

**BOGOTA BOARD OF EDUCATION**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**Bogota, New Jersey**

**COMPREHENSIVE ANNUAL**

**FINANCIAL REPORT**

**of the**

**Bogota Board of Education**

**Bogota, New Jersey**

**For The Fiscal Year Ended June 30, 2017**

**Prepared by**

**Business Office**

**BOGOTA BOARD OF EDUCATION  
TABLE OF CONTENTS**

**Page**

**INTRODUCTORY SECTION**

Letter of Transmittal	i-iv
Organizational Chart	v
Roster of Officials	vi
Consultants and Advisors	vii

**FINANCIAL SECTION**

Independent Auditor's Report	1-3
------------------------------	-----

**REQUIRED SUPPLEMENTARY INFORMATION - PART I**

Management's Discussion and Analysis	4-13
--------------------------------------	------

**Basic Financial Statements**

**A. District-wide Financial Statements**

A-1 Statement of Net Position	14
A-2 Statement of Activities	15

**B. Fund Financial Statements**

*Governmental Funds*

B-1 Balance Sheet	16-17
B-2 Statement of Revenues, Expenditures, and Changes in Fund Balances	18
B-3 Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances with the District-Wide Statements	19

*Proprietary Funds*

B-4 Statement of Net Position	20
B-5 Statement of Revenues, Expenses, and Changes in Net Position	21
B-6 Statement of Cash Flows	22

*Fiduciary Funds*

B-7 Statement of Fiduciary Net Position	23
B-8 Statement of Changes in Fiduciary Net Position	24

<b>Notes to the Financial Statements</b>	25-59
--	-------

**BOGOTA BOARD OF EDUCATION  
TABLE OF CONTENTS**

Page

**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

**C. Budgetary Comparison Schedules**

C-1	Budgetary Comparison Schedule – General Fund	60-65
C-2	Budgetary Comparison Schedule – Special Revenue Fund	66
C-3	Budgetary Comparison Schedule – Notes to the Required Supplementary Information	67

**REQUIRED SUPPLEMENTARY INFORMATION - PART III**

**L. Schedules Related to Accounting and Reporting for Pensions**

L-1	Required Supplementary Information – Schedule of the District’s Proportionate Share of the Net Pension Liability – Public Employees Retirement System	68
L-2	Required Supplementary Information – Schedule of District Contributions – Public Employees Retirement System	69
L-3	Required Supplementary Information – Schedule of the District’s Proportionate Share of the Net Pension Liability – Teachers Pension and Annuity Fund	70
L-4	Notes to Required Supplementary Information	71

**OTHER SUPPLEMENTARY INFORMATION**

**D. School Level Schedules – Not Applicable**

**E. Special Revenue Fund**

E-1	Combining Schedule of Program Revenues and Expenditures Special Revenue Fund – Budgetary Basis	72-73
E-2	Schedule of Preschool Education Aid – Budgetary Basis – Not Applicable	74

**E. Capital Projects Fund**

F-1	Summary Schedule of Project Expenditures	75
F-2	Summary Schedule of Revenues and Expenditures and Changes in Fund Balance – Budgetary Basis	76
F-2A-	Schedule of Project Revenues, Expenditures, Project Balance and Project Status –	
F-2G	Budgetary Basis	77-83

**BOGOTA BOARD OF EDUCATION  
TABLE OF CONTENTS**

	<u>Page</u>
<b>OTHER SUPPLEMENTARY INFORMATION (Continued)</b>	
<b>G. Proprietary Funds</b>	
<i>Enterprise Fund</i>	
G-1 Combining Schedule of Net Position – Not Applicable	84
G-2 Combining Schedule of Revenues, Expenses and Changes in Net Position – Not Applicable	84
G-3 Combining Schedule of Cash Flows – Not Applicable	84
<b>H. Fiduciary Funds</b>	
H-1 Combining Schedule of Agency Assets and Liabilities	85
H-2 Schedule of Changes in Net Position – Not Applicable	86
H-3 Student Activity Agency Fund Schedule of Receipts and Disbursements	86
H-4 Payroll Agency Fund Schedule of Receipts and Disbursements	87
<b>I. Long-Term Debt</b>	
I-1 Schedule of Serial Bonds	88
I-2 Debt Service Fund Budgetary Comparison Schedule	89
<b>J. STATISTICAL SECTION (Unaudited)</b>	
J-1 Net Position by Component	90
J-2 Changes in Net Position	91-92
J-3 Fund Balances – Governmental Funds	93
J-4 Changes in Fund Balances – Governmental Funds	94
J-5 General Fund Other Local Revenue by Source	95
J-6 Assessed Value and Actual Value of Taxable Property	96
J-7 Property Tax Rates	97
J-8 Principal Property Taxpayers	98
J-9 Property Tax Levies and Collections	99
J-10 Ratios of Outstanding Debt by Type	100
J-11 Ratios of Net General Bonded Debt Outstanding	101
J-12 Computation of Direct and Overlapping Governmental Activities Debt	102
J-13 Legal Debt Margin Information	103
J-14 Demographic Statistics	104
J-15 Principal Employers	105
J-16 Full Time Equivalent District Employees by Function/Program	106
J-17 Operating Statistics	107
J-18 School Building Information	108
J-19 Schedule of Required Maintenance for School Facilities	109
J-20 Schedule of Insurance	110

**BOGOTA BOARD OF EDUCATION  
TABLE OF CONTENTS**

Page

**K.**

**SINGLE AUDIT SECTION**

K-1	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	111-112
K-2	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	113-115
K-3	Schedule of Expenditures of Federal Awards	116
K-4	Schedule of Expenditures of State Financial Assistance	117-118
K-5	Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance	119-120
K-6	Schedule of Findings and Questioned Costs – Part 1 – Summary of Auditor’s Results	121-122
K-7	Schedule of Findings and Questioned Costs – Part 2 – Schedule of Financial Statement Findings	123
K-7	Schedule of Findings and Questioned Costs – Part 3. – Schedule of Federal and State Award Findings and Questioned Costs	124-128
K-8	Summary Schedule of Prior Year Findings	129

**INTRODUCTORY SECTION**

# BOGOTA PUBLIC SCHOOLS

Administrative Offices

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

Fax (201) 489-5759

November 2, 2017

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

Dear Board Members:

The Comprehensive Annual Financial Report of the Bogota Board of Education for the fiscal year ended June 30, 2017 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 of 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 2016-2017 fiscal year with an average daily enrollment of students, which is greater than the previous year's enrollment.

<u>Fiscal Year</u>	<u>Average Daily Enrollment</u>	<u>Percent Change</u>
2016-17	1,097	(4.02)%
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

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 2017-2018 and 2018-2019 Budget cycles.

3) **MAJOR INITIATIVES:**

The Board adopted the following goals and objectives for the 2016-2017 school year.

**GOALS:** To continue to improve student test scores and prepare for the PARCC ASSESSMENT in grades three through 12 in the areas of Language Arts and Mathematics, Science in grades four and eight, Biology in grade 10, and Algebra and Algebra II at the HS. To assess the NJ Common Core Standards through detailed assessments and evaluation of student test scores and portfolio assessments. With the implementation of the Marzano Evaluation Model, the following will take place: (a) development of testing models that reflect the character of questions prevalent on PARCC, (b) teachers will implement the Common core State Standards and understand how those standards apply to instruction, (c) curriculum maps will be developed that ensure that content is being disseminated in a manner that encompasses instruction relevant to PARCC, (d) accurate development of comprehensive lesson plans will reflect the NJ Model Curriculum and curriculum mapping, test questions will mirror examples from the PARCC assessment.

**OBJECTIVES:**

- (1) To continue to conduct a statistical analysis of student test scores on the PARCC.
- (2) To continue to assess each student's test score in grades three through six by comparing test scores for specific teachers.
- (3) To continue to conduct a detailed statistical analysis of student test scores on the PARCC.
- (4) To continue to conduct an assessment of the Common Core State Standards and update Curriculum Maps to reflect current standards.

3) **MAJOR INITIATIVES:** (Continued)

- (5) To continue to monitor curriculum maps and lesson plans to ensure that the proper instruction is being disseminated to students aligned with the PARCC format and the types of questioning examples being implemented.
- (6) To continue to ensure that all practice materials are provided and are being used on a regular basis as part of each student's education.
- (7) To continue to schedule professional development meetings between administrators and teachers disseminating student test results portraying areas of identified student and group deficiency for the purpose of frontloading instructional topics for successful performance on PARCC.
- (8) To continue to share successful teaching strategies with the professional staff relative to various topics on PARCC.
- (9) To continue to develop benchmark assessments for students periodically for the purpose of assessing student progress, and to continue to reevaluate and revise instruction to ensure students are grasping concepts needed to successfully perform on PARCC.
- (10) To continue to provide assistance to teachers whose students have not met standards.
- (11) To continue to assist teachers in the development of test models that reflect the types and character of questions prevalent on PARCC.
- (12) In the area of Language Arts, to continue to provide assignments, and writing tasks that focus on PARCC and to create such assignments that test data has identified as student deficiencies.
- (13) In the area of Mathematics, to continue to provide assignments, and problem solving examples that focus on PARCC, and to create such assignments that test data has identified as "student deficient".
- (14) To continue to hold teachers accountable:
  - A. For their responsibility in researching the Common Core State Standards in an ongoing manner, resulting in their effective implementation of instruction;
  - B. For creating updated curriculum maps and lesson plans that encompass all the standards;
  - C. To provide a program of instruction that utilizes the PARCC components, its types of questioning styles, and subject areas as a daily part of each teacher's instruction plan.
  - D. For proper planning, to formulate clear and concise goals and objectives for each lesson, for effective monitoring of student leaning and the deployment of strategies to assess student learning during the lesson.

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, 2017.

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,



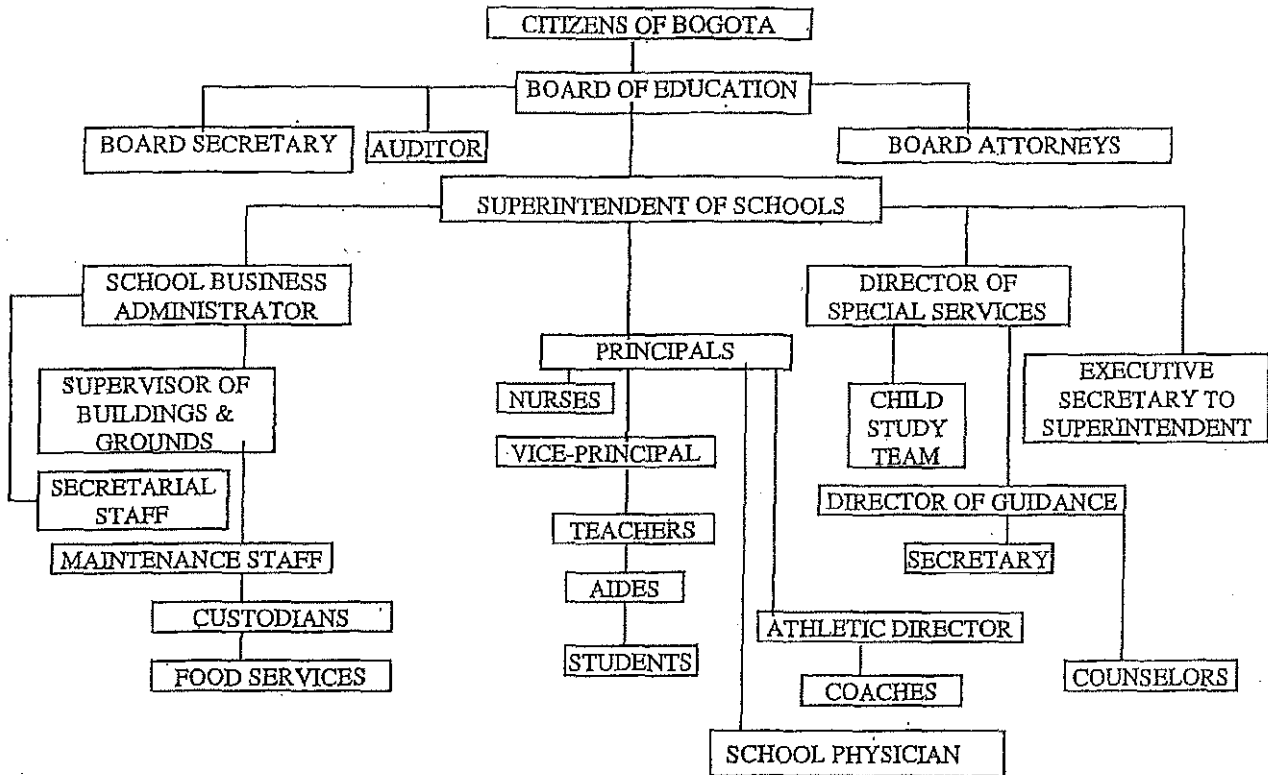
Irfan Evcil  
School Business Administrator

