expenditures	2,509	-	2,509	1,805	704
Total Speech/Occup. Therapy/Physical Therapy and Related Svcs.	471,374	8,954	480,328	449,630	30,698
Guidance Services					
Salaries of Other Professional Staff	366,706	-	366,706	258,222	108,484
Other Salaries	1,200	-	1,200	400	800
Purchased Professional - Educational Services	5,295	-	5,295	1,055	4,240
Other Purchased Prof. And Tech. Services	11,050	848	11,898	10,034	1,864
Other Purchased Services	46,500	-	46,500	40,403	6,097
Supplies and Materials	17,309	-	17,309	14,822	2,487
Total Guidance Services	448,060	848	448,908	324,936	123,972
Child Study Team					
Salaries of Other Professional Staff	487,249	(22,251)	464,998	428,233	36,765
Purchased Professional - Educational Services	-	-	-	-	-
Other Purchased Prof. And Tech. Services	3,399	-	3,399	-	3,399
Other Purchased Services	54,050	21,988	76,038	71,836	4,202
Supplies and Materials	14,825	57,452	72,277	56,281	15,996
Miscellaneous Expenditures	7,014	(1,302)	5,712	395	5,317
Total Child Study Team	566,537	55,887	622,424	556,745	65,679

(Continued)

**BOGOTA BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Budgeted Amounts</u>			<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Adjustments</u>	<u>Final</u>		<u>Final To Actual</u>
EXPENDITURES					
CURRENT (Continued)					
Undistributed Expenditures (Continued)					
Improvement of Instructional Services					
Salaries of Supervisor of Instruction	\$ 96,585	-	\$ 96,585	\$ 42,500	\$ 54,085
Salaries of Other Professional Staff	8,000	-	8,000		8,000
Purchased Professional Educational Services	10,000	-	10,000	9,937	63
Other Purchased Services	300	-	300		300
Supplies and Materials	2,000	-	2,000	1,951	49
Other Objects	2,000	-	2,000	524	1,476
	<u>118,885</u>	<u>-</u>	<u>118,885</u>	<u>54,912</u>	<u>63,973</u>
Total Improvement of Instructional Services					
Educational Media Services/School Library					
Salaries	122,272	\$ 10	122,282	122,282	-
Purchased Professional and Technical Services	1,500		1,500		1,500
Other Purchased Services	9,300	(10)	9,290	4,265	5,025
Supplies and Materials	21,360	-	21,360	15,901	5,459
Other Objects	6,850	-	6,850	6,850	-
	<u>161,282</u>	<u>-</u>	<u>161,282</u>	<u>149,298</u>	<u>11,984</u>
Total Educational Media Services/School Library					
Support Services General Administration					
Salaries	301,308	(9,786)	291,522	284,170	7,352
Legal Services	91,000	6,654	97,654	97,654	-
Audit Fees	28,000	42,299	70,299	70,299	-
Purchased Technical Services	186,000	33,125	219,125	216,550	2,575
Communications/Telephone	73,300	(41,451)	31,849	30,809	1,040
BOE Other Purchased Services	5,500	(2,465)	3,035	2,992	43
Misc. Purchased Services	3,500	1,700	5,200	3,381	1,819
General Supplies	2,000	(688)	1,312	43	1,269
BOE In-House Training/Meeting Supplies	1,000	(1,000)	-		-
Miscellaneous Expenditures	8,500	11,139	19,639	14,634	5,005
BOE Membership Dues and Fees	10,000	(380)	9,620	9,620	-
	<u>710,108</u>	<u>39,147</u>	<u>749,255</u>	<u>730,152</u>	<u>19,103</u>
Total Support Services General Administration					
Support Services School Administration					
Salaries of Principals/Assistant Principals	473,697	(32,165)	441,532	427,602	13,930
Salaries of Other Professional Staff	102,750	6,165	108,915	108,915	-
Other Purchased Services	252,270	29,208	281,478	281,127	351
Supplies and Materials	25,500	39	25,539	23,032	2,507
Other Objects	10,465	(1,428)	9,037	7,903	1,134
	<u>864,682</u>	<u>1,819</u>	<u>866,501</u>	<u>848,579</u>	<u>17,922</u>
Total Support Services School Administration					
Central Services					
Salaries	261,953	(18,564)	243,389	214,273	29,116
Purchased Professional Services	6,500	17,410	23,910	23,910	-
Purchased Technical Services	48,350	3,227	51,577	51,577	-
Miscellaneous Purchased Services	5,000	166	5,166	5,166	-
Supplies and Materials	19,000	(8,553)	10,447	8,909	1,538
Miscellaneous Expenditures	4,200	-	4,200	3,560	640
	<u>345,003</u>	<u>(6,314)</u>	<u>338,689</u>	<u>307,395</u>	<u>31,294</u>
Total Central Services					

(Continued)

**BOGOTA BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Budgeted Amounts			Actual	Variance
	Original	Adjustments	Final		Final To Actual
EXPENDITURES					
CURRENT (Continued)					
Undistributed Expenditures (Continued)					
Required Maintenance for School Facilities					
Salaries	\$ 81,238	\$ (8,160)	\$ 73,078	\$ 72,337	\$ 741
Cleaning, Repair, and Maintenance Services	200,000	168,637	368,637	315,879	52,758
General Supplies	51,741	18,000	69,741	68,392	1,349
Miscellaneous Expenditures	5,000	2,723	7,723	6,875	848
	<u>337,979</u>	<u>181,200</u>	<u>519,179</u>	<u>463,483</u>	<u>55,696</u>
Total Required Maintenance for School Facilities					
Custodial Services					
Salaries	329,780	(16,069)	313,711	312,444	1,267
Salaries Custodians/Lunch Aides	15,000	(5,829)	9,171	9,107	64
Purchased Professional and Technical Services	45,000	16,501	61,501	61,468	33
Cleaning, Repair, and Maintenance Services		68,404	68,404	68,166	238
Other Purchased Property Services	39,000	(6,635)	32,365	31,258	1,107
Insurance	150,000	8,394	158,394	158,393	1
Miscellaneous Purchased Services		-			-
General Supplies	30,000	24,122	54,122	52,647	1,475
Energy (Natural Gas)	100,000	(27,700)	72,300	68,929	3,371
Energy (Electricity)	220,000	(46,799)	173,201	173,201	-
Miscellaneous Expenditures	1,200	2,803	4,003	4,003	-
	<u>929,980</u>	<u>17,192</u>	<u>947,172</u>	<u>939,616</u>	<u>7,556</u>
Total Custodial Services					
Student Transportation Services					
Sal. For Pupil Trans(Bet Home & Sch) - Reg.	57,000	(500)	56,500	40,319	16,181
Cleaning, Repair & Maint. Services	29,000	(19,151)	9,849	7,063	2,786
Lease Purchase Payments - School Buses	6,000	(6,000)	-	-	-
Contracted Services (Between Home and School) - Vendors	15,300	(7,116)	8,184	7,956	228
Contracted Services (Between Home and School) Joint Agreement	137,700	92,955	230,655	230,655	-
Contracted Serv. (Spec.Ed Stud) - Joint Agreement	478,322	120,648	598,970	618,636	(19,666)
Transportation Supplies	6,000	-	6,000	2,956	3,044
	<u>729,322</u>	<u>180,836</u>	<u>910,158</u>	<u>907,585</u>	<u>2,573</u>
Total Student Transportation Services					
Unallocated Benefits- Employee Benefits					
Social Security Contributions	113,814	56,329	170,143	170,143	-
Other Retirement Contributions - PERS	105,000	(28,663)	76,337	66,862	9,475
Other Retirement Contributions - Regular		3,166	3,166	3,166	-
Unemployment Compensation	50,000	(48,033)	1,967	1,967	-
Worker's Compensation	85,000	-	85,000	85,000	-
Health Benefits	2,084,425	(66,414)	2,018,011	1,821,383	196,628
	<u>2,438,239</u>	<u>(83,615)</u>	<u>2,354,624</u>	<u>2,148,521</u>	<u>206,103</u>
Total Unallocated Benefits					
On-Behalf TPAF (Non-Budget)					
Normal Costs				582,233	(582,233)
NCGI Premium				29,003	(29,003)
Post Retirement Medical Contributions				727,814	(727,814)
Social Security Contributions	-	-	-	548,471	(548,471)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,887,521</u>	<u>(1,887,521)</u>
Total On-Behalf TPAF					
Total Undistributed Expenditures	12,439,987	20,724	12,460,711	12,802,070	(341,359)
Total Current Expenditures	20,334,078	(28,703)	20,305,375	20,277,620	27,755

(Continued)

**BOGOTA BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Budgeted Amounts			Actual	Variance
	Original	Adjustments	Final		Final To Actual
EXPENDITURES					
CAPITAL OUTLAY					
Equipment					
Non Instructional Service	-	\$ 59,069	\$ 59,069	-	\$ 59,069
Total Equipment	-	59,069	59,069	-	59,069
Facilities Acquisition and Construction Services					
Construction Services	-	43,750	43,750	\$ 43,746	4
Land and Improvements	-	-	-	-	-
Assessment for Debt Service on SDA Funding	\$ 35,593	-	35,593	35,593	-
Total Facilities Acquisition and Construction Services	35,593	43,750	79,343	79,339	4
Total Capital Outlay	35,593	102,819	138,412	79,339	59,073
Transfer of Funds to Charter Schools	-	133,404	133,404	133,404	-
Total Expenditures	20,369,671	207,520	20,577,191	20,490,363	86,828
Excess (Deficiency) of Revenues Over (Under) Expenditures	(374,500)	(207,520)	(582,020)	1,780,617	2,362,637
OTHER FINANCING SOURCES (USES)					
Excess/(Deficiency)of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(374,500)	(207,520)	(582,020)	1,780,617	2,362,637
Fund Balances, Beginning of Year	4,213,761	-	4,213,761	4,213,761	-
Fund Balances, End of Year	\$ 3,839,261	\$ (207,520)	\$ 3,631,741	\$ 5,994,378	\$ 2,362,637
Recapitulation of Fund Balances:					
Restricted Fund Balance					
Capital Reserve				\$ 2,593,028	
Capital Reserve - Designated for Subsequent Year's Budget				700,000	
Emergency Reserve				250,000	
Maintenance Reserve				500,000	
Excess Surplus - Designated for Subsequent Year's Budget				429,174	
Excess Surplus				625,788	
Assigned					
Designated for Subsequent Year's Budget				246,277	
Encumbrances				173,121	
Designated for ARRA/SEMI				4,776	
Unassigned Fund Balance				472,214	
				5,994,378	
Reconciliation to Governmental Fund Statements (GAAP)					
Less:					
State Aid Payments not Recognized on GAAP Basis				(772,443)	
Fund Balance per Governmental Funds (GAAP)				\$ 5,221,935	