# POLICY

## BOGOTA BOARD OF EDUCATION

ADMINISTRATION  
1110/page 1 of 1  
Organizational Chart

### 1110 ORGANIZATIONAL CHART



Adopted: 25 August 2003



**BOGOTA BOARD OF EDUCATION  
ROSTER OF OFFICIALS  
AS OF JUNE 30, 2017**

**Members of the Board of Education**

Charles Severino, President

Patrick McHale, Vice President

Consuelo Carpenter

Jo-Ellen Granquist

Lisa Kohles

Eileen Lewis

Amanda Montgomery

James Moore

Katherine Van Buren

**Other Officials**

Vincent Varcadipane, Interim Superintendent of Schools (October 24, 2016 – Present)

Dr. Letizia Pantoliano, Superintendent of Schools (July 1, 2016 – December 31, 2016)

Robert Brown, Interim School Business Administrator/Board Secretary (July 1, 2016 – June 30, 2017)

**BOGOTA BOARD OF EDUCATION  
CONSULTANTS AND ADVISORS**

**BOARD AUDITOR**

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

**BOARD ATTORNEY**

Nathanya G. Simon  
Schwartz, Simon, Edelstein & Celso  
100 South Jefferson Road  
Whippany, NJ 07981

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. JAPHEI, 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, PSA

## INDEPENDENT AUDITOR'S REPORT

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

### *Report on the Financial Statements*

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Bogota Board of Education, as of and for the fiscal year ended June 30, 2017 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 from 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, 2017, 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 and individual nonmajor fund financial statements, financial schedules, statistical section, schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations 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 and individual nonmajor 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 and individual nonmajor 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 2, 2017 on our consideration of the Bogota Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Bogota Board of Education's 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 2, 2017

**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, 2017. 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 (2016-2017) and the prior year (2015-2016) is required to be presented in the MD&A.

#### **Financial Highlights**

Key financial highlights for 2016/17 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 \$11,550,510. (Net Position)
- The District's total net position increased by \$359,050.
- Overall District revenues were \$28,106,408. General revenues accounted for \$19,666,027 or 70% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$8,440,381 or 30% of total revenues.
- The school district had \$27,225,741 in expenses for governmental activities; only \$7,912,923 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes) of \$19,665,133 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 \$4,876,510.
- The General Fund fund balance at June 30, 2017 was \$4,271,884, a decrease of \$950,051 compared to the ending fund balance at June 30, 2016 of \$5,221,935.
- The General Fund unassigned budgetary fund balance at June 30, 2017 was \$517,382, which represents an increase of \$45,168 compared to the ending unassigned budgetary fund balance at June 30, 2016 of \$472,214.

## **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 2016/17?" 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, 2017 and 2016 is as follows:

	<u>2017</u>	<u>2016</u>
<b>ASSETS</b>		
Current and Other Assets	\$ 7,675,432	\$ 5,442,993
Capital Assets	<u>12,093,641</u>	<u>11,649,892</u>
Total Assets	<u>19,769,073</u>	<u>17,092,885</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred Amounts on Refunding of Debt	120,182	150,888
Deferred Amounts on Net Pension Liability	<u>1,053,765</u>	<u>426,356</u>
Total Deferred Outflows of Resources	<u>1,173,947</u>	<u>577,244</u>
Total Assets and Deferred Outflows of Resources	<u>20,943,020</u>	<u>17,670,129</u>
<b>LIABILITIES</b>		
Long-Term Liabilities	6,591,555	6,259,256
Other Liabilities	<u>2,798,538</u>	<u>189,948</u>
Total Liabilities	<u>9,390,093</u>	<u>6,449,204</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred Amounts on Net Pension Liability	-	28,069
Deferred Commodities Revenue	<u>2,417</u>	<u>1,396</u>
Total Deferred Inflows of Resources	<u>2,417</u>	<u>29,465</u>
Total Liabilities and Deferred Inflows of Resources	<u>9,392,510</u>	<u>6,478,669</u>
<b>NET POSITION</b>		
Net Investment in Capital Assets	8,428,310	7,455,167
Restricted	3,107,864	3,854,767
Unrestricted	<u>14,336</u>	<u>(118,474)</u>
Total Net Position	<u>\$ 11,550,510</u>	<u>\$ 11,191,460</u>



# BOGOTA BOARD OF EDUCATION

## Management's Discussion and Analysis

The changes in net position for fiscal years ended June 30, 2017 and 2016 are as follows:

	<u>2017</u>	<u>2016</u>
<b>REVENUES</b>		
Program Revenues		
Charges for Services	\$ 265,823	\$ 348,108
Operating Grants and Contributions	8,174,558	6,357,562
Capital Grants and Contributions		26,702
General Revenues		
Property Taxes	14,811,628	14,824,911
State and Federal Aid- Unrestricted/Restricted	4,773,016	4,724,773
Other	81,383	172,800
Total Revenues	<u>28,106,408</u>	<u>26,454,856</u>
<b>PROGRAM EXPENSES</b>		
Instruction	17,792,513	15,938,974
Support Services		
Students and Instructional Staff	2,749,843	2,708,024
General Administration, School Administration	2,532,982	2,244,173
Business Operations and Maintenance of Facilities	3,160,791	2,469,521
Pupil Transportation	892,247	932,164
Interest on Debt and Other Charges	97,365	119,418
Food Services	477,875	481,857
Summer Recovery	43,742	-
Total Expenses	<u>27,747,358</u>	<u>24,894,131</u>
Increase in Net Position	359,050	1,560,725
Net Position, Beginning of Year	<u>11,191,460</u>	<u>9,630,735</u>
Net Position, End of Year	<u>\$ 11,550,510</u>	<u>\$ 11,191,460</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 53 percent of revenues for the Bogota Board of Education in fiscal year 2016/17. The District's total revenues were \$28,106,408 for the fiscal year ended June 30, 2017. Federal, state, and local grants for programs accounted for another 46 percent of revenue. The total cost of all programs and services was \$27,747,358. 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 \$19,833.
- Charges for services or \$200,050 represent 40 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>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Instruction	\$ 17,792,513	\$ 15,938,974	\$ 11,144,199	\$ 10,844,518
Support Services				
Students and Instructional Staff	2,749,843	2,708,024	2,019,065	2,053,429
General Administration, School Administration	2,532,982	2,244,173	2,125,470	1,947,484
Business Operations and Maintenance of Facilities	3,160,791	2,469,521	3,087,961	2,331,118
Pupil Transportation	892,247	932,164	838,758	885,188
Interest and Fiscal Charges	97,365	119,418	97,365	119,418
Total Governmental Activities	<u>\$ 27,225,741</u>	<u>\$ 24,412,274</u>	<u>\$ 19,312,818</u>	<u>\$ 18,181,155</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 \$25,265,260 and expenditures and other financing uses were \$25,672,424 for the fiscal year ended June 30, 2017.

The following schedule presents a summary of the governmental fund revenues for the fiscal years ended June 30, 2017 and 2016.

	<u>Amount</u>		<u>Amount of</u> <u>Increase</u> <u>(Decrease)</u>	<u>Percent</u> <u>Increase</u> <u>(Decrease)</u>
	<u>2017</u>	<u>2016</u>		
Local Sources	\$ 14,930,670	\$ 15,160,460	\$ (229,790)	-1.5%
State Sources	8,197,104	7,846,798	350,306	4.5%
Federal Sources	<u>761,291</u>	<u>770,098</u>	<u>(8,807)</u>	-1.1%
Total Revenues	<u>\$ 23,889,065</u>	<u>\$ 23,777,356</u>	<u>\$ 111,709</u>	0.5%

## 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, 2017 and 2016.

<u>Expenditures</u>	<u>Amount</u>		<u>Amount of Increase (Decrease)</u>	<u>Percent Increase (Decrease)</u>
	<u>2017</u>	<u>2016</u>		
Current:				
Instruction	\$ 14,615,871	\$ 14,132,330	\$ 483,541	3.4%
Support Services	8,063,520	7,244,575	818,945	11.3%
Capital Outlay	972,490	112,274	860,216	766.2%
Debt Service:				
Principal	490,000	470,000	20,000	4.3%
Interest and Other Charges	141,250	229,805	(88,555)	-38.5%
 Total Expenditures	 <u>\$ 24,283,131</u>	 <u>\$ 22,188,984</u>	 <u>\$ 2,094,147</u>	 9.4%

#### 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 2017 and 2016, the District had \$12,065,447 and \$11,616,030, 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>2017</u>	<u>2016</u>
Land	\$ 69,852	\$ 69,852
Construction in Progress	490,783	43,746
Building and Building Improvements	11,318,919	11,396,975
Improvements Other than Buildings	2,117	2,523
Machinery and Equipment	<u>183,776</u>	<u>102,934</u>
Total	<u>\$ 12,065,447</u>	<u>\$ 11,616,030</u>

Overall capital assets increased by \$449,417 from fiscal year 2016 to fiscal year 2017 due to this year's capital asset additions of \$972,490 exceeding depreciation expense of \$523,073.

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, 2017 and 2016, the District had \$6,591,555 and \$6,259,256, 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>2017</u>	<u>2016</u>
General Obligation Bonds (Net)	\$ 3,785,513	\$ 4,345,613
Compensated Absences	144,691	167,845
Net Pension Liability	<u>2,661,351</u>	<u>1,745,798</u>
	<u>\$ 6,591,555</u>	<u>\$ 6,259,256</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, 2017**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash	\$ 6,907,877	\$ 131,774	\$ 7,039,651
Receivables, net:			
Receivables from Other Governments	220,539	105,815	326,354
Internal Balances	192,931	(192,931)	
Other	269,040	34,551	303,591
Inventory		5,836	5,836
Capital Assets:			
Not Being Depreciated	560,635		560,635
Being Depreciated, Net	<u>11,504,812</u>	<u>28,194</u>	<u>11,533,006</u>
Total Assets	<u>19,655,834</u>	<u>113,239</u>	<u>19,769,073</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Amounts on Refunding of Debt	120,182		120,182
Deferred Amounts on Net Pension Liability	<u>1,053,765</u>	-	<u>1,053,765</u>
Total Deferred Outflows of Resources	<u>1,173,947</u>	-	<u>1,173,947</u>
Total Assets and Deferred Outflows of Resources	<u>20,829,781</u>	<u>113,239</u>	<u>20,943,020</u>
<b>LIABILITIES</b>			
Accounts Payable and Other Current Liabilities	1,396,434	5,731	1,402,165
Intergovernmental Payables	48,902		48,902
Accrued Interest Payable	62,494		62,494
Unearned Revenue	1,268,541	16,436	1,284,977
Noncurrent Liabilities :			
Due Within One Year	505,000		505,000
Due Beyond One Year	<u>6,086,555</u>	-	<u>6,086,555</u>
Total Liabilities	<u>9,367,926</u>	<u>22,167</u>	<u>9,390,093</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Commodities Revenue	-	<u>2,417</u>	<u>2,417</u>
Total Deferred Inflows of Resources	-	<u>2,417</u>	<u>2,417</u>
Total Liabilities and Deferred Inflows of Resources	<u>9,367,926</u>	<u>24,584</u>	<u>9,392,510</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	8,400,116	28,194	8,428,310
Restricted for			
Capital Projects	2,960,911		2,960,911
Debt Service	45,218		45,218
Other Purposes	101,735		101,735
Unrestricted	<u>(46,125)</u>	<u>60,461</u>	<u>14,336</u>
Total Net Position	<u>\$ 11,461,855</u>	<u>\$ 88,655</u>	<u>\$ 11,550,510</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, 2017**

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
<b>Governmental Activities</b>							
Instruction							
Regular	\$ 10,907,301	\$ 35,648	\$ 4,083,950		\$ (6,787,703)		\$ (6,787,703)
Special Education	5,877,087		2,371,562		(3,505,525)		(3,505,525)
Other Instruction	412,351		157,154		(255,197)		(255,197)
School Sponsored Activities and Athletics	595,774				(595,774)		(595,774)
Support Services							
Student and Instruction Related Services	2,749,843		730,778		(2,019,065)		(2,019,065)
General Administrative Services	1,220,821		87,098		(1,133,723)		(1,133,723)
School Administrative Services	1,312,161		320,414		(991,747)		(991,747)
Plant Operations and Maintenance	2,694,060		72,830	-	(2,621,230)		(2,621,230)
Pupil Transportation	892,247		53,489		(838,758)		(838,758)
Central Services	466,731				(466,731)		(466,731)
Interest on Long-Term Debt and Other Charges	97,365	-	-	-	(97,365)	-	(97,365)
<b>Total Governmental Activities</b>	<b>27,225,741</b>	<b>35,648</b>	<b>7,877,275</b>	<b>-</b>	<b>(19,312,818)</b>	<b>-</b>	<b>(19,312,818)</b>
<b>Business-Type Activities</b>							
Food Service	477,875	200,050	297,283			\$ 19,458	19,458
Other Nonmajor Program - Summer Recovery	43,742	30,125	-	-	-	(13,617)	(13,617)
<b>Total Business-Type Activities</b>	<b>521,617</b>	<b>230,175</b>	<b>297,283</b>	<b>-</b>	<b>-</b>	<b>5,841</b>	<b>5,841</b>
<b>Total Primary Government</b>	<b>\$ 27,747,358</b>	<b>\$ 265,823</b>	<b>\$ 8,174,558</b>	<b>\$ -</b>	<b>(19,312,818)</b>	<b>5,841</b>	<b>(19,306,977)</b>
<b>General Revenues</b>							
Property Taxes, General					14,180,378		14,180,378
Property Taxes, Debt Service					631,250		631,250
State - Unrestricted					4,773,016		4,773,016
Miscellaneous Income					80,489	894	81,383
<b>Total General Revenues</b>					<b>19,665,133</b>	<b>894</b>	<b>19,666,027</b>
Transfers					(13,098)	13,098	-
<b>Change in Net Position</b>					<b>339,217</b>	<b>19,833</b>	<b>359,050</b>
Net Position, Beginning of Year					11,122,638	68,822	11,191,460
<b>Net Position, End of Year</b>					<b>\$ 11,461,855</b>	<b>\$ 88,655</b>	<b>\$ 11,550,510</b>

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

**FUND FINANCIAL STATEMENTS**

**BOGOTA BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
AS OF JUNE 30, 2017**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
<b>ASSETS</b>					
Cash	\$ 6,010,503	\$ 5,698	\$ 846,458	\$ 45,218	\$ 6,907,877
Due from Other Funds	446,990				446,990
Receivables from Other Governments	56,397	164,142			220,539
Receivables- Other	14,573	408	-	-	14,981
	<u>6,528,463</u>	<u>170,248</u>	<u>846,458</u>	<u>45,218</u>	<u>7,590,387</u>
Total Assets	<u>\$ 6,528,463</u>	<u>\$ 170,248</u>	<u>\$ 846,458</u>	<u>\$ 45,218</u>	<u>\$ 7,590,387</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities					
Accounts Payable	\$ 982,422	\$ 110,952	\$ 287,050		\$ 1,380,424
Due to Other Funds	16,010				16,010
Payable to State Government		48,902			48,902
Unearned Revenue	1,258,147	10,394	-	-	1,268,541
	<u>2,256,579</u>	<u>170,248</u>	<u>287,050</u>	<u>-</u>	<u>2,713,877</u>
Total Liabilities	<u>2,256,579</u>	<u>170,248</u>	<u>287,050</u>	<u>-</u>	<u>2,713,877</u>
Fund Balances					
Restricted					
Capital Reserve	2,037,335				2,037,335
Capital Reserve-Designated for Subsequent Year's Budget	364,168				364,168
Emergency Reserve-Designated for Subsequent Year's Budget	250,000				250,000
Maintenance Reserve	101,735				101,735
Excess Surplus Designated for Subsequent Year's Budget	625,788				625,788
Excess Surplus	700,000				700,000
Capital Projects			559,408		559,408
Debt Service				\$ 45,218	45,218
Committed					
Encumbrances	56,388				56,388
Assigned					
Designated for Subsequent Year's Budget	356,845				356,845
ARRA/SEMI	964				964
Unassigned					
General Fund	(221,339)	-	-	-	(221,339)
	<u>4,271,884</u>	<u>-</u>	<u>559,408</u>	<u>45,218</u>	<u>4,876,510</u>
Total Fund Balances	<u>4,271,884</u>	<u>-</u>	<u>559,408</u>	<u>45,218</u>	<u>4,876,510</u>
Total Liabilities and Fund Balances	<u>\$ 6,528,463</u>	<u>\$ 170,248</u>	<u>\$ 846,458</u>	<u>\$ 45,218</u>	

**BOGOTA BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
AS OF JUNE 30, 2017**

<b>Total Fund Balances (Exhibit B-1)</b>	<b>\$</b>	<b>4,876,510</b>
<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 \$19,298,529 and the accumulated depreciation is \$7,233,082.</p>		12,065,447
<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>		(62,494)
<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>		120,182
<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>		
Deferred Outflows of Resources		1,053,765
<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>		
Bonds Payable (net)	(3,785,513)	
Compensated Absences	(144,691)	
Net Pension Liability	(2,661,351)	
		(6,591,555)
<b>Net Position of Governmental Activities (Exhibit A-1)</b>	<b>\$</b>	<b><u>11,461,855</u></b>

**BOGOTA BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
<b>REVENUES</b>					
Local Sources					
Property Tax Levy	\$ 14,180,378			\$ 631,250	\$ 14,811,628
Miscellaneous	116,137	\$ 2,905	-	-	119,042
<b>Total - Local Sources</b>	<b>14,296,515</b>	<b>2,905</b>	<b>-</b>	<b>631,250</b>	<b>14,930,670</b>
State Sources	8,009,775	187,329			8,197,104
Federal Sources	44,511	716,780	-	-	761,291
<b>Total Revenues</b>	<b>22,350,801</b>	<b>907,014</b>	<b>-</b>	<b>631,250</b>	<b>23,889,065</b>
<b>EXPENDITURES</b>					
Current					
Regular Instruction	8,121,367	347,578			8,468,945
Special Education Instruction	4,823,928	443,544			5,267,472
Other Instruction	312,507				312,507
School-Sponsored Activities and Athletics	566,947				566,947
Support Services					
Student and Instruction Related Services	2,228,065	115,892			2,343,957
General Administrative Services	1,155,139				1,155,139
School Administrative Services	1,093,249				1,093,249
Plant Operations and Maintenance	2,147,412				2,147,412
Pupil Transportation	884,728				884,728
Central Services	439,035				439,035
Debt Service					
Principal				490,000	490,000
Interest and Other Charges				141,250	141,250
Capital Outlay	139,182	-	\$ 833,308	-	972,490
<b>Total Expenditures</b>	<b>21,911,559</b>	<b>907,014</b>	<b>833,308</b>	<b>631,250</b>	<b>24,283,131</b>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	439,242	-	(833,308)	-	(394,066)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In			1,376,195		1,376,195
Transfers Out	(1,389,293)	-	-	-	(1,389,293)
<b>Total Other Financing Sources (Uses)</b>	<b>(1,389,293)</b>	<b>-</b>	<b>1,376,195</b>	<b>-</b>	<b>(13,098)</b>
<b>Net Change in Fund Balances</b>	<b>(950,051)</b>	<b>-</b>	<b>542,887</b>	<b>-</b>	<b>(407,164)</b>
Fund Balance, Beginning of Year	5,221,935	-	16,521	45,218	5,283,674
Fund Balance, End of Year	\$ 4,271,884	\$ -	\$ 559,408	\$ 45,218	\$ 4,876,510

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, 2017**

**Net Change in Fund Balances - Governmental Funds (Exhibit B-2)** **\$ (407,164)**

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	\$ 972,490	
Depreciation Expense	<u>(523,073)</u>	
	-	449,417

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

Decrease in Compensated Absences	23,154	
Increase in Pension Expense	<u>(260,075)</u>	
		(236,921)

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

Principal Repayments		
Bonds Payable		490,000

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

Amortization of Bond Premiums	70,100	
Amortization of Deferred Amount on Refunding	<u>(30,706)</u>	
		39,394

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

Decrease in Accrued Interest		<u>4,491</u>
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**Change in Net Position of Governmental Activities (Exhibit A-2)** **\$ 339,217**

**BOGOTA BOARD OF EDUCATION  
 PROPRIETARY FUNDS  
 STATEMENT OF NET POSITION  
 AS OF JUNE 30, 2017**

	<b>Business-Type Activities</b>		<b>Total Enterprise Funds</b>
	<b>Major Program Food Service</b>	<b>Other Nonmajor Program Summer Recovery</b>	
<b>ASSETS</b>			
Current Assets			
Cash	\$ 22,134	\$ 109,640	\$ 131,774
Intergovernmental Receivable:			
State	2,001		2,001
Federal	103,814		103,814
Other Accounts Receivable	31,621	2,930	34,551
Inventories	5,836	-	5,836
<b>Total Current Assets</b>	<b>165,406</b>	<b>112,570</b>	<b>277,976</b>
Capital Assets			
Equipment	110,867		110,867
Less: Accumulated Depreciation	(82,673)	-	(82,673)
<b>Total Capital Assets, Net</b>	<b>28,194</b>	<b>-</b>	<b>28,194</b>
<b>Total Assets</b>	<b>193,600</b>	<b>112,570</b>	<b>306,170</b>
<b>LIABILITIES</b>			
Current Liabilities			
Accounts Payable	5,731		5,731
Due to Other Funds	93,361	99,570	192,931
Unearned Revenue	3,436	13,000	16,436
<b>Total Current Liabilities</b>	<b>102,528</b>	<b>112,570</b>	<b>215,098</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Commodities Revenue	2,417	-	2,417
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>104,945</b>	<b>112,570</b>	<b>217,515</b>
<b>NET POSITION</b>			
Investment in Capital Assets	28,194		28,194
Unrestricted	60,461	-	60,461
<b>Total Net Position</b>	<b>\$ 88,655</b>	<b>\$ -</b>	<b>\$ 88,655</b>

**BOGOTA BOARD OF EDUCATION  
PROPRIETARY FUNDS  
STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Business-Type Activities		Total Enterprise Funds
	Major Program Food Service	Other Nonmajor Program Summer Recovery	
<b>OPERATING REVENUES</b>			
Charges for Services			
Daily Sales -			
Reimbursable Programs	\$ 110,821		\$ 110,821
Non-Reimbursable Programs	89,229		89,229
Charges and Fees	-	\$ 30,125	30,125
 Total Operating Revenues	 200,050	 30,125	 230,175
<b>OPERATING EXPENSES</b>			
Cost of Sales			
Reimbursable Programs	190,502		190,502
Non-Reimbursable Programs	29,063		29,063
Salaries and Employee Benefits	202,744	43,742	246,486
Supplies and Materials	13,688		13,688
Insurance	11,287		11,287
Depreciation	5,668		5,668
Management Fee	15,249		15,249
Other Purchased Services	9,674	-	9,674
 Total Operating Expenses	 477,875	 43,742	 521,617
Operating (Loss)	(277,825)	(13,617)	(291,442)
<b>NONOPERATING REVENUES</b>			
Interest Earnings	375	519	894
State Sources			
School Lunch Program	5,071		5,071
Federal Sources			
National School Lunch Program	219,368		219,368
National School Breakfast Program	37,075		37,075
USDA Commodities- Non Cash Assistance	35,769	-	35,769
 Total Nonoperating Revenues	 297,658	 519	 298,177
Net Income (Loss) Before Transfers	19,833	(13,098)	6,735
Transfers			
Transfers In	-	13,098	13,098
Change in Net Position	19,833	-	19,833
Net Position, Beginning of Year	68,822	-	68,822
Net Position, End of Year	\$ 88,655	\$ -	\$ 88,655