**BOGOTA BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Budgeted Amounts			Actual	Variance
	Original	Adjustments	Final		Final to Actual
REVENUES					
Intergovernmental					
State	\$ 177,425	\$ 54,122	\$ 231,547	\$ 194,226	\$ (37,321)
Federal	586,899	197,575	784,474	734,609	(49,865)
Local Sources					
Miscellaneous	-	18,591	18,591	10,102	(8,489)
Total Revenues	<u>764,324</u>	<u>270,288</u>	<u>1,034,612</u>	<u>938,937</u>	<u>(95,675)</u>
EXPENDITURES					
Instruction					
Salaries of Teachers	190,082	22,198	212,280	212,280	-
Other Salaries for Instruction	18,400	(18,400)	-	-	-
Tuition	160,001	39,999	200,000	200,000	-
Purchased Professional & Technical Svc.	73,432	33,743	107,175	96,311	10,864
Other Purchased Services	159,401	46,254	205,655	174,678	30,977
General Supplies	18,579	10,176	28,755	20,997	7,758
Textbooks	11,726	1,978	13,704	13,360	344
Total Instruction	<u>631,621</u>	<u>135,948</u>	<u>767,569</u>	<u>717,626</u>	<u>49,943</u>
Support Services					
Personal Services - Employee Benefits	49,421	54,551	103,972	90,658	13,314
Purchased Professional & Technical Svs	24,400	(16,672)	7,728	4,730	2,998
Purchased Professional & Educational	36,000	18,911	54,911	41,685	13,226
Other Purchased Services	15,339	(6,551)	8,788	7,359	1,429
Supplies and Materials	7,543	70,613	78,156	64,923	13,233
Miscellaneous Expenditures	-	1,532	1,532	-	1,532
Total Support Services	<u>132,703</u>	<u>122,384</u>	<u>255,087</u>	<u>209,355</u>	<u>45,732</u>
Equipment					
Instructional Equipment	-	11,956	11,956	11,956	-
Total Equipment	<u>-</u>	<u>11,956</u>	<u>11,956</u>	<u>11,956</u>	<u>-</u>
Total Expenditures	<u>764,324</u>	<u>270,288</u>	<u>1,034,612</u>	<u>938,937</u>	<u>95,675</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, 2016**

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.

	General Fund	Special Revenue Fund
Sources/inflows of resources		
Revenues budgetary basis (Exhibits C-1 and C-2)	\$ 22,270,980	\$ 938,937
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized, net of cancellations		
June 30, 2015		9,577
June 30, 2016		(1,905)
State Aid payments recognized for GAAP purpose, not recognized for budgetary statements (2014/2015 State Aid)	672,931	
State Aid payments recognized for budgetary purpose, not recognized for GAAP statements (2015/2016 State Aid)	<u>(772,443)</u>	<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds. (Exhibit B-2)	<u>\$ 22,171,468</u>	<u>\$ 946,609</u>
Uses/outflows of resources		
Expenditures budgetary basis (Exhibits C-1 and C-2)	\$ 20,490,363	\$ 938,937
Differences - Budget to GAAP		
Encumbrances for goods and services ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the goods and services are received for financial reporting purposes.		
June 30, 2015		9,577
June 30, 2016	<u>-</u>	<u>(1,905)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 20,490,363</u>	<u>\$ 946,609</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III

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

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0.00777 %	0.00697 %	0.00644 %
District's Proportionate Share of the Net Pension Liability (Asset)	1,745,798	1,305,164	1,231,951
District's Covered-Employee Payroll	446,689	360,784	419,103
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	391%	362%	294%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	47.92%	52.08%	48.72%

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

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

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

PUBLIC EMPLOYEES RETIREMENT SYSTEM
Last Three Fiscal Years

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 66,862	\$ 55,225	\$ 48,569
Contributions in Relation to the Contractually Required Contributions	<u>66,862</u>	<u>55,225</u>	<u>48,569</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered- Employee Payroll	446,689	360,784	419,103
Contributions as a Percentage of Covered-Employee Payroll	14.97%	15.31%	11.59%

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

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

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	- %	- %	- %
District's Proportionate Share of the Net Pension Liability (Asset)	-	-	-
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>\$ 45,647,790</u>	<u>\$ 40,887,852</u>	<u>\$ 39,258,327</u>
District's Covered-Employee Payroll	7,212,185	7,098,027	7,081,819
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	0%	0%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	28.71%	33.64%	33.76%

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

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

**BOGOTA BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
AND SCHEDULE OF DISTRICT CONTRIBUTIONS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Change of Benefit Terms:

None.

Change of Assumptions:

Assumptions used in calculating the net pension liability and
statutorily required employer contribution are presented in Note 4.

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, 2016**

	<u>Miscellaneous</u>	<u>Home Instruction</u>	<u>Nonpublic Nursing</u>	<u>Nonpublic Technology</u>	<u>Nonpublic Textbooks</u>	<u>Chapter 192</u>			<u>Chapter 193</u>			<u>Exhibit E-1a Totals</u>	<u>Grand Totals</u>
						<u>Comp. Ed.</u>	<u>Transportation</u>	<u>ESL</u>	<u>Exam. and Class</u>	<u>Corrective Speech</u>	<u>Suppl. Inst.</u>		
REVENUES													
Intergovernmental													
State		\$ 1,835	\$ 21,600	\$ 6,188	\$ 13,360	\$ 73,013	\$ 13,175	\$ 2,588	\$ 23,356	\$ 19,062	\$ 20,049		\$ 194,226
Federal												\$ 734,609	734,609
Local Sources													
Miscellaneous	\$ 10,102	-	-	-	-	-	-	-	-	-	-	-	10,102
Total Revenues	\$ 10,102	\$ 1,835	\$ 21,600	\$ 6,188	\$ 13,360	\$ 73,013	\$ 13,175	\$ 2,588	\$ 23,356	\$ 19,062	\$ 20,049	\$ 734,609	\$ 938,937
EXPENDITURES													
Instruction													
Salaries of Teachers												\$ 212,280	\$ 212,280
Other Salaries for Instruction												-	-
Tuition												200,000	200,000
Purchased Professional & Technical Svcs												96,311	96,311
Other Purchased Services		\$ 1,835	\$ 21,600	\$ 6,188		\$ 73,013	\$ 13,175	\$ 2,588	\$ 23,356	\$ 19,062	\$ 20,049	-	174,678
General Supplies												14,809	20,997
Textbooks	-	-	-	-	\$ 13,360	-	-	-	-	-	-	-	13,360
Total Instruction	-	1,835	21,600	6,188	13,360	73,013	13,175	2,588	23,356	19,062	20,049	523,400	717,626
Support Services													
Personal Services - Employee Benefits												90,658	90,658
Purchased Professional & Technical Svc												4,730	4,730
Purchased Professional & Educational Svc												41,685	41,685
Other Purchased Services												7,359	7,359
General Supplies	\$ 10,102	-	-	-	-	-	-	-	-	-	-	54,821	64,923
Total Support Services	10,102	-	-	-	-	-	-	-	-	-	-	199,253	209,355
Equipment													
Instructional Equipment	-	-	-	-	-	-	-	-	-	-	-	11,956	11,956
Total Facilities Acq. & Construction	-	-	-	-	-	-	-	-	-	-	-	11,956	11,956
Total Expenditures	\$ 10,102	\$ 1,835	\$ 21,600	\$ 6,188	\$ 13,360	\$ 73,013	\$ 13,175	\$ 2,588	\$ 23,356	\$ 19,062	\$ 20,049	\$ 734,609	\$ 938,937

**BOGOTA BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	NCLB				Individuals with Disabilities Education Act		Total Exhibit E-1a
	Title I	Title IIA	Title III	Title III Immigrant	Part B, Basic	Part B, Preschool	
REVENUES							
Intergovernmental							
Federal	\$ 334,874	\$ 48,917	\$ 16,982	\$ 4,441	\$ 320,044	\$ 9,351	\$ 734,609
Total Revenues	<u>\$ 334,874</u>	<u>\$ 48,917</u>	<u>\$ 16,982</u>	<u>\$ 4,441</u>	<u>\$ 320,044</u>	<u>\$ 9,351</u>	<u>\$ 734,609</u>
EXPENDITURES							
Instruction							
Salaries of Teachers	\$ 198,295		\$ 13,985				\$ 212,280
Other Salaries for Instruction	-						-
Tuition					\$ 200,000		200,000
Purchased Professional & Technical Svs.					86,960	\$ 9,351	96,311
Other Purchased Services							-
General Supplies	3,905	-	2,862	\$ 165	7,877	-	14,809
Total Instruction	<u>202,200</u>	<u>-</u>	<u>16,847</u>	<u>165</u>	<u>294,837</u>	<u>9,351</u>	<u>523,400</u>
Support Services							
Personal Services - Employee Benefits	90,658						90,658
Purchased Professional & Technical Svc.					4,730		4,730
Purchased Professional & Educational Svc	41,685						41,685
Other Purchased Services		\$ 7,224	135		-		7,359
General Supplies	331	41,693	-	4,276	8,521	-	54,821
Total Support Services	<u>132,674</u>	<u>48,917</u>	<u>135</u>	<u>4,276</u>	<u>13,251</u>	<u>-</u>	<u>199,253</u>
Equipment							
Instructional Equipment	-	-	-	-	11,956	-	11,956
Total Facilities Acq. & Construction	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,956</u>	<u>-</u>	<u>11,956</u>
Total Expenditures	<u>\$ 334,874</u>	<u>\$ 48,917</u>	<u>\$ 16,982</u>	<u>\$ 4,441</u>	<u>\$ 320,044</u>	<u>\$ 9,351</u>	<u>\$ 734,609</u>