**BOGOTA BOARD OF EDUCATION  
PROPRIETARY FUNDS  
STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<b>Business-Type Activities</b>		
	<b>Major Program Food Service</b>	<b>Other Nonmajor Program Summer Recovery</b>	<b>Total Enterprise Funds</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash Received from Customers	\$ 197,169	\$ 40,195	\$ 237,364
Cash Payments for Employees' Salaries and Benefits	(202,744)	(43,742)	(246,486)
Cash Payments to Suppliers for Goods and Services	(226,955)	-	(226,955)
Net Cash (Used for) Operating Activities	(232,530)	(3,547)	(236,077)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Cash Received from State and Federal Subsidy Reimbursements	205,444	-	205,444
Cash Received from Other Funds	-	112,668	112,668
Net Cash Provided by Noncapital Financing Activities	205,444	112,668	318,112
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest Earnings	375	519	894
Net Cash Provided by Investing Activities	375	519	894
Net Change in Cash and Cash Equivalents	(26,711)	109,640	82,929
Cash and Cash Equivalents, Beginning of Year	48,845	-	48,845
Cash and Cash Equivalents, End of Year	\$ 22,134	\$ 109,640	\$ 131,774
<b>RECONCILIATION OF OPERATING (LOSS) TO NET CASH (USED FOR) OPERATING ACTIVITIES</b>			
Operating (Loss)	\$ (277,825)	\$ (13,617)	\$ (291,442)
Adjustments to Reconcile Operating (Loss) to Net Cash Used for Operating Activities			
Depreciation	5,668		5,668
USDA Commodities- Non Cash Assistance	35,769		35,769
Change in Assets and Liabilities			
Increase/(Decrease) in Deferred Commodities Revenue	1,021		1,021
Increase/(Decrease) in Accounts Payable	5,731		5,731
Increase/(Decrease) in Unearned Revenue	463	13,000	13,463
(Increase)/Decrease in Other Accounts Receivable	(3,344)	(2,930)	(6,274)
(Increase)/Decrease in Inventory	(13)	-	(13)
Total Adjustments	45,295	10,070	55,365
Net Cash (Used for) Operating Activities	\$ (232,530)	\$ (3,547)	\$ (236,077)
Non-Cash Financing Activities			
Fair Value of Food Distribution Program - National School Lunch	\$ 36,790		\$ 36,790

**BOGOTA BOARD OF EDUCATION  
FIDUCIARY FUNDS  
STATEMENT OF FIDUCIARY NET POSITION  
AS OF JUNE 30, 2017**

	<b>Unemployment Compensation <u>Trust</u></b>	<b><u>Agency Fund</u></b>
<b>ASSETS</b>		
Cash	\$ 340,876	\$ 453,320
Due from Other Funds	<u>15,000</u>	<u>1,326</u>
Total Assets	<u>355,876</u>	<u>\$ 454,646</u>
<b>LIABILITIES</b>		
Payroll Deductions and Withholdings		\$ 105,872
Accrued Salaries and Wages		15,107
Intergovernmental Payable	14,110	
Due to Other Funds	316	254,059
Due to Student Groups	<u>-</u>	<u>79,608</u>
Total Liabilities	<u>14,426</u>	<u>\$ 454,646</u>
<b>NET POSITION</b>		
Held in Trust for Unemployment Claims	<u>\$ 341,450</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, 2017**

	<b>Unemployment Compensation <u>Trust</u></b>
<b>ADDITIONS</b>	
Contributions	
Employees	\$ 17,190
Interest Earned	<u>1,548</u>
Total Additions	<u>18,738</u>
 <b>DEDUCTIONS</b>	
Unemployment Claims and Contributions	<u>37,171</u>
Total Deductions	<u>37,171</u>
Change in Net Position	(18,433)
Net Position, Beginning of Year	<u>359,883</u>
Net Position, End of Year	<u>\$ 341,450</u>

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

**NOTES TO THE FINANCIAL STATEMENTS**

**BOGOTA BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**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 2017, the District adopted the following GASB statements as required:

- 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*. 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. 77, *Tax Abatement Disclosures*. 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. 80, *Blending Requirements for Certain Component Units – An Amendment of GASB Statement No. 14*. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14. *The Financial Reporting Entity, as amended*.

**BOGOTA BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

**B. New Accounting Standards (Continued)**

- GASB No. 82, *Pension Issues – An Amendment of GASB Statements No. 67, No. 68, and No. 73*. 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.

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

- 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. 84, *Fiduciary Activities*, will be effective with the fiscal year ending June 30, 2020. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement established criteria for identifying fiduciary activities of all state and local governments.
- GASB No. 85, *Omnibus 2017*, will be effective with the fiscal year ending June 30, 2018. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and post-employment benefits (pensions and other post-employment benefits (OPEB)).
- GASB No. 86, *Certain Debt Extinguishment Issues*, will be effective with the fiscal year ending June 30, 2018. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources – resources other than the proceeds of refunding debt are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance.
- GASB No. 87, *Leases*, will be effective with the fiscal year ending June 30, 2021. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.

**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, 2017**

**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. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. The District considers all of its governmental funds to be major funds. The District considers the food service enterprise fund to be major fund and the summer recovery enterprise fund to be nonmajor fund.

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, 2017**

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

**C. Basis of Presentation - Financial Statements (Continued)**

**Fund Financial Statements (Continued)**

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

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

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

The *summer recovery fund* accounts for the activities of the District's summer recovery program which provides remedial courses for students in or out of the District.

Additionally, the government reports the following fund types:

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

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

**Reclassifications**

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

**D. Measurement Focus and Basis of Accounting**

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

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



**BOGOTA BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

**D. Measurement Focus and Basis of Accounting (Continued)**

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

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

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.

**BOGOTA BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**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**

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 acquisition 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.

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
Site Improvements	10-20
Office Equipment and Furniture	10-20
Computer Equipment	5
Vehicles	8-15

**5. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The 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 additions 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 government has only one type of item, which arises only under the accrual basis of accounting that qualifies for reporting in this category. It 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.

**BOGOTA BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**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 unused 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. Losses resulting from debt refundings are classified as deferred outflows of resources. Bond premiums are deferred and amortized over the life of the bonds using the effective interest method. 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 including the unamortized bond premium.

**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.

**BOGOTA BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**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**

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 2017/2018 District budget certified for taxes.

Emergency Reserve Designated for Subsequent Year's Budget – This designation was created to dedicate the portion of emergency reserve fund balance appropriated in the adopted 2017/2018 District budget certified for taxes. (See Note 2F).

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. (See Note 2E).

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

Excess Surplus – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2017 audited excess surplus that is required to be appropriated in the 2018/2019 original budget certified for taxes.

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.

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

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

**BOGOTA BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**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)**

**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 2017/2018 District budget certified for taxes.

*ARRA/SEMI* – This designation was created to dedicate the portion of the ARRA/SEMI revenue that is unexpended at June 30, 2017.

**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.

***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 1<sup>st</sup> in the year following the calendar year levy when the same became in arrears, the tax collector of the municipality shall, subject to the provisions of New Jersey Statute, enforce the lien by placing the property on a tax sale. The municipality may institute annual “in rem” tax foreclosure proceedings to enforce the tax collection or acquisition of title to the property.

***3. 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 2015-2016 and 2016-2017 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.

**BOGOTA BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

**F. Revenues and Expenditures/Expenses (Continued)**

**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 fund and summer recovery enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. Federal and State subsidies for the food service operation are considered nonoperating revenues.

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgetary Information**

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

The annual budget is adopted in the spring of the preceding year for the general, special revenue and debt service funds. The District is not required to adopt an annual budget for the capital projects fund. The budget is submitted to the county superintendent for review and approval prior to adoption. 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 2016/2017. Also, during 2016/2017 the Board increased the original budget by \$1,532,880. The increase was funded by the transfer of capital reserve and maintenance reserve funds, prior year extraordinary aid, 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.

**BOGOTA BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

**A. Budgetary Information (Continued)**

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>
Capital Projects Fund			
Bixby School Lintel Replacements and Associated Masonry and Roof Wall Purchased Professional and Technical Services	\$ -	\$14,375	\$(14,375)

The above variance was financed by a Capital Reserve account withdrawal approved by the Board on July 18, 2017.

**C. Deficit Fund Equity**

The District has an unassigned fund balance deficit of \$221,339 in the General Fund as of June 30, 2017 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 2016/2017 budgeted state aid payments in the subsequent fiscal year, the school district cannot recognize such payments on the GAAP (fund) financial statements until the year the State records the payable. Due to the timing difference of recording these delayed state aid payments, the General Fund deficits does not alone indicate that the District is facing financial difficulties; however, unless the State of New Jersey budgets the delayed payments in future years, the District may also report fund 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 General Fund deficit in the GAAP (fund) financial statements of \$221,339 is less than the delayed state aid payments and state aid advance payment balance at June 30, 2017.

**BOGOTA BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

**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, 2017 is as follows:

Balance, July 1, 2016		\$ 3,293,028
Increased by		
Interest Earnings	\$ 500	
Deposits Approved by Board Resolution	<u>484,170</u>	
Total Increases		<u>484,670</u>
		3,777,698
Withdrawals		
Approved in District Budget	700,000	
Approved by Board Resolution	<u>676,195</u>	
Total Withdrawals		<u>1,376,195</u>
Balance, June 30, 2017		<u>\$ 2,401,503</u>

The withdrawals from the capital reserve were for use in a department approved facilities project, consistent with the district's Long Range Facilities Plan. The Board appropriated \$364,168 of the Capital Reserve balance to fund various capital projects included in the 2017/2018 District's budget. In addition on July 18, 2017, the Board appropriated \$343,500 from the Capital Reserve account to fund the Bixby School Lintel Replacement project.

**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.



**BOGOTA BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

**E. Maintenance Reserve (Continued)**

The activity of the maintenance reserve for the fiscal year ended June 30, 2017 is as follows:

Balance, July 1, 2016	\$ 500,000
Increased by	
Unexpended Maintenance Project Funded by Maintenance Reserve	<u>540</u>
	500,540
Withdrawals	
Approved by Board Resolution	<u>398,805</u>
Balance, June 30, 2017	<u>\$ 101,735</u>

The June 30, 2017 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$995,480. The withdrawals from the maintenance reserve were for use in required maintenance activities for school facilities.

**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 or the withdrawal is included in the original budget certified for taxes to finance school security improvements to school facilities pursuant to 18A:7G-6(c)1. 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, 2017 is as follows:

Balance, July 1, 2016	<u>\$ 250,000</u>
Balance, June 30, 2017	<u>\$ 250,000</u>

The Board appropriated \$250,000 of the Emergency Reserve balance in the District's 2017/2018 budget.

**BOGOTA BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

**G. Transfers to Capital Outlay**

During the 2016/2017 school year, the district transferred \$84,406 to the capital outlay equipment accounts.

**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, 2017 is \$1,325,788. Of this amount, \$625,788 was designated and appropriated in the 2017/2018 original budget certified for taxes and the remaining amount of \$700,000 will be appropriated in the 2018/2019 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), National Credit Union Share Insurance Fund (NCUSIF), 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. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2017, the book value of the Board's deposits were \$7,833,847 and bank and brokerage firm balances of the Board's deposits amounted to \$9,062,705. The Board's deposits which are displayed on the various fund balance sheets as "cash" are categorized as:

**Depository Account**

Insured	\$ <u>9,062,705</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, 2017 the Board has no bank balances expensed to custodial credit risk.

**BOGOTA BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**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, 2017, the Board had no outstanding investments.

Interest Rate Risk – The Board does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – State law limits investments as noted above (N.J.S.A. 18A:20-37). The District does not have an investment policy that would further limit its investment choices.

Concentration of Credit Risk – The Board places no limit in the amount the District may invest in any one issuer.