**BOGOTA BOARD OF EDUCATION
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL EDUCATION AID
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOT APPLICABLE

CAPITAL PROJECTS FUND

**BOGOTA BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

<u>Issue/ Project Title</u>	<u>Original Appropriation</u>	<u>Additional Appropriation</u>	<u>Expenditures to Date</u>		<u>Cancelled Payables</u>	<u>Balance June 30, 2016</u>
			<u>Prior Years</u>	<u>Current Year</u>		
Construction of Board's Administrative Offices and Athletic Field House	\$ 857,107	\$ 96,278	\$ 899,403	\$ 52,207	\$ (14,746)	\$ 16,521
Total			<u>\$ 899,403</u>	<u>\$ 52,207</u>	<u>\$ (14,746)</u>	<u>\$ 16,521</u>

Recapitulation of Fund Balance

Restricted	
Capital Projects	\$ 16,521
Total Fund Balance - Restricted for Capital Projects	<u>\$ 16,521</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, 2016**

Revenues and Other Financing Sources	
Cancelled Prior Year Accounts Payables	\$ 14,746
	<u>14,746</u>
Expenditures and Other Financing Uses	
Construction Services	<u>52,207</u>
	<u>52,207</u>
Excess of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	(37,461)
Fund Balance, Beginning of Year	<u>53,982</u>
Fund Balance, End of Year	<u>\$ 16,521</u>
<u>Reconciliation to GAAP Fund Balance</u>	
Fund Balance, Budgetary Basis	<u>\$ 16,521</u>
Fund Balance, GAAP Basis	<u>\$ 16,521</u>

**BOGOTA BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
CONSTRUCTION OF THE BOARD'S ADMINISTRATIVE OFFICES AND ATHLETIC FIELD HOUSE
FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Local Share - Transfer from Capital Reserve	\$ 953,385	-	\$ 953,385	\$ 953,385
 Total Revenues	 953,385	 -	 953,385	 953,385
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	40,600		40,600	40,600
Construction Services	820,147	\$ 52,207	872,354	872,785
Other Objects	38,656	-	38,656	40,000
Cancelled Payables	-	(14,746)	(14,746)	-
 Total Expenditures	 899,403	 37,461	 936,864	 953,385
 Excess of Revenues Over Expenditures	 \$ 53,982	 \$ (37,461)	 \$ 16,521	 \$ -

Additional Project Information:

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

Percentage Increase Over Original

Authorized Cost	11.23%
Percentage Completion	100.00%
Original Target Completion Date	June 30, 2015
Revised Target Completion Date	June 30, 2016

PROPRIETARY FUNDS

SCHEDULE G-1

**BOGOTA BOARD OF EDUCATION
PROPRIETARY FUND
COMBINING SCHEDULE OF NET POSITION
AS OF JUNE 30, 2016**

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, 2016**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

SCHEDULE G-3

**COMBINING SCHEDULE OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-6

FIDUCIARY FUNDS

**BOGOTA BOARD OF EDUCATION
FIDUCIARY FUNDS
COMBINING SCHEDULE OF AGENCY ASSETS AND LIABILITIES
AS OF JUNE 30, 2016**

	<u>Student Activity</u>	<u>Payroll</u>	<u>Total Agency Funds</u>
ASSETS			
Cash	\$ 70,231	\$ 373,508	\$ 443,739
Total Assets	<u>\$ 70,231</u>	<u>\$ 373,508</u>	<u>\$ 443,739</u>
LIABILITIES			
Payroll Deductions and Withholdings		\$ 93,447	\$ 93,447
Accrued Salaries and Wages		13,590	13,590
Due to Other Funds		266,471	266,471
Due to Student Groups	<u>\$ 70,231</u>	<u>-</u>	<u>70,231</u>
Total Liabilities	<u>\$ 70,231</u>	<u>\$ 373,508</u>	<u>\$ 443,739</u>

**BOGOTA BOARD OF EDUCATION
FIDUCIARY FUNDS
SCHEDULE OF CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

FINANCIAL STATEMENT IS PRESENTED ON EXHIBIT B-8

EXHIBIT H-3

**STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Balance, July 1, <u>2015</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance June 30, <u>2016</u>
ELEMENTARY SCHOOLS				
Bixby	\$ 2,162	\$ 20,091	\$ 20,313	\$ 1,940
Steen	<u>4,663</u>	<u>10,782</u>	<u>11,458</u>	<u>3,987</u>
Total Elementary Schools	<u>6,825</u>	<u>30,873</u>	<u>31,771</u>	<u>5,927</u>
HIGH SCHOOL				
Student Activities	65,775	136,866	140,320	62,321
Athletic Account	<u>408</u>	<u>77,687</u>	<u>76,112</u>	<u>1,983</u>
Total High School	<u>66,183</u>	<u>214,553</u>	<u>216,432</u>	<u>64,304</u>
Total All Schools	<u>\$ 73,008</u>	<u>\$ 245,426</u>	<u>\$ 248,203</u>	<u>\$ 70,231</u>

**BOGOTA BOARD OF EDUCATION
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Balance, July 1, <u>2015</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance, June 30, <u>2016</u>
Payroll Deductions and Withholdings	\$ 113,129	\$ 4,682,738	\$ 4,702,420	\$ 93,447
Due to Unemployment Trust Fund	(3,075)	15,487		12,412
Due to General Fund	166,780	229,641	142,362	254,059
Accrued Salaries and Wages	<u>6,924</u>	<u>5,898,279</u>	<u>5,891,613</u>	<u>13,590</u>
 Total	 <u>\$ 283,758</u>	 <u>\$ 10,826,145</u>	 <u>\$ 10,736,395</u>	 <u>\$ 373,508</u>

LONG-TERM DEBT

**BOGOTA BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

<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, 2015</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2016</u>
Refunding Bonds	6/23/2005	\$ 7,460,000				\$ 4,675,000		\$ 4,675,000	
Refunding Bonds	9/24/2015	4,025,000	7/15/2016	490,000	2.00%				
			7/15/2017	505,000	3.00%				
			7/15/2018	500,000	4.00%				
			7/15/2019	490,000	4.00%				
			7/15/2020	505,000	4.00%				
			7/15/2021	500,000	4.00%				
			7/15/2022	520,000	4.00%				
			7/15/2023	515,000	4.00%				
						-	\$ 4,025,000	-	\$ 4,025,000
						<u>\$ 4,675,000</u>	<u>\$ 4,025,000</u>	<u>\$ 4,675,000</u>	<u>\$ 4,025,000</u>
							Budget Appropriation	\$ 470,000	
							Refunded	<u>4,205,000</u>	
								<u>\$ 4,675,000</u>	

**BOGOTA BOARD OF EDUCATION
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<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					
Local Sources					
Property Taxes	\$ 644,533	-	\$ 644,533	\$ 644,533	-
Total Revenues	<u>644,533</u>	<u>-</u>	<u>644,533</u>	<u>644,533</u>	<u>-</u>
EXPENDITURES					
Regular Debt Service					
Principal	561,966	\$ (91,966)	470,000	470,000	
Interest	82,567	91,966	174,533	129,315	\$ 45,218
Cost of Issuance	-	-	-	100,490	(100,490)
Total Expenditures	<u>644,533</u>	<u>-</u>	<u>644,533</u>	<u>699,805</u>	<u>(55,272)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>(55,272)</u>	<u>(55,272)</u>
OTHER FINANCING SOURCES (USES)					
Payments of Refunding Escrow Agent				(4,260,962)	(4,260,962)
Refunding Bond Proceeds				4,025,000	4,025,000
Premium on Issuance of Refunding	-	-	-	336,452	336,452
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>45,218</u>	<u>45,218</u>
Fund Balance, Beginning of Year	-	-	-	-	-
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 45,218</u>	<u>\$ 45,218</u>
Recapitulation of Balance					
Available for Subsequent Years Budget				<u>\$ 45,218</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,									
	2007	2008	2009	2010	2011 (1)	2012	2013	2014 (Restated)	2015	2016
Governmental Activities										
Investment in Capital Assets	\$ 4,439,421	\$ 4,454,677	\$ 5,002,455	\$ 5,967,801	\$ 4,365,487	\$ 5,366,100	\$ 5,793,169	\$ 6,879,437	\$ 7,465,274	\$ 7,421,305
Restricted	105,452	109,146	187,995	192,973	292,973	591,234	1,457,205	458,303	2,597,010	3,854,767
Unrestricted	(217,941)	(82,621)	(300,530)	(445,026)	(325,968)	401,885	784,661	732,997	(480,701)	(153,434)
Total Governmental Activities Net Position	\$ 4,326,932	\$ 4,481,202	\$ 4,889,920	\$ 5,715,748	\$ 4,332,492	\$ 6,359,219	\$ 8,035,035	\$ 8,070,737	\$ 9,581,583	\$ 11,122,638
Business-Type Activities										
Investment in Capital Assets	\$ 7,175	\$ 6,129	\$ 5,083	\$ 42,280	\$ 54,762	\$ 48,694	\$ 42,873	\$ 37,290	\$ 31,839	\$ 33,862
Unrestricted	22,047	20,388	47,942	13,314	1,938	7,541	3,468	(26,169)	17,313	34,960
Total Business-Type Activities Net Position	\$ 29,222	\$ 26,517	\$ 53,025	\$ 55,594	\$ 56,700	\$ 56,235	\$ 46,341	\$ 11,121	\$ 49,152	\$ 68,822
District-Wide										
Investment in Capital Assets	\$ 4,446,596	\$ 4,460,806	\$ 5,007,538	\$ 6,010,081	\$ 4,420,249	\$ 5,414,794	\$ 5,836,042	\$ 6,916,727	\$ 7,497,113	\$ 7,455,167
Restricted	105,452	109,146	187,995	192,973	292,973	591,234	1,457,205	458,303	2,597,010	3,854,767
Unrestricted	(195,894)	(62,233)	(252,588)	(431,712)	(324,030)	409,426	788,129	706,828	(463,388)	(118,474)
Total District Net Position	\$ 4,356,154	\$ 4,507,719	\$ 4,942,945	\$ 5,771,342	\$ 4,389,192	\$ 6,415,454	\$ 8,081,376	\$ 8,081,858	\$ 9,630,735	\$ 11,191,460

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,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 7,480,789	\$ 8,007,192	\$ 8,328,788	\$ 8,225,228	\$ 8,071,997	\$ 8,382,081	\$ 7,798,699	\$ 9,262,246	\$ 8,967,657	\$ 9,477,389
Special Education	3,430,920	3,828,439	3,980,707	4,785,657	5,403,583	5,176,543	5,359,694	4,551,363	5,550,933	5,568,650
Other Instruction	315,805	334,699	334,889	344,556	312,379	297,318	380,752	263,840	375,913	346,096
School Sponsored Activities and Athletics	352,609	337,960	251,418	260,059	270,669	323,814	445,029	474,035	550,991	546,839
Support Services:										
Student & Instruction Related Services	1,391,890	1,396,377	1,597,411	1,795,306	1,873,574	1,988,118	1,985,599	2,271,056	2,678,526	2,708,024
School Administrative Services	989,824	1,006,124	996,703	1,109,618	942,836	661,409	787,239	736,590	1,224,178	1,196,161
General Administration	589,474	555,603	645,568	683,252	705,920	615,592	614,508	660,251	902,449	1,048,012
Plant Operations and Maintenance	1,460,127	1,511,666	1,724,472	1,667,159	1,273,465	1,236,440	1,650,872	1,640,177	1,809,925	2,038,008
Pupil Transportation	677,374	755,717	831,580	1,029,216	829,306	659,078	617,377	722,488	673,795	932,164
Central Services	373,181	412,141	366,136	459,500	428,516	444,735	529,913	578,875	374,285	431,513
Interest on Long-Term Debt	359,021	339,508	330,272	317,564	304,201	277,819	247,796	226,973	206,766	119,418
Total Governmental Activities Expenses	17,421,014	18,485,426	19,387,944	20,677,115	20,416,446	20,062,947	20,417,478	21,387,894	23,315,418	24,412,274
Business-Type Activities:										
Food Service	393,558	436,736	454,604	457,610	463,072	479,444	444,777	417,664	440,392	481,857
Total business-Type Activities Expense	393,558	436,736	454,604	457,610	463,072	479,444	444,777	417,664	440,392	481,857
Total District Expenses	\$ 17,814,572	\$ 18,922,162	\$ 19,842,548	\$ 21,134,725	\$ 20,879,518	\$ 20,542,391	\$ 20,862,255	\$ 21,805,558	\$ 23,755,810	\$ 24,894,131
Program Revenues										
Governmental Activities:										
Charges for Services:										
Instruction (Tuition)	\$ 153,063	\$ 14,793							\$ 43,191	\$ 140,080
Operating Grants and Contributions	3,196,865	3,341,036	\$ 2,985,319	\$ 4,268,598	\$ 3,036,917	\$ 3,361,184	\$ 3,416,358	\$ 3,496,494	5,230,099	6,064,337
Capital Grants and Contributions	26,483	1,960	87,923	418,881		398,532	64,588	20,840	-	26,702
Total Governmental Activities Program Revenues	3,376,411	3,357,789	3,073,242	4,687,479	3,036,917	3,759,716	3,480,946	3,517,334	5,273,290	6,231,119
Business-Type Activities:										
Charges for Services										
Food Service	199,356	228,410	236,417	209,281	195,360	202,355	178,793	155,639	205,362	208,028
Operating Grants and Contributions	170,819	203,551	214,083	250,426	268,543	276,393	255,884	226,559	273,061	293,225
Total Business Type Activities Program Revenues	370,175	431,961	450,500	459,707	463,903	478,748	434,677	382,198	478,423	501,253
Total District Program Revenues	\$ 3,746,586	\$ 3,789,750	\$ 3,523,742	\$ 5,147,186	\$ 3,500,820	\$ 4,238,464	\$ 3,915,623	\$ 3,899,532	\$ 5,751,713	\$ 6,732,372
Net (Expense)/Revenue										
Governmental Activities	\$ (14,044,603)	\$ (15,127,637)	\$ (16,314,702)	\$ (15,989,636)	\$ (17,379,529)	\$ (16,303,231)	\$ (16,936,532)	\$ (17,870,560)	\$ (18,042,128)	\$ (18,181,155)
Business-Type Activities	(23,383)	(4,775)	(4,104)	2,097	831	(696)	(10,100)	(35,466)	38,031	19,396
Total District-Wide Net Expense	\$ (14,067,986)	\$ (15,132,412)	\$ (16,318,806)	\$ (15,987,539)	\$ (17,378,698)	\$ (16,303,927)	\$ (16,946,632)	\$ (17,906,026)	\$ (18,004,097)	\$ (18,161,759)

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

	Fiscal Year Ended June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 10,238,743	\$ 11,051,878	\$ 11,821,544	\$ 12,294,405	\$ 12,783,703	\$ 12,939,377	\$ 13,198,165	\$ 13,593,934	\$ 14,026,842	\$ 14,180,378
Taxes Levied for Debt Service	576,161	734,685	734,904	720,478	730,059	709,199	709,999	707,772	645,666	644,533
State and Federal Aid - Unrestricted	3,228,165	3,426,222	4,117,791	3,768,363	4,160,485	4,432,253	4,677,324	4,705,827	4,758,551	4,724,773
State Aid - Restricted for Debt Service	13,229	14,099	13,627	14,438	12,912	12,410	11,908	11,406		
Gain (Loss) on Disposal of Capital Assets				(41,968)	(333)					
Investment Earnings	82,869	51,081	46,625							
Miscellaneous Income	15,478	3,942	18,929	59,748	27,751	24,455	14,952	119,274	121,915	172,526
Transfers			(30,000)							
Total Governmental Activities	14,154,645	15,281,907	16,723,420	16,815,464	17,714,577	18,117,694	18,612,348	19,138,213	19,552,974	19,722,210
Business-Type Activities:										
Transfers			30,000							
Investment Earnings	3,301	2,070	612	472	275	231	206	246		274
Total Business-Type Activities	3,301	2,070	30,612	472	275	231	206	246	-	274
Total District-Wide	\$ 14,157,946	\$ 15,283,977	\$ 16,754,032	\$ 16,815,936	\$ 17,714,852	\$ 18,117,925	\$ 18,612,554	\$ 19,138,459	\$ 19,552,974	\$ 19,722,484
Change in Net Position										
Governmental Activities	\$ 110,042	\$ 154,270	\$ 408,718	\$ 825,828	\$ 335,048	\$ 1,814,463	\$ 1,675,816	\$ 1,267,653	\$ 1,510,846	\$ 1,541,055
Business-Type Activities	(20,082)	(2,705)	26,508	2,569	1,106	(465)	(9,894)	(35,220)	38,031	19,670
Total District	\$ 89,960	\$ 151,565	\$ 435,226	\$ 828,397	\$ 336,154	\$ 1,813,998	\$ 1,665,922	\$ 1,232,433	\$ 1,548,877	\$ 1,560,725

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

	Fiscal Year Ended June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund										
Restricted					\$ 307,414	\$ 754,402	\$ 2,366,110	\$ 2,514,715	\$ 3,597,202	\$ 5,097,990
Committed						92,817	43,722	155,832	65,000	-
Assigned					202,124	693,662	444,247	46,662	147,296	424,174
Unassigned					(173,342)	(217,674)	(285,585)	(241,326)	(268,668)	(300,229)
Reserved	\$ 4,454,677	\$ 432,177	\$ 427,216	\$ 329,615						
Unreserved	35,783	98,312	(81,629)	(213,796)						
Total General Fund	\$ 4,490,460	\$ 530,489	\$ 345,587	\$ 115,819	\$ 336,196	\$ 1,323,207	\$ 2,568,494	\$ 2,475,883	\$ 3,540,830	\$ 5,221,935
All Other Governmental Funds										
Restricted					\$ 4,964	\$ 65,527	\$ 502	\$ 175,948	\$ 53,982	\$ 61,739
Committed										
Reserved	\$ 2,506									
Unreserved	(19,868)	\$ (22,402)		\$ 4,964						
Total All Other Governmental Funds	\$ (17,362)	\$ (22,402)	\$ -	\$ 4,964	\$ 4,964	\$ 65,527	\$ 502	\$ 175,948	\$ 53,982	\$ 61,739