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, 2017 for the district’s individual major and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Food Service</u>	<u>Summer Recovery</u>	<u>Total</u>
Receivables:					
Intergovernmental -					
Federal		\$164,142	\$103,814		\$ 267,956
State	\$ 28,834		2,001		30,835
Local	27,563				27,563
Other	<u>14,573</u>	<u>408</u>	<u>31,621</u>	<u>\$ 2,930</u>	<u>49,532</u>
Gross Receivables	70,970	164,550	137,436	2,930	375,886
Less: Allowance for Uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Total Receivables	<u>\$ 70,970</u>	<u>\$164,550</u>	<u>\$137,436</u>	<u>\$ 2,930</u>	<u>\$ 375,886</u>

**BOGOTA BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**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:

General Fund	
Prepaid Property Tax Levy	\$ 1,258,147
Special Revenue Fund	
Unencumbered Grant Draw Downs	<u>10,394</u>
Total Unearned Revenue for Governmental Funds	<u>\$ 1,268,541</u>

**D. Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2017 was as follows:

	Balance, July 1, 2016	Increases	Decreases	Transfers	Balance, June 30, 2017
<b>Governmental Activities:</b>					
Capital Assets, Not Being Depreciated:					
Land	\$ 69,852				\$ 69,852
Construction in Progress	<u>43,746</u>	\$ 490,783	-	\$ (43,746)	<u>490,783</u>
Total Capital Assets, Not Being Depreciated	<u>113,598</u>	<u>490,783</u>	-	<u>(43,746)</u>	<u>560,635</u>
Capital Assets, Being Depreciated:					
Buildings	16,917,218	342,525		43,746	17,303,489
Improvements Other Than Buildings	87,706				87,706
Machinery and Equipment	<u>1,209,517</u>	<u>139,182</u>	(2,000)	-	<u>1,346,699</u>
Total Capital Assets Being Depreciated	<u>18,214,441</u>	<u>481,707</u>	(2,000)	<u>43,746</u>	<u>18,737,894</u>
Less Accumulated Depreciation for:					
Buildings	(5,520,243)	(464,327)			(5,984,570)
Improvements Other Than Buildings	(85,183)	(406)			(85,589)
Machinery and Equipment	<u>(1,106,583)</u>	<u>(58,340)</u>	2,000	-	<u>(1,162,923)</u>
Total Accumulated Depreciation	<u>(6,712,009)</u>	<u>(523,073)</u>	2,000	-	<u>(7,233,082)</u>
Total Capital Assets, Being Depreciated, Net	<u>11,502,432</u>	<u>(41,366)</u>	-	<u>43,746</u>	<u>11,504,812</u>
Governmental Activities Capital Assets, Net	<u>\$ 11,616,030</u>	<u>\$ 449,417</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,065,447</u>

**BOGOTA BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

**D. Capital Assets (Continued)**

	Balance, July 1, 2016	Increases	Decreases	Balance, June 30, 2017
<b>Business-Type Activities:</b>				
Capital Assets, Being Depreciated:				
Machinery and Equipment	\$ 110,867	-	-	\$ 110,867
Total Capital Assets Being Depreciated	<u>110,867</u>	<u>-</u>	<u>-</u>	<u>110,867</u>
Less Accumulated Depreciation for:				
Machinery and Equipment	(77,005)	\$ (5,668)	-	(82,673)
Total Accumulated Depreciation	<u>(77,005)</u>	<u>(5,668)</u>	<u>-</u>	<u>(82,673)</u>
Total Capital Assets, Being Depreciated, Net	<u>33,862</u>	<u>(5,668)</u>	<u>-</u>	<u>28,194</u>
Business-Type Activities Capital Assets, Net	<u>\$ 33,862</u>	<u>\$ (5,668)</u>	<u>\$ -</u>	<u>\$ 28,194</u>

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

**Governmental Activities:**

Instruction	
Regular	\$ 26,009
Total Instruction	<u>26,009</u>
Support Services	
Student and Instruction Related Services	10,931
General Administration	600
School Administration	2,160
Plant Operations and Maintenance	<u>483,373</u>
Total Support Services	<u>497,064</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 523,073</u>
<b>Business-Type Activities:</b>	
Food Service Fund	\$ 5,668
Total Depreciation Expense-Business-Type Activities	<u>\$ 5,668</u>

**BOGOTA BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

**D. Capital Assets (Continued)**

**Construction and Other Significant Commitments**

The District has the following active construction projects as of June 30, 2017:

<u>Project</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Bogota High School Gym Floor Project		\$ 177,000
Boiler Upgrades at Bogota High School, Steen Elementary School and Bixby Elementary School	\$ 124,688	170,813
Site Improvements at Bogota High School	44,100	95,900
	<u>\$ 168,788</u>	<u>\$ 443,713</u>

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

The composition of interfund balances as of June 30, 2017, is as follows:

**Due to/from Other Funds**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Agency Fund	254,059
General Fund	Food Service Fund	93,361
General Fund	Summer Recovery Fund	99,570
Unemployment Compensation Fund	General Fund	15,000
Student Activity Fund	General Fund	1,010
Agency Fund	Unemployment Compensation Fund	316
Total		<u>\$ 463,316</u>

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

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

**BOGOTA BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

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

**Interfund transfers**

	<u>Transfer In:</u>		
	<u>Capital Projects</u>	<u>Summer Recovery</u>	<u>Total</u>
<u>Transfer Out:</u>			
General Fund	\$ 1,376,195	\$ 13,098	\$ 1,389,293
	<u>\$ 1,376,195</u>	<u>\$ 13,098</u>	<u>\$ 1,389,293</u>

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

**F. Leases**

**Operating Leases**

The District leases copiers under noncancelable operating leases. Lease payments for the fiscal year ended June 30, 2017 were \$30,626. The future minimum lease payments for these operating leases are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Governmental Activities</u>
2018	\$ 37,184
2019	37,184
2020	37,184
2021	37,184
2022	<u>34,085</u>
Present value of minimum lease payments	<u>\$ 182,821</u>

**BOGOTA BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**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, 2017 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 3.00% to 4.00% \$3,535,000

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

**Governmental Activities:**

Fiscal Year Ending June 30,	<u>Serial Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
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	500,000	51,400	551,400
2023-2024	<u>1,035,000</u>	<u>41,300</u>	<u>1,076,300</u>
	<u>\$ 3,535,000</u>	<u>\$ 495,575</u>	<u>\$ 4,030,575</u>

**Statutory Borrowing Power**

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2017 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 28,489,483
Less: Net Debt	<u>3,535,000</u>
Remaining Borrowing Power	<u>\$ 24,954,483</u>



**BOGOTA BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**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, 2017, was as follows:

	<u>Balance, July 1, 2016</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance, June 30, 2017</u>	<u>Due Within One Year</u>
<b>Governmental Activities:</b>					
Bonds Payable	\$ 4,025,000	\$ -	\$ 490,000	\$ 3,535,000	\$ 505,000
Add: Unamortized Premium	<u>320,613</u>	<u>-</u>	<u>70,100</u>	<u>250,513</u>	<u>\$ -</u>
Sub-total Bonds Payable	4,345,613	-	560,100	3,785,513	505,000
Compensated Absences	167,845	\$ 28,324	51,478	144,691	
Net Pension Liability	<u>1,745,798</u>	<u>995,382</u>	<u>79,829</u>	<u>2,661,351</u>	<u>-</u>
Governmental Activity Long-Term Liabilities	<u>\$ 6,259,256</u>	<u>\$ 1,023,706</u>	<u>\$ 691,407</u>	<u>\$ 6,591,555</u>	<u>\$ 505,000</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 has obtained commercial insurance coverage to guard against these events to minimize the exposure to the District should they occur. A complete schedule of insurance coverage can be found in the statistical section of this Comprehensive Annual Financial Report.

The District is a member of the New Jersey Schools Insurance Group (NJSIF) 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.

**BOGOTA BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 4 OTHER INFORMATION (Continued)**

**A. Risk Management (Continued)**

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

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

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

<u>Fiscal Year Ended</u> <u>June 30,</u>	<u>Employer</u> <u>Contributions</u>	<u>Employee</u> <u>Contributions</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2017		\$ 17,190	\$ 37,171	\$ 341,450
2016	\$ 1,967	29,150	61,590	359,883
2015	148,290	25,231	33,872	389,575

**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, 2017, 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, 2017 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, 2017**

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

**BOGOTA BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**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](http://www.state.nj/treasury/doinvest).

**Funding Status and Funding Progress**

As of July 1, 2015, the most recent actuarial valuation date, the aggregate funded ratio for the State administered TPAF and local PERS retirement systems, is 28 percent with an unfunded actuarial accrued liability of \$108.6 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded TPAF system is 22.33 percent and \$79.0 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS is 40.14 percent and \$29.6 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, 2015 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 7.65 percent and (b) projected salary increases applied through the year 2026 of 1.65-5.15 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, 2017**

**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 7.06% for PERS, 7.06% 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, 2017 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, 2017, 2016 and 2015 the Board was required to contribute for PERS and DCRP and the State of New Jersey was required to contribute for TPAF, respectively for normal cost pension and accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Year Ended June 30,	PERS	On-Behalf TPAF	DCRP
2017	\$ 79,829	\$ 823,435	\$ 4,625
2016	66,862	611,236	3,166
2015	55,225	390,462	1,469

In addition for fiscal year 2016/2017 the District contributed \$2,006 for PERS and the State contributed \$2,004 for TPAF for Long Term Disability Insurance Premium (LTDI).

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 \$573,533 during the fiscal year ended June 30, 2017 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, 2017**

**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, 2017, the District reported in the statement of net position (accrual basis) a liability of \$2,661,351 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2016 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, 2016, the District's proportionate share was .00899 percent, which was an increase of .00122 percent from its proportionate share measured as of June 30, 2015 of .00777 percent.

For the fiscal year ended June 30, 2017, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$339,904 for PERS. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Difference Between Expected and Actual Experience	\$ 49,493	
Changes of Assumptions	551,290	
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	101,480	
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>351,502</u>	<u>\$ -</u>
Total	<u>\$ 1,053,765</u>	<u>\$ -</u>

At June 30, 2017, the 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>	<u>Total</u>
2018	\$ 233,747
2019	233,747
2020	233,747
2021	233,747
2022	118,777
Thereafter	<u>-</u>
	<u>\$ 1,053,765</u>

**BOGOTA BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**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 District's total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	3.08%
Salary Increases:	
Through 2026	1.65-4.15% Based on Age
Thereafter	2.65-5.15% Based on Age
Investment Rate of Return	7.65%
Mortality Rate Table	RP-2000

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

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014.

**BOGOTA BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**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, 2016 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%	0.87%
U.S. Treasuries	1.50%	1.74%
Investment Grade Credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation-Indexed Bonds	1.50%	3.44%
Broad US Equities	26.00%	8.53%
Developed Foreign Equities	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds/Absolute Return	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	0.50%	5.45%
Global Debt ex US	5.00%	-0.25%
REIT	5.25%	5.63%

***Discount Rate***

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

<u>Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2017	June 30, 2016	3.98%





**BOGOTA BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**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, 2017, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$4,512,426 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, 2017 the State's proportionate share of the net pension liability attributable to the District is \$60,056,703. 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, 2016. At June 30, 2016, the state's share of the net pension liability attributable to the District was .07634 percent, which was an increase of .00412 percent from its proportionate share measured as of June 30, 2015 of .07222 percent.

**Actuarial Assumptions**

The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. 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	7.65%

Assumptions for mortality rates were based on the experience of TPAF members reflecting mortality improvement on a generational bases based on a 60-year average of Social Security data from 1953 to 2013.

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

**BOGOTA BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**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, 2016 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%	0.39%
US Government Bonds	1.50%	1.28%
US Credit Bonds	13.00%	2.76%
US Mortgages	2.00%	2.38%
US Inflation-Indexed Bonds	1.50%	1.41%
US High Yield Bonds	2.00%	4.70%
US Equity Market	26.00%	5.14%
Foreign-Developed Equity	13.25%	5.91%
Emerging Markets Equity	6.50%	8.16%
Private Real Estate Property	5.25%	3.64%
Timber	1.00%	3.86%
Farmland	1.00%	4.39%
Private Equity	9.00%	8.97%
Commodities	0.50%	2.87%
Hedge Funds - MultiStrategy	5.00%	3.70%
Hedge Funds - Equity Hedge	3.75%	4.72%
Hedge Funds - Distressed	3.75%	3.49%

**BOGOTA BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**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 was as follows:

<u>Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2017	June 30, 2016	3.22%

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, 2029
Municipal Bond Rate *	From July 1, 2029 and Thereafter

\* The municipal bond return rate used is 2.85% as of the measurement date of June 30, 2016. 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 3.22% 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 (2.22 percent) or 1-percentage-point higher (4.22 percent) than the current rate:

	<b>1% Decrease (<u>2.22%</u>)</b>	<b>Current Discount Rate (<u>3.22%</u>)</b>	<b>1% Increase (<u>4.22%</u>)</b>
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	\$ <u>71,721,125</u>	\$ <u>60,056,703</u>	\$ <u>50,531,197</u>

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District at June 30, 2016. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2016 was not provided by the pension system.