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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,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues										
Property Tax Levy	\$ 10,814,904	\$ 11,786,563	\$ 12,556,448	\$ 13,014,883	\$ 13,513,762	\$ 13,648,576	\$ 13,908,164	\$ 14,301,706	\$ 14,672,508	\$ 14,824,911
Tuition Charges	153,063	14,793								
Interest Earnings	82,869	51,081	46,625							
Miscellaneous	15,478	3,942	18,929	65,968	94,908	71,174	19,858	130,482	167,009	335,549
State Sources	5,895,473	6,302,274	6,480,028	6,632,806	6,395,370	7,295,392	7,553,692	7,352,689	7,535,389	7,846,798
Federal Sources	569,269	481,043	724,632	1,831,254	747,787	862,268	611,580	870,670	641,670	770,098
Total Revenue	17,531,056	18,639,696	19,826,662	21,544,911	20,751,827	21,877,410	22,093,294	22,655,547	23,016,576	23,777,356
Expenditures										
Instruction										
Regular Instruction	7,353,871	7,758,584	8,151,403	8,055,814	7,884,433	8,078,332	7,836,748	9,307,269	7,829,252	8,097,515
Special Education Instruction	3,380,880	3,777,870	3,936,232	4,744,098	5,344,012	5,167,575	5,378,691	4,550,663	5,324,086	5,210,956
Other Instruction	304,349	323,458	243,478	253,046	261,021	297,318	379,143	263,630	324,088	291,346
School Sponsored Activities and Athletics	352,609	337,960	327,076	337,783	304,446	323,814	445,029	474,035	546,800	532,513
Support Services:										
Student & Inst. Related Services	1,349,391	1,353,862	1,560,203	1,760,899	1,832,053	1,960,523	1,963,459	2,242,814	2,420,824	2,429,882
General Administration	571,317	537,626	971,650	673,650	693,733	608,392	627,671	653,051	858,432	879,590
School Administrative Services	967,221	982,975	633,196	1,085,290	918,061	634,077	775,512	711,610	1,076,150	1,076,469
Plant Operations and Maintenance	1,410,483	1,462,955	1,699,902	1,644,824	1,267,234	1,221,466	1,302,351	1,243,550	1,376,147	1,543,147
Pupil Transportation	677,374	755,717	821,730	1,028,386	820,971	651,298	609,475	714,568	664,842	921,921
Central Services	365,544	404,646	366,136	450,881	410,698	444,420	529,476	579,190	347,098	393,566
Capital Outlay	94,583	7,000	499,625	1,000,128	51,817	811,417	344,571	1,081,186	659,209	112,274
Debt Service:										
Principal	410,000	435,000	455,000	460,000	485,000	480,000	495,000	541,968	455,000	470,000
Interest and Other Charges	332,894	313,784	293,531	274,916	257,971	241,609	225,906	209,178	191,667	129,315
Bond Issuance Costs										100,490
Advance Refunding Escrow										
Total Expenditures	17,570,516	18,451,437	19,959,162	21,769,715	20,531,450	20,920,241	20,913,032	22,572,712	22,073,595	22,188,984
Excess (Deficiency) of Revenues										
Over (Under) Expenditures	(39,460)	188,259	(132,500)	(224,804)	220,377	957,169	1,180,262	82,835	942,981	1,588,372
Other Financing Sources (Uses)										
Original Issue Discount										
Refunding Bonds Issued										4,025,000
Payments to Refunded Bond Escrow Agent										(4,260,962)
Premium on Issuance of Refunding										336,452
Capital Lease Proceeds						90,405				
Transfers In	2,917	9	121,741	386,661	1	434,380	69,519	857,606	96,278	-
Transfers Out	(2,917)	(9)	(151,741)	(386,661)	(1)	(434,380)	(69,519)	(857,606)	(96,278)	-
Total Other Financing Sources (Uses)	-	-	(30,000)	-	-	90,405	-	-	-	100,490
Net Change in Fund Balances	\$ (39,460)	\$ 188,259	\$ (162,500)	\$ (224,804)	\$ 220,377	\$ 1,047,574	\$ 1,180,262	\$ 82,835	\$ 942,981	\$ 1,688,862
Debt Service as a Percentage of										
Noncapital Expenditures	4.25%	4.06%	3.85%	3.54%	3.63%	3.59%	3.50%	3.50%	3.02%	2.71%

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

Fiscal Year Ended June 30,	<u>Tuition</u>	Interest on <u>Investments</u>	Cancel Prior Year Accounts <u>Payable</u>	<u>Miscellaneous</u>	<u>Total</u>
2007	\$ 153,063	\$ 79,952		\$ 15,478	\$ 248,493
2008	14,793	51,072		3,942	69,807
2009		46,581		18,929	65,510
2010		20,438	\$ 32,990	6,318	59,746
2011		7,363	9,129	11,258	27,750
2012		7,971		16,484	24,455
2013		9,081		5,863	14,944
2014	36,271	11,294		71,709	119,274
2015	43,191	10,357		111,558	165,106
2016	140,080	19,730	74,472	78,324	312,606

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
2007	\$ 2,859,700	\$ 395,385,875	\$ 36,218,400	\$ 14,580,200	\$ 24,614,900	\$ 473,659,075	\$ 381,281	\$ 474,040,356	\$ 906,905,826	\$ 2.402
2008	2,791,700	396,497,975	36,227,800	14,550,200	24,664,900	474,732,575	381,281	475,113,856	921,748,850	2.564
2009	4,376,300	689,536,400	70,184,800	24,655,100	45,133,600	833,886,200	381,281	834,267,481	846,681,990	1.532
** 2010	4,376,300	689,382,200	69,997,900	24,265,200	44,472,000	832,493,600	1,561,663	834,055,263	916,167,917	1.620
2011	4,289,100	688,855,600	69,793,300	24,265,200	43,712,000	830,915,200	1,286,054	832,201,254	859,824,307	1.600
2012	4,174,300	687,218,200	68,483,700	22,919,200	43,456,200	826,251,600	1,266,437	827,518,037	811,078,125	1.668
*** 2013	2,972,900	527,461,700	56,975,200	17,102,700	38,959,800	643,472,300	-	643,472,300	711,789,326	2.160
2014	2,849,900	527,442,600	56,651,500	17,635,200	38,855,500	643,434,700	-	643,434,700	724,748,577	2.252
2015	2,849,900	527,992,200	56,711,800	17,265,100	38,496,800	643,315,800	-	643,315,800	710,932,904	2.303
2016	2,849,900	528,603,200	56,507,300	17,199,200	38,496,800	643,656,400	-	643,656,400	718,635,164	2.302

a Tax rates are per \$100

** - Revaluation of Real Property effective 2009

*** - Reassessed effective 2013

Source: County Abstract of Ratables

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

<u>Calendar Year</u>	<u>Total</u>	<u>Local School District</u>	<u>Municipality (1)</u>	<u>County (2)</u>
2007	\$ 3.730	\$ 2.402	\$ 1.000	\$ 0.328
2008	4.024	2.564	1.101	0.359 *
2009	2.421	1.532	0.665	0.224
2010	2.549	1.620	0.714	0.215
2011	2.574	1.600	0.759	0.215
2012	2.691	1.668	0.808	0.215
2013	3.531	2.160	1.119	0.252 **
2014	3.630	2.252	1.122	0.256
2015	3.729	2.303	1.161	0.265
2016	3.773	2.302	1.196	0.275

* Revaluation of Real Property Effective 2010.

**Reassessed Effective 2014

(1) Includes Municipal Library

(2) Includes County Open Space tax

Source: Tax Duplicate, Borough of Bogota

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

Taxpayer	2016		2007	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Bogota Golf	\$ 10,338,900	1.61%		
Del-Val Financial Corp	6,200,000	0.96%		
Michael Court Apartments	3,819,100	0.59%	\$ 2,279,500	0.48%
Bogota Tennis	3,564,300	0.55%	2,109,800	0.45%
Landmark Development	3,396,300	0.53%	2,431,100	0.51%
Hess Oil	3,066,600	0.48%	2,158,000	0.46%
Evergreen Realty	2,797,100	0.43%	1,999,900	0.42%
253 W. Fort Lee Rd Corp	2,661,800	0.41%		
BR Colony Holdings Co LLC	2,500,000	0.39%	2,791,900	0.59%
River Rock Equities			3,498,200	0.74%
Sterling Management Corp			3,269,200	0.69%
C. Sterling Management			2,378,100	0.50%
River Rock Equities			1,977,900	0.42%
	\$ 38,344,100	5.96%	24,893,600	5.26%

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	
2007	\$ 10,814,904	\$ 10,814,904	100.00%	
2008	11,786,563	11,786,563	100.00%	
2009	12,556,448	12,556,448	100.00%	
2010	13,014,883	13,014,883	100.00%	
2011	13,513,762	13,513,762	100.00%	
2012	13,648,576	13,648,576	100.00%	
2013	13,908,164	13,908,164	100.00%	
2014	14,301,706	14,301,706	100.00%	
2015	14,672,508	14,672,508	100.00%	
2016	14,824,911	13,384,446	90.28%	\$ 1,440,465

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			
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	8,202	866
2011	6,615,000		6,615,000	8,263	801
2012	6,135,000	\$ 62,066	6,197,066	8,273	749
2013	5,640,000	31,968	5,671,968	8,318	682
2014	5,130,000		5,130,000	8,357	614
2015	4,675,000		4,675,000	8,400	557
2016	4,025,000		4,025,000	8,400 *	479

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,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2007	\$ 8,450,000		\$ 8,450,000	1.78%	\$ 1,069
2008	8,015,000		8,015,000	1.69%	1,016
2009	7,560,000		7,560,000	0.91%	955
2010	7,100,000		7,100,000	0.85%	866
2011	6,615,000		6,615,000	0.79%	801
2012	6,135,000		6,135,000	0.74%	742
2013	5,640,000		5,640,000	0.88%	678
2014	5,130,000		5,130,000	0.80%	614
2015	4,675,000		4,675,000	0.73%	557
2016	4,025,000		4,025,000	0.63%	479

Source: District records

BOGOTA BOARD OF EDUCATION
COMPUTATION OF DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2015
(UNAUDITED)

	<u>Total Debt</u>
Municipal Debt: (1)	
Bogota Board of Education	\$ 4,675,000
Borough of Bogota	<u>6,737,000</u>
	11,412,000
 Overlapping Debt Apportioned to the Municipality:	
Bergen County (2);(A):	
County of Bergen (A)	4,165,504
Bergen County Utilities Authority - Water Pollution (B)	<u>1,996,452</u>
Total Direct and Overlapping Debt	<u>\$ 17,573,956</u>

Sources:

- (1) Borough of Bogota 2015 Annual Debt Statement
- (2) Bergen County 2015 Debt Statement

(A) The debt for this entity was apportioned by dividing the Municipality's 2015 equalized value by the total 2015 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**

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Debt limit	\$ 30,366,957	\$ 33,582,135	\$ 36,317,516	\$ 37,299,367	\$ 36,086,094	\$ 34,090,368	\$ 32,248,624	\$ 30,484,239	\$ 29,138,530	\$ 28,405,140
Total Net Debt Applicable to Limit	8,485,000	8,015,000	7,560,000	7,100,000	6,615,000	6,135,000	5,640,000	5,130,000	4,675,000	4,025,000
Legal Debt Margin	<u>\$ 21,881,957</u>	<u>\$ 25,567,135</u>	<u>\$ 28,757,516</u>	<u>\$ 30,199,367</u>	<u>\$ 29,471,094</u>	<u>\$ 27,955,368</u>	<u>\$ 26,608,624</u>	<u>\$ 25,354,239</u>	<u>\$ 24,463,530</u>	<u>\$ 24,380,140</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	27.94%	23.87%	20.82%	19.04%	18.33%	18.00%	17.49%	16.83%	16.04%	14.17%

Legal Debt Margin Calculation for Fiscal Year 2016

Equalized Valuation Basis	
2013	\$ 716,721,207
2014	703,053,649
2015	710,610,626
	<u>\$ 2,130,385,482</u>
Average Equalized Valuation of Taxable Property	\$710,128,494.00
Debt Limit (4 % of average equalization value)	28,405,140
Total Net Debt Applicable to Limit	<u>4,025,000</u>
Legal Debt Margin	<u>\$ 24,380,140</u>

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

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

<u>Year Ended December 31,</u>	<u>Population</u>	<u>County Per Capita Income</u>	<u>Unemployment Rate</u>
2006	7,938	\$ 63,814	6.9%
2007	7,907	68,147	6.2%
2008	7,887	68,548	8.0%
2009	7,917	64,571	13.9%
2010	8,202	65,275	14.2%
2011	8,263	68,244	14.0%
2012	8,273	71,380	14.2%
2013	8,318	70,498	8.0%
2014	8,357	73,536	5.8%
2015	8,400	N/A	5.0%

Source: New Jersey Department of Education

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

<u>Employer</u>	<u>2016</u>		<u>2007</u>	
	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>

INFORMATION NOT AVAILABLE

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

<u>Function/Program</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Instruction										
Regular	86	92	104	102	100	101	101	101	103	107
Special Education	31	30	15	15	14	15	15	15	15	16
Other Special Education	5	5	3	3	3	3	3	6	6	7
Support Services:										
Student & Instruction Related Services	8		18	18	15	15	15	15	16	22
General Administration	2	2	2	2	3	3	3	3	3	5
School Administrative Services	5	5	5	4	-	-	-	-	-	-
Other Administrative Services	9	9	5	4	2	2	2	2	2	2
Central Services	3	3	3	3	3	3	3	3	3	4
Plant Operations and Maintenance	16	16	15	12	1	1	1	3	13	13
Total	165	162	170	163	141	143	143	148	161	176

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				
2007	1,188	\$ 16,733,059	\$ 14,085	0.92%	105	10:01	11.5:1	1191	1142	4.47%	95.89%
2008	1,262	17,695,653	14,022	-0.45%	127			1195	1148	0.34%	96.07%
2009	1,276	18,781,158	14,719	4.97%	121			1199	1151	0.33%	96.00%
2010	1,201	20,034,671	16,682	13.34%	108	11:01	11:01	1155	1096	-3.67%	94.89%
2011	1,223	19,736,662	16,138	-3.26%	117	9:01	9:01	1168	1146	1.13%	98.12%
2012	1,194	19,387,215	16,237	0.62%	103	9:01	9:01	1163	1141	-0.43%	98.11%
2013	1,171	19,847,555	16,949	4.39%	108	9:01	9:01	1158	1136	-0.43%	98.10%
2014	1,166	20,740,380	17,788	4.95%	108	9:01	9:01	1106	1043	-4.49%	94.30%
2015	1,130	20,767,719	18,379	3.32%	104	9:01	9:01	1090	1043	-1.45%	95.69%
2016	1,144	21,376,905	18,686	1.67%	107	9:01	9:01	1143	1069	4.86%	93.53%

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)**

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<u>District Building</u>										
<u>E. Roy Bixby</u>										
Square Feet	40,475	40,475	40,475	40,475	40,475	40,475	40,475	40,475	40,475	40,475
Capacity (students)	335	303	N/A	300	292	292	292	292	292	292
Enrollment						294	294	294	308	294
<u>Lillian M Steen</u>										
Square Feet	47,456	47,456	47,456	47,456	47,456	47,456	47,456	47,456	47,456	47,456
Capacity (students)	274	306	N/A	321	296	296	296	296	296	296
Enrollment						302	302	302	294	308
<u>Jr./Sr. High School</u>										
Square Feet	78,464	78,464	86,104	86,104	86,104	86,104	86,104	86,104	86,104	86,104
Capacity (students)	536	543	N/A	580	575	575	575	575	575	575
Enrollment						554	554	554	493	503
<u>Other</u>										
<u>Board of Education Offices</u>										
Square Feet	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
<u>Feigel Field House</u>										
Square Feet	7,640	7,640	7,640	7,640	7,640	7,640	7,640	7,640	7,640	7,640
Number of Schools at June 30, 2016										
Elementary =	2	2	2	2	2	2	2	2	2	2
Junior/Senior High School =	1	1	1	1	1	1	1	1	1	1

Source: Long Range Facilities Plan 2007-2016

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
School Facilities										
Bixby Elementary School	\$ 48,316	\$ 68,525	\$ 101,951	\$ 107,720	\$ 72,190	\$ 66,979	\$ 73,287	\$ 57,440	\$ 88,388	\$ 106,601
Steen Elementary School	73,409	82,800	119,536	121,186	57,550	85,247	85,927	67,371	103,663	125,140
Bogota High School	<u>114,012</u>	<u>134,194</u>	<u>216,885</u>	<u>219,930</u>	<u>175,164</u>	<u>152,227</u>	<u>155,906</u>	<u>122,242</u>	<u>188,111</u>	<u>231,742</u>
Grand Total	<u>\$ 235,737</u>	<u>\$ 285,519</u>	<u>\$ 438,372</u>	<u>\$ 448,836</u>	<u>\$ 304,904</u>	<u>\$ 304,453</u>	<u>\$ 315,120</u>	<u>\$ 247,053</u>	<u>\$ 380,162</u>	<u>\$ 463,483</u>

Source: School District's Financial Statements

**BOGOTA BOARD OF EDUCATION
SCHEDULE OF INSURANCE
JUNE 30, 2016
(Unaudited)**

	<u>Coverage</u>	<u>Deductible</u>
Commercial Property Coverage - NJSIG		
Property - Blanket Building & Contents	\$ 44,374,045	\$ 5,000
Electronic Data Processing	500,000	
Equipment Breakdown	100,000,000	
 General Liability - NJSIG		
General Aggregate	11,000,000	
 Public Official Bonds - NJSIG		
School Business Administrator	430,000	1,000
 Boiler and Machinery - NJSBAIG		
Direct Damage	100,000,000	1,000
 Commercial Automobile - NJSIG		
Liability	11,000,000	1,000
 School Board Legal Liability	11,000,000	10,000
 Excess/Umbrella Liability - NJSIG	11,000,000	
Firemen's Fund	50,000,000	
 Workers Compensation - NJSIG		
Employer Liability - Each Accident/Each Employee/Limit	2,000,000	
 Student/Athletic Accident - United States	5,000,000	10,000

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
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GARY W. HIGGINS, CPA, RMA, PSA
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ROBERT AMPONSAH, 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, 2016 and the related notes to the financial statements, which collectively comprise the Bogota Board of Education's basic financial statements and have issued our report thereon dated November 14, 2016.

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. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2016-001 that we consider to be a significant deficiency.

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 an instance of noncompliance or other matter that is 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 2016-001.

We also noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Bogota Board of Education in a separate report entitled, "Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance" dated November 14, 2016.

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
November 14, 2016



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**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT
ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY
U.S. UNIFORM GUIDANCE AND SCHEDULE OF EXPENDITURES OF STATE FINANCIAL
ASSISTANCE AS REQUIRED BY NEW JERSEY OMB CIRCULAR 15-08**

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major Federal and State Program

We have audited the Bogota Board of Education's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement and the New Jersey OMB Circular 15-08 State Aid/ Grant Compliance Supplement that could have a direct and material effect on each of Bogota Board of Education's major federal and state programs for the fiscal year ended June 30, 2016. 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 federal and state statutes, regulations, and the terms and conditions of its federal awards and state financial assistance 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; Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards, U.S. Uniform Guidance and New Jersey Circular 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, 2016.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the U.S. Uniform Guidance and New Jersey OMB Circular 15-08 and which are described in the accompanying schedule of findings and questioned costs as items 2016-002 and 2016-003. 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 the U.S. Uniform Guidance and New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Bogota Board of Education's internal control over compliance.

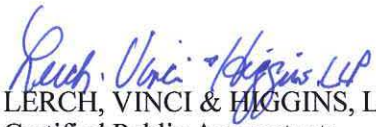
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies 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 a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2016-002 that we consider to be a significant deficiency.

The Bogota Board of Education's response to the internal control over compliance findings 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 compliance and, accordingly, we express no opinion on the response.

Report on Schedules of Expenditures of Federal Awards Required by the U.S. Uniform Guidance and Schedule of Expenditures of State Financial Assistance Required by New Jersey OMB Circular 15-08

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Bogota Board of Education as of and for the fiscal year ended June 30, 2016 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements. We issued our report thereon dated November 14, 2016, 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 the U.S. Uniform Guidance and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.