**BOGOTA BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**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](http://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 584 state and local participating employers and contributing entities for Fiscal Year 2016.

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

**BOGOTA BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**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, 2015, the most recent actuarial valuation date, the State had a \$84.3 billion unfunded actuarial accrued liability for other post-employment benefits (OPEB) which is made up to \$25.9 billion for state active and retired members and \$41.6 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, 2015, OPEB actuarial valuation, the projected unit credit was used as the actuarial cost method, and the market value was used as asset valuation method for the OPEB. The actuarial assumptions included 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, 2017**

**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, 2016, there were 110,512, retirees receiving post-retirement medical benefits and the State contributed \$1.37 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 (ABP) who retired from a board of education or county college with 25 years of service. The State paid \$231.2 million toward Chapter 126 benefits for 20,045 eligible retired members in Fiscal Year 2016.

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, 2017, 2016 and 2015 were \$686,108, \$727,814 and \$618,859, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey.

**F. Tax Abatements**

As defined by the Governmental Accounting Standards Board (GASB), a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential school tax revenue must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

For Bogota Board of Education, the District's share of abated taxes resulting from the municipality having entered into a tax abatement agreement is indeterminate.

**REQUIRED SUPPLEMENTARY INFORMATION - PART II**



**BUDGETARY COMPARISONS**

**BOGOTA BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts			Actual	Variance
	Original	Adjustments	Final		Final To
<b>REVENUES</b>					
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				21,025	\$ 21,025
Tuition				35,648	35,648
Miscellaneous	24,500	-	24,500	58,964	34,464
<b>Total Local Sources</b>	<b>14,205,378</b>	<b>-</b>	<b>14,205,378</b>	<b>14,296,515</b>	<b>91,137</b>
State Sources					
Special Education Aid	764,979		764,979	764,979	
Equalization Aid	4,656,232		4,656,232	4,656,232	
Transportation Aid	53,824		53,824	53,824	
Security Aid	73,248		73,248	73,248	
Additional Adjustment Aid	80,476		80,476	80,476	
PARCC Readiness Aid	11,100		11,100	11,100	
Per Pupil Growth Aid	11,100		11,100	11,100	
Professional Learning Community Aid	11,230		11,230	11,230	
Extraordinary Aid	135,455		135,455	228,784	93,329
On-Behalf TPAF (Non-Budget)					
Normal Cost				794,643	794,643
NCGI Premium				28,792	28,792
Long-Term Disability Insurance Contributions				2,004	2,004
Post Retirement Medical Contributions				686,108	686,108
Social Security Contributions	-	-	-	573,533	573,533
<b>Total State Sources</b>	<b>5,797,644</b>	<b>-</b>	<b>5,797,644</b>	<b>7,976,053</b>	<b>2,178,409</b>
Federal Sources					
Medicaid Reimbursement	23,423		23,423	43,547	20,124
Medicaid Reimbursement - ARRA	-	-	-	964	964
<b>Total Federal Sources</b>	<b>23,423</b>	<b>-</b>	<b>23,423</b>	<b>44,511</b>	<b>21,088</b>
<b>Total Revenues</b>	<b>20,026,445</b>	<b>-</b>	<b>20,026,445</b>	<b>22,317,079</b>	<b>2,290,634</b>
<b>EXPENDITURES</b>					
<b>CURRENT</b>					
Instruction - Regular Programs					
Salaries of Teachers					
Kindergarten	213,134	\$ 15,826	228,960	228,960	-
Grades 1-5	2,127,687	(16,581)	2,111,106	2,110,508	598
Grades 6-8	795,929	(85,181)	710,748	709,913	835
Grades 9-12	1,890,037	206,776	2,096,813	2,096,813	-
Regular Programs - Home Instruction					
Salaries of Teachers	20,000	(13,995)	6,005	5,410	595
Purchased Professional -Educational Services	-	7,800	7,800	5,261	2,539
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	40,000	10,513	50,513	50,513	-
Purchased Professional -Educational Services	10,800	-	10,800	4,634	6,166
Other Purchased Services	11,545	3,000	14,545	6,164	8,381
General Supplies	386,739	4,104	390,843	346,495	44,348
Textbooks	49,184	(10,499)	38,685	28,033	10,652
Other Objects	-	-	-	-	-
<b>Total Regular Programs</b>	<b>5,545,055</b>	<b>121,763</b>	<b>5,666,818</b>	<b>5,592,704</b>	<b>74,114</b>

(Continued)

**BOGOTA BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts			Actual	Variance Final To Actual
	Original	Adjustments	Final		
<b>EXPENDITURES</b>					
<b>CURRENT (Continued)</b>					
Special Education (Continued)					
Learning and Language Disabilities					
Salaries of Teachers	\$ 215,823	\$ 142,511	\$ 358,334	\$ 358,126	\$ 208
Other Salaries for Instruction	100,000	(17,705)	82,295	82,295	
General Supplies	6,000	49	6,049	1,273	4,776
Total Learning and Language Disabilities	321,823	124,855	446,678	441,694	4,984
Multiple Disabilities					
Other Salaries for Instruction	-	353,360	353,360	353,360	-
Total Multiple Disabilities - Instruction	-	353,360	353,360	353,360	-
Resource Room/Resource Center					
Salaries of Teachers	706,359	61,414	767,773	767,773	-
Other Salaries for Instruction	60,000	62,438	122,438	122,438	-
General Supplies	15,000	(6,270)	8,730	8,535	195
Total Resource Room/Resource Center	781,359	117,582	898,941	898,746	195
Preschool Disabilities - Full Time					
Salaries of Teachers	136,155	(45,758)	90,397	90,397	-
Other Salaries for Instruction	80,000	(38,153)	41,847	41,847	-
General Supplies	1,500	(901)	599	599	-
Total Preschool Disabilities - Full Time	217,655	(84,812)	132,843	132,843	-
Total Special Education	1,320,837	510,985	1,831,822	1,826,643	5,179
Bilingual Education					
Salaries of Teachers	223,639	(6,231)	217,408	217,328	80
General Supplies	1,000	-	1,000	-	1,000
Total Bilingual Education	224,639	(6,231)	218,408	217,328	1,080
School Sponsored Co-Curricular Activities					
Salaries	90,000	(13,250)	76,750	76,750	-
Purchased Services	6,000	857	6,857	2,594	4,263
Supplies and Materials	12,600	(1,538)	11,062	10,438	624
Other Objects	15,900	(8,445)	7,455	7,398	57
Total School Sponsored Co-Curricular Activities	124,500	(22,376)	102,124	97,180	4,944
School Sponsored Athletics - Instruction					
Salaries	150,000	42,047	192,047	192,047	-
Purchased Services	115,700	(7,921)	107,779	95,838	11,941
Supplies and Materials	25,000	30,814	55,814	55,550	264
Other Objects	82,200	(8,341)	73,859	67,901	5,958
Total School Sponsored Athletics - Instruction	372,900	56,599	429,499	411,336	18,163
Total - Instruction	7,587,931	660,740	8,248,671	8,145,191	103,480

(Continued)

**BOGOTA BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts			Actual	Variance
	Original	Adjustments	Final		Final To Actual
<b>EXPENDITURES</b>					
<b>CURRENT (Continued)</b>					
Undistributed Expenditures					
Instruction					
Tuition to Other LEAs Within the State - Regular	\$ 20,000		\$ 20,000	\$ 20,000	\$ 20,000
Tuition to Other LEAs Within the State - Special	876,034		876,034	601,922	274,112
Tuition to County Vocational Schools- Regular	498,424	\$ (338,044)	160,380	147,191	13,189
Tuition to County Vocational Schools- Special	424,386	(1,695)	422,691	353,923	68,768
Tuition to CSSD and Regional Day Schools	617,102	-	617,102	483,742	133,360
Tuition Private School for the Disabled					
Within State	1,072,275	(6,481)	1,065,794	656,737	409,057
Tuition - Other	511,750	(214,260)	297,490	193,688	103,802
<b>Total Undistributed Expenditures - Instruction</b>	<b>4,019,971</b>	<b>(560,480)</b>	<b>3,459,491</b>	<b>2,437,203</b>	<b>1,022,288</b>
Health Services					
Salaries	213,610	15,909	229,519	229,125	394
Purchased Professional - Technical Services	13,000	(245)	12,755	12,747	8
Supplies and Materials	5,450	770	6,220	4,366	1,854
<b>Total Health Services</b>	<b>232,060</b>	<b>16,434</b>	<b>248,494</b>	<b>246,238</b>	<b>2,256</b>
Speech/Occupational Therapy/Physical Therapy and Related Svcs.					
Purchased Professional - Educational Services	535,675	13,201	548,876	528,810	20,066
General Supplies	4,000	(1,112)	2,888	1,194	1,694
Other Objects	2,509	-	2,509	1,055	1,454
<b>Total Speech/Occup. Therapy/Physical Therapy and Related Svcs.</b>	<b>542,184</b>	<b>12,089</b>	<b>554,273</b>	<b>531,059</b>	<b>23,214</b>
Other Supp. Serv. STD-Extra Serv.					
Salaries	140,000	(127,741)	12,259	-	12,259
<b>Total Other Supp. Serv. STD-Extra Serv.</b>	<b>140,000</b>	<b>(127,741)</b>	<b>12,259</b>	<b>-</b>	<b>12,259</b>
Guidance Services					
Salaries of Other Professional Staff	369,506	(13,700)	355,806	313,266	42,540
Other Salaries	1,200	-	1,200	200	1,000
Purchased Professional - Educational Services	5,295	-	5,295	3,068	2,227
Other Purchased Prof. And Tech. Services	12,000	-	12,000	9,727	2,273
Other Purchased Services	52,071	-	52,071	38,299	13,772
Supplies and Materials	12,744	2,447	15,191	12,157	3,034
<b>Total Guidance Services</b>	<b>452,816</b>	<b>(11,253)</b>	<b>441,563</b>	<b>376,717</b>	<b>64,846</b>
Child Study Team					
Salaries of Other Professional Staff	528,470	(136,996)	391,474	337,771	53,703
Purchased Professional - Educational Services		-			-
Other Purchased Prof. And Tech. Services	13,399	3,070	16,469	10,857	5,612
Other Purchased Services	52,071	-	52,071	49,830	2,241
Miscellaneous Purchased Services	7,550	149	7,699	165	7,534
Supplies and Materials	15,000	6,780	21,780	16,407	5,373
Other Objects	10,000	-	10,000	1,623	8,377
<b>Total Child Study Team</b>	<b>626,490</b>	<b>(126,997)</b>	<b>499,493</b>	<b>416,653</b>	<b>82,840</b>

(Continued)