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


Gary J. Vinci
Public School Accountant
PSA Number CS00829

Fair Lawn, New Jersey
November 14, 2016

**BOGOTA BOARD OF EDUCATION
SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	FAIN Number	Grant Period	Award Amount	Balance July 1, 2015				Cash Received	Budgetary Expenditures	Payables and Encumbrances Canceled	Balance June 30, 2016			MEMO GAAP Receivable
					(Accounts Receivable)	Unearned Revenue	A/R Carryover Amount	Def. Rev Carryover Amount				(Accounts Receivable)	Unearned Revenue	Due to Grantor	
U.S. Department of Education															
ARRA - Medical Assistance Program (SEMI)	93.778		7/1/14-6/30/17	\$ 4,776		\$ 4,776						\$ 4,776		*	
Medicaid Assistance Program (Semi)	93.778		7/1/14-6/30/15	13,339	\$ (5,769)			\$ 5,769						*	
Medicaid Assistance Program (Semi)	93.778	1605NJ5MAP	7/1/15-6/30/16	25,912	-	-	-	25,912	\$ 25,912	-	-	-	-	*	
Total U.S. Department of Education - General Fund					(5,769)	4,776	-	-	31,681	25,912	-	-	4,776	*	
U.S. Department of Agriculture															
Passed-Through State Department of Education															
Food Distribution Program- Non Cash Assistance	10.555	16161NJ304N1099	7/1/15-6/30/16	26,074				26,074	24,678				1,396	*	
Food Distribution Program- Non Cash Assistance	10.555		7/1/14-6/30/15	26,691		1,083			1,083					*	
National School Breakfast Program	10.553	16161NJ304N1099	7/1/15-6/30/16	39,101				30,638	39,101	\$ (8,463)				\$ (8,463)	
National School Breakfast Program	10.553		7/1/14-6/30/15	31,411	(3,147)			3,147						*	
National School Lunch Program	10.555	16161NJ304N1099	7/1/15-6/30/16	222,831				182,504	222,831	(40,327)				(40,327)	
National School Lunch Program	10.555		7/1/14-6/30/15	209,954	(17,202)			17,202						-	
Total Child Nutrition Cluster/U.S. Department of Agriculture					(20,349)	1,083	-	-	259,565	287,693	-	(48,790)	1,396	*	
U.S. Department of Education															
Passed-Through State Department of Education															
Title III	84.365A		7/1/14-6/30/15	13,296	(14,532)	713	\$ 713	\$ (713)	13,819					*	
Title III	84.365A	S365A150030	7/1/15-6/30/16	16,269			(713)	713	16,871	16,982		(111)		(111)	
Title III, Immigrant	84.365A	S365A150030	7/1/15-6/30/16	5,983					4,441			(5,983)	1,542	(4,441)	
Total Title III Cluster					(14,532)	713	-	-	30,690	21,423	-	(6,094)	1,542	(4,552)	
Total IDEA Cluster															
I.D.E.A. Part B	84.027		7/1/14-6/30/15	300,934	(204,125)	4,267	4,267	(4,267)	199,858		\$ 934		\$ 934	*	
I.D.E.A. Part B	84.027		9/1/12-8/31/13	316,779		5,042							5,042	*	
I.D.E.A. Part B	84.027	H027A150100	7/1/15-6/30/16	320,492			(4,267)	4,267	280,731	320,044		(44,028)	4,715	(39,313)	
I.D.E.A. Preschool	84.173		7/1/14-6/30/15	7,591	(8,499)	1,321	1,321	(1,321)	7,178					*	
I.D.E.A. Preschool	84.173	H173A150114	7/1/15-6/30/16	8,030			(1,321)	1,321	9,351	9,351				-	
Total IDEA Cluster					(212,624)	10,630	-	-	497,118	329,395	934	(44,028)	9,737	934	
Total Title I Cluster															
Title I	84.010A		7/1/14-6/30/15	310,540	(286,393)	86,712	46,581	(46,581)	199,681		11			11	
Title I	84.010A	S010A150030	7/1/15-6/30/16	320,436			(46,581)	46,581	187,520	334,874		(179,497)	32,143	(147,354)	
Total Title I Cluster					(286,393)	86,712	-	-	387,201	334,874	11	(179,497)	32,143	11	
Total Title II Cluster															
Title II Part A	84.367A		7/1/14-6/30/15	32,373	(31,986)	23,082	23,431	(23,431)	8,555		349			*	
Title II Part A	84.367A	S367A150029	7/1/15-6/30/16	31,909			(23,431)	23,431	7,637	48,917		(47,703)	6,423	(41,280)	
Total Title II Cluster					(31,986)	23,082	-	-	16,192	48,917	349	(47,703)	6,423	(41,280)	
Race to the Top															
	84.413A		9/1/11-11/30/15	24,573	(7,113)	5			7,108					-	
Total U.S. Department of Education - Special Revenue Fund					(552,648)	121,142	-	-	938,309	734,609	1,294	(277,322)	49,865	945	
Total					\$ (578,766)	\$ 127,001	\$ -	\$ -	\$ 1,229,555	\$ 1,048,214	\$ 1,294	\$ (326,112)	\$ 56,037	\$ 945	

FAIN numbers are only applicable for current year grant awards.

See Accompanying Notes to Schedule of Expenditures of Federal Awards

See Accompanying Notes to the Schedule of Expenditures of Federal Awards and State Financial Assistance

**BOGOTA BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2015		Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance June 30, 2016		MEMO	
				(Accounts Receivable)	Due to Grantor				(Accounts Receivable)	Due to Grantor	GAAP Receivable	Cumulative Expenditures
State Department of Education												
General Fund												
Equalization Aid	15-495-034-5120-078	7/1/14-6/30/15	\$ 4,656,216	\$ (410,680)		\$ 410,680						
Equalization Aid	16-495-034-5120-078	7/1/15-6/30/16	4,656,216			4,212,154	\$ 4,656,216		\$ (444,062)			\$ 4,656,216
School Choice Aid	15-495-034-5120-068	7/1/14-6/30/15	33,438	(2,949)		2,949						
School Choice Aid	16-495-034-5120-068	7/1/15-6/30/16	33,438			30,249	33,438		(3,189)			33,438
Special Education Aid	15-495-034-5120-089	7/1/14-6/30/15	757,950	(66,852)		66,852						
Special Education Aid	16-495-034-5120-089	7/1/15-6/30/16	757,950			685,665	757,950		(72,285)			757,950
Security Aid	15-495-034-5120-084	7/1/14-6/30/15	64,794	(5,715)		5,715						
Security Aid	16-495-034-5120-084	7/1/15-6/30/16	64,794			58,615	64,794		(6,179)			64,794
Addl Adjustment Aid	16-495-034-5120-085	7/1/15-6/30/16	47,038			42,552	47,038		(4,486)			47,038
Addl Adjustment Aid	15-495-034-5120-085	7/1/14-6/30/15	47,038	(4,149)		4,149						
PARCC Readiness Aid	15-495-034-5120-098	7/1/14-6/30/15	11,100	(979)		979						
PARCC Readiness Aid	16-495-034-5120-098	7/1/15-6/30/16	11,100			10,041	11,100		(1,059)			11,100
Per Pupil Growth Aid	15-495-034-5120-097	7/1/14-6/30/15	11,100	(979)		979						
Per Pupil Growth Aid	16-495-034-5120-097	7/1/15-6/30/16	11,100			10,041	11,100		(1,059)			11,100
Total State Aid - Public Cluster				(492,303)	-	5,541,620	5,581,636	-	(532,319)	-	-	5,581,636
Extraordinary Aid	15-100-034-5120-473	7/1/14-6/30/15	176,455	(176,455)		176,455						
Extraordinary Aid	16-100-034-5120-473	7/1/15-6/30/16	235,612				235,612		(235,612)			235,612
Transportation Aid	15-495-034-5120-014	7/1/14-6/30/15	47,315	(4,173)		4,173						
Transportation Aid	16-495-034-5120-014	7/1/15-6/30/16	47,315			42,803	47,315		(4,512)			47,315
On-Behalf TPAF Payments												
Normal Costs	16-495-034-5094-002	7/1/15-6/30/16	582,233			582,233	582,233					582,233
NCGI Premium	16-495-034-5094-004	7/1/15-6/30/16	29,003			29,003	29,003					29,003
Post Retirement Medical Contribution	16-495-034-5094-001	7/1/15-6/30/16	727,814			727,814	727,814					727,814
Social Security Aid-Non-Budget	15-495-034-5094-003	7/1/14-6/30/15	563,694	(27,275)		27,275						
Social Security Aid-Non-Budget	16-495-034-5094-003	7/1/15-6/30/16	548,471			519,937	548,471		(28,534)		\$ (28,534)	548,471
Total General Fund				(700,206)	-	7,651,313	7,752,084	-	(800,977)	-	(28,534)	7,752,084
Special Revenue Fund												
New Jersey Nonpublic Aid:												
Auxiliary Services:												
Compensatory Education	15-100-034-5120-067	7/1/14-6/30/15	67,722	\$ 1,522				\$ 1,522				
Compensatory Education	16-100-034-5120-067	7/1/15-6/30/16	73,013			73,013	73,013					73,013
English as a Second Language	15-100-034-5120-067	7/1/14-6/30/15	3,654		2,010				2,010			
English as a Second Language	16-100-034-5120-067	7/1/15-6/30/16	2,588			2,588						2,588
Transportation	16-100-034-5120-067	7/1/15-6/30/16	27,625			27,625	13,175		\$ 14,450			13,175
Home Instruction	16-100-034-5120-067	7/1/15-6/30/16	1,835			1,835			(1,835)		(1,835)	1,835
Home Instruction	15-100-034-5120-067	7/1/14-6/30/15	1,448	(1,448)		1,448						
Total Nonpublic Auxiliary Services Aid (Chapter 192) Cluster				(1,448)	3,532	104,674	90,611	3,532	(1,835)	14,450	(1,835)	90,611
Handicapped Services:												
Examination & Classification	15-100-034-5120-066	7/1/14-6/30/15	27,562		3,964				3,964			
Examination & Classification	16-100-034-5120-066	7/1/15-6/30/16	35,291			35,291	23,356			11,935		23,356
Supplemental Instruction	15-100-034-5120-066	7/1/14-6/30/15	25,424		2,118				2,118			
Supplemental Instruction	16-100-034-5120-066	7/1/15-6/30/16	23,837			23,837	20,049			3,788		20,049
Corrective Speech	15-100-034-5120-066	7/1/14-6/30/15	22,088		3,004				3,004			
Corrective Speech	16-100-034-5120-066	7/1/15-6/30/16	19,814			19,814	19,062			752		19,062
Total Nonpublic Handicapped Aid (Chapter 193) Cluster				-	9,086	78,942	62,467	9,086	-	16,475	-	62,467
Textbook Aid	16-100-034-5120-064	7/1/15-6/30/16	13,704			13,704	13,360			344		13,360
Nursing Services	16-100-034-5120-070	7/1/15-6/30/16	21,600			21,600	21,600					21,600
Technology Aid	16-100-034-5120-373	7/1/15-6/30/16	6,240			6,240	6,188			52		6,188
Security Aid	16-100-034-5120-509	7/1/15-6/30/16	6,000			6,000				6,000		
Total Special Revenue Fund				(1,448)	12,618	231,160	194,226	12,618	(1,835)	37,321	(1,835)	194,226
State Economic Development Authority												
Educational Facilities Construction and Financing Act												
Capital Projects Fund												
Bogota Junior/Senior High School - Window Replacement & Electrical Upgrades	0440-020-10-1001	7/1/11-6/30/12	463,120	(463,120)					(463,120)		(463,120)	463,120
Total Capital Projects Fund				(463,120)	-	-	-	-	(463,120)	-	(463,120)	463,120

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See Capital Projects Fund to the Schedules of Expenditures of Federal Awards and State Financial Assistance

**BOGOTA BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2015		Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance June 30, 2016		MEMO	
				(Accounts Receivable)	Due to Grantor				(Accounts Receivable)	Due to Grantor	GAAP Receivable	Cumulative Expenditures
State Department of Agriculture												
Enterprise Fund												
State School Lunch Program	15-100-010-3350-023	7/1/14-6/30/15	\$ 4,988	\$ (401)		\$ 401						
State School Lunch Program	16-100-010-3350-023	7/1/15-6/30/16	5,532	-		4,577	\$ 5,532	-	\$ (955)	-	\$ (955)	\$ 5,532
Total Food Service Fund				(401)	-	4,978	5,532	-	(955)	-	(955)	5,532
Grand Total				(1,165,175)	\$ 12,618	7,887,451	7,951,842	\$ 12,618	(1,266,887)	37,321	(494,444)	8,414,962
Less On-Behalf TPAF Pension and Annuity Aid												
Normal Costs						(582,233)	(582,233)					(582,233)
NCGI Premium						(29,003)	(29,003)					(29,003)
Post Retirement Medical Contribution						(727,814)	(727,814)					(727,814)
						-	-					-
						(1,339,050)	(1,339,050)					(1,339,050)
Total for State Financial Assistance Determination				\$ (1,165,175)	\$ 12,618	\$ 6,548,401	\$ 6,612,792	\$ 12,618	\$ (1,266,887)	\$ 37,321	\$ (494,444)	\$ 7,075,912

See Accompanying Notes to Schedule of Expenditures of State Financial Assistance

**BOGOTA BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 1 GENERAL

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

NOTE 2 BASIS OF ACCOUNTING

The accompanying schedules are prepared and presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These basis of accounting are described in Notes 1(C) to the Board's financial statements. The information in these schedules is presented in accordance with the requirements of 2 CFR 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (U.S. Uniform Guidance) and New Jersey OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid". Therefore, some amounts presented in these schedules may differ from the amounts presented in, or used in the preparation of, the financial statements.

NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is a decrease of \$99,512 for the general fund and an increase of \$7,672 for the special revenue fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 25,912	\$ 7,652,572	\$ 7,678,484
Special Revenue Fund	744,186	194,226	938,412
Food Service Fund	<u>287,693</u>	<u>5,532</u>	<u>293,225</u>
 Total Financial Assistance	 <u>\$ 1,057,791</u>	 <u>\$ 7,852,330</u>	 <u>\$ 8,910,121</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, 2016**

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 Food Distribution Program as non-cash assistance represent current year value received and current year distributions, respectively. TPAF Social Security contributions in the amount of \$548,471 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, 2016. The amount reported as TPAF Pension System Contributions in the amount of \$727,814 and TPAF Post-Retirement Medical Benefits Contributions in the amount of \$611,236 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2016.

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

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

NOTE 7 DE MINIMIS INDIRECT COST RATE

The District has not elected to use the ten percent de minimis indirect cost rate allowed under the Uniform Guidance.

**BOGOTA BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Part I – Summary of Auditor’s Results

Financial Statement Section

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

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

2) Significant deficiencies identified? X yes none reported

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

Federal Awards Section

Internal Control over major programs:

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

2) Significant deficiencies identified? yes X none reported

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

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance? yes X no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>84.027</u>	<u>H027A150100</u>	<u>IDEA Part B</u>
<u>84.173</u>	<u>H173A150114</u>	<u>IDEA Preschool</u>
<u>10.553</u>	<u>16161NJ304N1099</u>	<u>National School Breakfast Program</u>
<u>10.555</u>	<u>16161NJ304N1099</u>	<u>National School Lunch Program</u>

Dollar threshold used to distinguish between determine Type A and Type B Programs \$750,000

Auditee qualified as low-risk auditee? yes X no

**BOGOTA BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Part I – Summary of Auditor's Results

State Awards Section

Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000

Auditee qualified as low-risk auditee?

_____ yes X no

Internal control over major programs:

1) Material weaknesses identified?

_____ yes X none reported

2) Significant deficiencies that are not considered to be material weaknesses?

 X yes _____ no

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

Unmodified

Any audit findings disclosed that are required to be reported in accordance with N.J. Circular Letter 15-08?

 X yes _____ no

Identification of major state programs:

<u>GMIS Number(s)</u>	<u>Name of State Program or Cluster</u>
<u>16-495-034-5120-078</u>	<u>Equalization Aid</u>
<u>16-0495-034-5120-068</u>	<u>School Choice Aid</u>
<u>16-495-034-5120-089</u>	<u>Special Education Aid</u>
<u>16-495-034-5120-084</u>	<u>Security Aid</u>
<u>16-495-034-5120-085</u>	<u>Additional Adjustment Aid</u>
<u>16-495-034-5120-098</u>	<u>PARCC Readiness Aid</u>
<u>16-495-034-5120-097</u>	<u>Per Pupil Growth Aid</u>

**BOGOTA BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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 2016-001

Our audit revealed that certain General Fund and Debt Service Fund revenues were not recorded in the District's accounting records. As a result, certain year end receivable balances in the General and Debt Service Funds were understated.

Criteria or Specific Requirement:

Internal Controls Over Financial Reporting

Condition:

Certain General Fund and Debt Service Fund revenues were not accrued at year end.

Context:

- General Fund and Debt Service Fund property taxes in the amounts of \$1,395,247 and \$45,218, respectively were not realized. As a result, the year end taxes receivable balance was understated.
- Final 2015-2016 State aid amounts and the 2015-2016 extraordinary aid award in the amounts of \$913,233 and \$235,612 were not realized. As a result, the General Fund Intergovernmental Accounts Receivable was understated at year end.

Effect:

2015/16 revenues and June 30, 2016 accounts receivables were understated in the General and Debt Service Funds.

Cause:

Unknown.

Recommendation:

Accounting procedures be reviewed and enhanced to ensure that all current year revenues are realized when they are both measurable and available.

View of Responsible Officials and Planned Corrective Action:

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

**BOGOTA BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

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

CURRENT YEAR FEDERAL AWARDS

There are none.

**BOGOTA BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

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

CURRENT YEAR STATE AWARDS

Finding 2016-002

Our audit revealed that certain General Fund State aid revenues were not recorded in the District's accounting records. As a result, the year end intergovernmental accounts receivable balance was understated.

State Program Information:

Equalization Aid	495-034-5120-078
School Choice Aid	495-034-5120-068
Special Education Aid	495-034-5120-089
Security Aid	495-034-5120-084
Additional Adjustment Aid	495-034-5120-085
PARCC Readiness Aid	495-034-5120-098
Per Pupil Growth Aid	495-034-5120-097

Criteria or Specific Requirement:

State Grant Compliance Supplement – State Aid Public

Condition:

State aid revenues were not accrued at year end.

Questioned Cost:

Unknown.

Context:

See Finding, Condition and Questioned Costs.

Effect:

The District's year end financial reports are not in agreement with the State aid award.

Cause:

Unknown.

**BOGOTA BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

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

CURRENT YEAR STATE AWARDS

Finding 2016-002 (Continued)

Recommendation:

Accounting procedures be reviewed and enhanced to ensure that the current year State aid awards are realized when they are both measurable and available.

View of Responsible Officials and Planned Corrective Action:

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

**BOGOTA BOARD OF EDUCATION
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

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

CURRENT YEAR STATE AWARDS

Finding 2016-003

The District recorded a budget line item transfer to Capital Outlay (non-equipment) without obtaining approval from the Executive County Superintendent.

State Program Information:

Equalization Aid	495-034-5120-078
School Choice Aid	495-034-5120-068
Special Education Aid	495-034-5120-089
Security Aid	495-034-5120-084
Additional Adjustment Aid	495-034-5120-085
PARCC Readiness Aid	495-034-5120-098
Per Pupil Growth Aid	495-034-5120-097

Criteria or Specific Requirement:

State Grant Compliance Supplement – State Aid Public

Condition:

See Finding 2016-003.

Questioned Cost:

Unknown.

Context:

The District recorded a budget line item transfer of \$43,750 to Capital Outlay (non-equipment) without obtaining approval from the Executive County Superintendent. The purpose of the transfer was for asbestos abatement services for the high school science lab upgrade.

Effect:

Budget transfers made required the approval of the Executive County Superintendent (NJAC 6A:23A-13.3(g)).

Cause:

Unknown.

**BOGOTA BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

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

CURRENT YEAR STATE AWARDS

Finding 2016-003 (Continued)

Recommendation:

Executive County Superintendent approval be obtained for any transfers to Capital Outlay non-equipment budget line items.

View of Responsible Officials and Planned Corrective Action:

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

**BOGOTA BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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 U.S. Uniform Guidance and New Jersey OMB's Circular 15-08.

STATUS OF PRIOR YEAR FINDINGS

There were none.