**BOGOTA BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts			Actual	Variance
	Original	Adjustments	Final		Final To Actual
<b>EXPENDITURES</b>					
<b>CURRENT (Continued)</b>					
Undistributed Expenditures (Continued)					
Improvement of Instructional Services					
Salaries of Supervisor of Instruction	\$ 85,850	\$ (21,930)	\$ 63,920	\$ 58,092	\$ 5,828
Salaries of Other Professional Staff	8,000	-	8,000	600	7,400
Purchased Professional Educational Services	10,000	506	10,506	10,506	-
Other Purchased Services	300	-	300	124	176
Supplies and Materials	2,000	(506)	1,494	202	1,292
Other Objects	2,000	-	2,000	1,000	1,000
<b>Total Improvement of Instructional Services</b>	<b>108,150</b>	<b>(21,930)</b>	<b>86,220</b>	<b>70,524</b>	<b>15,696</b>
Educational Media Services/School Library					
Salaries	123,505	2,961	126,466	126,466	-
Purchased Professional and Technical Services	1,000	(1,000)	-	-	-
Other Purchased Services	10,566	2,047	12,613	10,405	2,208
Supplies and Materials	16,355	328	16,683	10,803	5,880
Other Objects	7,700	-	7,700	6,250	1,450
<b>Total Educational Media Services/School Library</b>	<b>159,126</b>	<b>4,336</b>	<b>163,462</b>	<b>153,924</b>	<b>9,538</b>
Support Services General Administration					
Salaries	298,606	80,664	379,270	379,270	-
Legal Services	94,800	7,378	102,178	102,178	-
Audit Fees	35,000	18,017	53,017	53,017	-
Architectural/Engineering Services	-	8,984	8,984	8,984	-
Other Professional Services	-	3,350	3,350	3,350	-
Purchased Technical Services	195,000	(15,545)	179,455	179,455	-
Communications/Telephone	76,000	21,093	97,093	97,079	14
BOE Other Purchased Services	5,500	(1,053)	4,447	4,447	-
Misc. Purchased Services	4,500	25,386	29,886	29,886	-
General Supplies	2,000	(1,510)	490	282	208
BOE In-House Training/Meeting Supplies	1,000	(977)	23	23	-
Judgments Against the School District	-	110,682	110,682	110,682	-
Miscellaneous Expenditures	10,000	4,264	14,264	14,094	170
BOE Membership Dues and Fees	10,000	(1,275)	8,725	8,725	-
<b>Total Support Services General Administration</b>	<b>732,406</b>	<b>259,458</b>	<b>991,864</b>	<b>991,472</b>	<b>392</b>
Support Services School Administration					
Salaries of Principals/Assistant Principals	421,930	21,170	443,100	443,100	-
Salaries of Other Professional Staff	111,561	(11,001)	100,560	100,560	-
Other Purchased Services	264,284	24,768	289,052	287,605	1,447
Supplies and Materials	42,820	(10,865)	31,955	31,955	-
Other Objects	10,765	(4,057)	6,708	6,708	-
<b>Total Support Services School Administration</b>	<b>851,360</b>	<b>20,015</b>	<b>871,375</b>	<b>869,928</b>	<b>1,447</b>
Central Services					
Salaries	261,348	(3,717)	257,631	257,631	-
Purchased Professional Services	8,000	35,840	43,840	43,575	265
Purchased Technical Services	49,000	(4,868)	44,132	42,294	1,838
Miscellaneous Purchased Services	5,000	-	5,000	4,478	522
Supplies and Materials	19,000	(9,787)	9,213	9,213	-
Miscellaneous Expenditures	4,000	2,879	6,879	6,867	12
<b>Total Central Services</b>	<b>346,348</b>	<b>20,347</b>	<b>366,695</b>	<b>364,058</b>	<b>2,637</b>

(Continued)

**BOGOTA BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

EXHIBIT C-1

	Budgeted Amounts			Actual	Variance
	Original	Adjustments	Final		Final To Actual
<b>EXPENDITURES</b>					
<b>CURRENT (Continued)</b>					
Undistributed Expenditures (Continued)					
Required Maintenance for School Facilities					
Salaries	\$ 78,538	\$ 54,877	\$ 133,415	\$ 133,415	
Cleaning, Repair, and Maintenance Services	275,000	556,544	831,544	773,704	\$ 57,840
Lead Testing of Drinking Water		3,127	3,127	3,127	-
General Supplies	65,000	23,104	88,104	88,104	-
Other Objects	5,600	-	5,600	5,506	94
<b>Total Required Maintenance for School Facilities</b>	<b>424,138</b>	<b>637,652</b>	<b>1,061,790</b>	<b>1,003,856</b>	<b>57,934</b>
Custodial Services					
Salaries	474,183	(25,166)	449,017	423,310	25,707
Salaries of Non-Instructional Aides	15,000	18,289	33,289	33,289	-
Purchased Professional and Technical Services	40,000	(6,591)	33,409	29,445	3,964
Cleaning, Repair, and Maintenance Services	72,000	(62,000)	10,000	5,686	4,314
Other Purchased Property Services	39,000	(236)	38,764	26,744	12,020
Insurance	172,403	(8,000)	164,403	162,718	1,685
General Supplies	50,000	(8,867)	41,133	41,133	-
Energy (Natural Gas)	80,000	(2,717)	77,283	65,051	12,232
Energy (Electricity)	200,000	-	200,000	182,656	17,344
Other Objects	2,000	(184)	1,816	1,816	-
<b>Total Custodial Services</b>	<b>1,144,586</b>	<b>(95,472)</b>	<b>1,049,114</b>	<b>971,848</b>	<b>77,266</b>
Student Transportation Services					
Sal. For Pupil Trans(Bet Home & Sch) - Reg.	28,497	41,828	70,325	69,487	838
Cleaning, Repair & Maint. Services	6,200	11,258	17,458	16,866	592
Contracted Services (Between Home and School) - Vendors	15,300	(3,856)	11,444	9,724	1,720
Contracted Services (Other than Between Home and School) - Vendors	82,790	-	82,790	56,953	25,837
Contracted Services (Between Home and School) Joint Agreements	210,000	(79,765)	130,235	129,940	295
Contracted Serv. (Spec.Ed Stud) - Joint Agreement	535,600	72,306	607,906	577,019	30,887
Transportation Supplies	6,000	(2,000)	4,000	4,000	-
<b>Total Student Transportation Services</b>	<b>884,387</b>	<b>39,771</b>	<b>924,158</b>	<b>863,989</b>	<b>60,169</b>
Unallocated Benefits- Employee Benefits					
Social Security Contributions	120,000	74,700	194,700	194,700	-
Other Retirement Contributions - PERS	110,000	(27,754)	82,246	82,246	-
Other Retirement Contributions - Regular		4,625	4,625	4,625	-
Unemployment Compensation	150,000	(150,000)	-	-	-
Worker's Compensation	94,350	(10,075)	84,275	83,404	871
Health Benefits	1,939,500	(184,043)	1,755,457	1,752,716	2,741
<b>Total Unallocated Benefits</b>	<b>2,413,850</b>	<b>(292,547)</b>	<b>2,121,303</b>	<b>2,117,691</b>	<b>3,612</b>
On-Behalf TPAF (Non-Budget)					
Normal Costs				794,643	(794,643)
NCGI Premium				28,792	(28,792)
Long-Term Disability Insurance Contributions				2,004	(2,004)
Post Retirement Medical Contributions				686,108	(686,108)
Social Security Contributions	-	-	-	573,533	(573,533)
<b>Total On-Behalf TPAF</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,085,080</b>	<b>(2,085,080)</b>
<b>Total Undistributed Expenditures</b>	<b>13,077,872</b>	<b>(226,318)</b>	<b>12,851,554</b>	<b>13,500,240</b>	<b>(648,686)</b>
<b>Total Current Expenditures</b>	<b>20,665,803</b>	<b>434,422</b>	<b>21,100,225</b>	<b>21,645,431</b>	<b>(545,206)</b>

(Continued)

**BOGOTA BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts			Actual	Variance
	Original	Adjustments	Final		Final To Actual
<b>EXPENDITURES</b>					
<b>CAPITAL OUTLAY</b>					
Equipment					
Instructional Service - Regular Programs - Grade 9-12		\$ 21,531	\$ 21,531	\$ 20,466	\$ 1,065
Non Instructional Service - Operation and Maintenance of Plant Services	-	62,875	62,875	62,875	-
Total Equipment	-	84,406	84,406	83,341	1,065
Facilities Acquisition and Construction Services					
Other Purchased Prof. and Tech. Services	\$ 30,000	(30,000)			
Construction Services	660,000	(660,000)			
Other Objects	10,000	(10,000)			
Assessment for Debt Service on SDA Funding	35,593	-	35,593	35,593	-
Total Facilities Acquisition and Construction Services	735,593	(700,000)	35,593	35,593	-
Interest Deposit to Capital Reserve	500	-	500	-	500
Total Capital Outlay	736,093	(615,594)	120,499	118,934	1,565
Transfer of Funds to Charter Schools	-	153,255	153,255	147,194	6,061
Total Expenditures	21,401,896	(27,917)	21,373,979	21,911,559	(537,580)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,375,451)	27,917	(1,347,534)	405,520	1,753,054
<b>OTHER FINANCING SOURCES (USES)</b>					
Other Financing Sources(Uses)					
Transfer Out - Summer Recovery				(13,098)	(13,098)
Transfer Out - Capital Projects	-	(1,376,195)	(1,376,195)	(1,376,195)	-
Total Other Financing Sources(Uses)	-	(1,376,195)	(1,376,195)	(1,389,293)	(13,098)
Excess/(Deficiency)of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(1,375,451)	(1,348,278)	(2,723,729)	(983,773)	1,739,956
Fund Balances, Beginning of Year	5,994,378	-	5,994,378	5,994,378	-
Fund Balances, End of Year	\$ 4,618,927	\$ (1,348,278)	\$ 3,270,649	\$ 5,010,605	\$ 1,739,956
<b>Recapitulation of Fund Balances:</b>					
Restricted					
Capital Reserve				\$ 2,037,335	
Capital Reserve - Designated for Subsequent Year's Budget				364,168	
Emergency Reserve - Designated for Subsequent Year's Budget				250,000	
Maintenance Reserve				101,735	
Excess Surplus - Designated for Subsequent Year's Budget				625,788	
Excess Surplus				700,000	
Committed					
Encumbrances				56,388	
Assigned					
Designated for Subsequent Year's Budget				356,845	
Designated for ARRA/SEMI				964	
Unassigned Fund Balance				517,382	
				5,010,605	
<b>Reconciliation to Governmental Fund Statements (GAAP)</b>					
Less:					
State Aid Payments not Recognized on GAAP Basis				(738,721)	
Fund Balance per Governmental Funds (GAAP)				\$ 4,271,884	

**BOGOTA BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
BUDGET (NON-GAAP) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Budgeted Amounts</u>			<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Adjustments</u>	<u>Final</u>		<u>Final to Actual</u>
<b>REVENUES</b>					
Intergovernmental					
State	\$ 177,425	\$ 42,834	\$ 220,259	\$ 187,329	\$ (32,930)
Federal	586,899	130,374	717,273	716,780	(493)
Local Sources					
Miscellaneous	-	11,394	11,394	1,000	(10,394)
Total Revenues	<u>764,324</u>	<u>184,602</u>	<u>948,926</u>	<u>905,109</u>	<u>(43,817)</u>
<b>EXPENDITURES</b>					
Instruction					
Salaries of Teachers	190,082	98,404	288,486	288,486	
Other Salaries for Instruction	18,400	(18,400)	-	-	
Purchased Professional & Technical Svc.	88,232	3,234	91,466	90,973	493
Tuition	160,001	53,199	213,200	213,200	
Other Purchased Services	159,401	27,849	187,250	154,654	32,596
General Supplies	18,579	11,045	29,624	29,572	52
Textbooks	11,726	2,511	14,237	14,237	-
Total Instruction	<u>646,421</u>	<u>177,842</u>	<u>824,263</u>	<u>791,122</u>	<u>33,141</u>
Support Services					
Personal Services - Employee Benefits	49,421	19,031		68,452	
Purchased Professional & Technical Svs	9,600	1,184		10,784	
Purchased Professional & Educational	36,000	(36,000)	-		-
Other Purchased Services	15,339	(5,108)	10,231	10,231	
General Supplies	7,543	26,991	34,534	23,858	10,676
Other Objects	-	662	662	662	-
Total Support Services	<u>117,903</u>	<u>6,760</u>	<u>124,663</u>	<u>113,987</u>	<u>10,676</u>
Total Expenditures	<u>764,324</u>	<u>184,602</u>	<u>948,926</u>	<u>905,109</u>	<u>43,817</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



**BOGOTA BOARD OF EDUCATION  
BUDGETARY COMPARISON SCHEDULE  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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.

	<b>General Fund</b>	<b>Special Revenue Fund</b>
<b>Sources/inflows of resources</b>		
Revenues budgetary basis (Exhibits C-1 and C-2)	\$ 22,317,079	\$ 905,109
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, 2016		1,905
State Aid payments recognized for GAAP purpose, not recognized for budgetary statements (2015/2016 State Aid)	772,443	
State Aid payments recognized for budgetary purpose, not recognized for GAAP statements (2016/2017 State Aid)	(738,721)	-
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds. (Exhibit B-2)	<u>\$ 22,350,801</u>	<u>\$ 907,014</u>
<b>Uses/outflows of resources</b>		
Expenditures budgetary basis (Exhibits C-1 and C-2)	\$ 21,911,559	\$ 905,109
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, 2016	-	1,905
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 21,911,559</u>	<u>\$ 907,014</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 Four Fiscal Years \***

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0.00899 %	0.00777 %	0.00697 %	0.00644
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 2,661,351	\$ 1,745,798	\$ 1,305,164	\$ 1,231,951
District's Covered-Employee Payroll	\$ 506,402	\$ 446,689	\$ 360,784	\$ 419,103
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	526%	391%	362%	294%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	40.14%	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 Four Fiscal Years**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 79,829	\$ 66,862	\$ 55,225	\$ 48,569
Contributions in Relation to the Contractually Required Contributions	<u>79,829</u>	<u>66,862</u>	<u>55,225</u>	<u>48,569</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered- Employee Payroll	\$ 506,402	\$ 446,689	\$ 360,784	\$ 419,103
Contributions as a Percentage of Covered-Employee Payroll	15.76%	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 Four Fiscal Years \***

	<u>2017</u>	<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>\$ 60,056,703</u>	<u>\$ 45,647,790</u>	<u>\$ 40,887,852</u>	<u>\$ 39,258,327</u>
District's Covered-Employee Payroll	\$ 7,337,447	\$ 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%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	22.33%	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, 2017**

**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 4D.

**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, 2017**

	<u>Miscellaneous</u>	<u>Nonpublic Nursing</u>	<u>Nonpublic Technology</u>	<u>Nonpublic Textbooks</u>	<u>Nonpublic Security</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>Exam. and Class</u>	<u>Corrective Speech</u>	<u>Suppl. Inst.</u>		
<b>REVENUES</b>												
Intergovernmental												
State		\$ 21,415	\$ 6,370	\$ 14,237	\$ 12,068	\$ 61,094	\$ 15,300	\$ 19,636	\$ 19,539	\$ 17,670		\$ 187,329
Federal											\$ 716,780	716,780
Local Sources												
Miscellaneous	\$ 1,000	-	-	-	-	-	-	-	-	-	-	1,000
<b>Total Revenues</b>	<b>\$ 1,000</b>	<b>\$ 21,415</b>	<b>\$ 6,370</b>	<b>\$ 14,237</b>	<b>\$ 12,068</b>	<b>\$ 61,094</b>	<b>\$ 15,300</b>	<b>\$ 19,636</b>	<b>\$ 19,539</b>	<b>\$ 17,670</b>	<b>\$ 716,780</b>	<b>\$ 905,109</b>
<b>EXPENDITURES</b>												
Instruction												
Salaries of Teachers											\$ 288,486	\$ 288,486
Purchased Professional & Technical Svcs.											90,973	90,973
Tuition											213,200	213,200
Other Purchased Services		\$ 21,415				\$ 61,094	\$ 15,300	\$ 19,636	\$ 19,539	\$ 17,670	-	154,654
General Supplies			\$ 6,370								23,202	29,572
Textbooks				\$ 14,237							-	14,237
<b>Total Instruction</b>	<b>-</b>	<b>21,415</b>	<b>6,370</b>	<b>14,237</b>	<b>-</b>	<b>61,094</b>	<b>15,300</b>	<b>19,636</b>	<b>19,539</b>	<b>17,670</b>	<b>615,861</b>	<b>791,122</b>
Support Services												
Personal Services - Employee Benefits											68,452	68,452
Purchased Professional & Technical Svc											10,784	10,784
Other Purchased Services											10,231	10,231
General Supplies	\$ 1,000				\$ 12,068						10,790	23,858
Other Objects											662	662
<b>Total Support Services</b>	<b>1,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,068</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>100,919</b>	<b>113,987</b>
<b>Total Expenditures</b>	<b>\$ 1,000</b>	<b>\$ 21,415</b>	<b>\$ 6,370</b>	<b>\$ 14,237</b>	<b>\$ 12,068</b>	<b>\$ 61,094</b>	<b>\$ 15,300</b>	<b>\$ 19,636</b>	<b>\$ 19,539</b>	<b>\$ 17,670</b>	<b>\$ 716,780</b>	<b>\$ 905,109</b>



**BOGOTA BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	NCLB				Individuals with Disabilities Education Act		Total <u>Exhibit E-1a</u>
	<u>Title I</u>	<u>Title IIA</u>	<u>Title III</u>	<u>Title III Immigrant</u>	<u>Part B, Basic</u>	<u>Part B, Preschool</u>	
<b>REVENUES</b>							
Intergovernmental							
Federal	\$ 358,004	\$ 17,216	\$ 17,404	\$ 4,245	\$ 311,726	\$ 8,185	\$ 716,780
Total Revenues	<u>\$ 358,004</u>	<u>\$ 17,216</u>	<u>\$ 17,404</u>	<u>\$ 4,245</u>	<u>\$ 311,726</u>	<u>\$ 8,185</u>	<u>\$ 716,780</u>
<b>EXPENDITURES</b>							
Instruction							
Salaries of Teachers	\$ 275,286		\$ 13,200				\$ 288,486
Purchased Professional & Technical Svs.					\$ 82,788	\$ 8,185	90,973
Tuition					213,200		213,200
Other Purchased Services							-
General Supplies	14,266	-	2,804	-	6,132	-	23,202
Total Instruction	<u>289,552</u>	<u>-</u>	<u>16,004</u>	<u>-</u>	<u>302,120</u>	<u>8,185</u>	<u>615,861</u>
Support Services							
Personal Services - Employee Benefits	68,452						68,452
Purchased Professional & Technical Svc.		\$ 3,263			7,521		10,784
Other Purchased Services		8,131	1,400	\$ 700			10,231
General Supplies		5,822		2,883	2,085		10,790
Other Objects	-	-	-	662	-	-	662
Total Support Services	<u>68,452</u>	<u>17,216</u>	<u>1,400</u>	<u>4,245</u>	<u>9,606</u>	<u>-</u>	<u>100,919</u>
Total Expenditures	<u>\$ 358,004</u>	<u>\$ 17,216</u>	<u>\$ 17,404</u>	<u>\$ 4,245</u>	<u>\$ 311,726</u>	<u>\$ 8,185</u>	<u>\$ 716,780</u>

**BOGOTA BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
SCHEDULE OF PRESCHOOL EDUCATION AID  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOT APPLICABLE**

**CAPITAL PROJECTS FUND**

**BOGOTA BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

<u>Issue/ Project Title</u>	<u>Original Appropriation</u>	<u>Additional Appropriation</u>	<u>Total Modified Appropriation</u>	<u>Expenditures to Date</u>		<u>Prior Year</u>	<u>Balance June 30, 2017</u>
				<u>Prior Years</u>	<u>Current Year</u>	<u>Cancelled Payables</u>	
Construction of Board's Administrative Offices and Athletic Field House	\$ 857,107	\$ 96,278	\$ 953,385	\$ 951,610	\$ 11,904	\$ (14,746)	\$ 4,617
Bogota High School Science Lab Upgrades	350,000		350,000		330,621		19,379
Bogota High School Parking Lot Upgrades	350,000		350,000		9,050		340,950
Boiler Upgrades at Bogota Jr./Sr. High School, Steen Elementary School and Bixby Elementary School	250,000	74,195	324,195		247,406		76,789
Bogota High School Gym Improvements	150,000	27,000	177,000		113,100		63,900
Site Improvements at Bogota Jr./Sr. High School	175,000		175,000	-	106,852	-	68,148
Bixby School Lintel Replacements and Associated Masonry and Roof Work			*	-	14,375	-	(14,375)
<b>Total</b>				<u>\$ 951,610</u>	<u>\$ 833,308</u>	<u>\$ (14,746)</u>	<u>\$ 559,408</u>

\* The Board appropriated \$343,500 from the Capital Reserve account in the 2017/18 school year.

**Recapitulation of Fund Balance**

Restricted	
Year End Encumbrances	\$ 213,307
Available for Capital Projects	<u>346,101</u>
<b>Total Fund Balance - Restricted for Capital Projects</b>	<u>\$ 559,408</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, 2017**

<b>Revenues and Other Financing Sources</b>	
Transfer from Capital Reserve	\$ 1,376,195
	<u>1,376,195</u>
<b>Expenditures and Other Financing Uses</b>	
Purchased Professional and Technical Services	90,017
Construction Services	741,773
Other Objects	1,518
	<u>833,308</u>
Excess of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	542,887
Fund Balance, Beginning of Year	<u>16,521</u>
Fund Balance, End of Year	<u>\$ 559,408</u>
<b><u>Reconciliation to GAAP Fund Balance</u></b>	
Fund Balance, Budgetary Basis	<u>\$ 559,408</u>
Fund Balance, GAAP Basis	<u>\$ 559,408</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, 2017**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Local Share - Transfer from Capital Reserve	\$ 953,385	-	\$ 953,385	\$ 953,385
Total Revenues	<u>953,385</u>	<u>-</u>	<u>953,385</u>	<u>953,385</u>
 <b>Expenditures and Other Financing Uses</b>				
Purchased Professional and Technical Services	40,600	\$ 11,360	51,960	40,600
Construction Services	872,354	544	872,898	872,785
Other Objects	38,656	-	38,656	40,000
Cancelled Payables	<u>(14,746)</u>	<u>-</u>	<u>(14,746)</u>	<u>-</u>
Total Expenditures	<u>936,864</u>	<u>11,904</u>	<u>948,768</u>	<u>953,385</u>
Excess of Revenues Over Expenditures	<u>\$ 16,521</u>	<u>\$ (11,904)</u>	<u>\$ 4,617</u>	<u>\$ -</u>

Additional Project Information:

Grant Date	N/A
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, 2017

**BOGOTA BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
BOGOTA HIGH SCHOOL SCIENCE LAB UPGRADES  
FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Local Share - Transfer from Capital Reserve	\$ -	\$ 350,000	\$ 350,000	\$ 350,000
 Total Revenues	 -	 350,000	 350,000	 350,000
<b>Expenditures and Other Financing Uses</b>				
Purchased Professional and Technical Services		12,406	12,406	15,000
Construction Services		316,697	316,697	330,000
Other Objects	-	1,518	1,518	5,000
 Total Expenditures	 -	 330,621	 330,621	 350,000
 Excess of Revenues Over Expenditures	 \$ -	 \$ 19,379	 \$ 19,379	 \$ -

Additional Project Information:

Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 350,000
Additional Authorized Cost	-
Revised Authorized Cost	350,000

Percentage Increase Over Original

Authorized Cost	0.00%
Percentage Completion	94%
Original Target Completion Date	June 30, 2017
Revised Target Completion Date	June 30, 2017

**BOGOTA BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
BOGOTA HIGH SCHOOL PARKING LOT UPGRADES  
FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Local Share - Transfer from Capital Reserve	\$ -	\$ 350,000	\$ 350,000	\$ 350,000
 Total Revenues	 -	 350,000	 350,000	 350,000
<b>Expenditures and Other Financing Uses</b>				
Purchased Professional and Technical Services		9,050	9,050	15,000
Construction Services		-	-	330,000
Other Objects	-	-	-	5,000
 Total Expenditures	 -	 9,050	 9,050	 350,000
 Excess of Revenues Over Expenditures	 \$ -	 \$ 340,950	 \$ 340,950	 \$ -

Additional Project Information:

Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 350,000
Additional Authorized Cost	-
Revised Authorized Cost	350,000
 Percentage Increase Over Original Authorized Cost	 0.00%
Percentage Completion	3%
Original Target Completion Date	August 31, 2018



**BOGOTA BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
BOILER UPGRADES AT BOGOTA JR./SR. HIGH SCHOOL, STEEN ELEMENTARY SCHOOL  
AND BIXBY ELEMENTARY SCHOOL  
FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Local Share - Transfer from Capital Reserve	\$ -	\$ 324,195	\$ 324,195	\$ 324,195
 Total Revenues	 -	 324,195	 324,195	 324,195
<b>Expenditures and Other Financing Uses</b>				
Purchased Professional and Technical Services		27,956	27,956	28,500
Construction Services	-	219,450	219,450	295,695
 Total Expenditures	 -	 247,406	 247,406	 324,195
 Excess of Revenues Over Expenditures	 \$ -	 \$ 76,789	 \$ 76,789	 \$ -

Additional Project Information:

Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 250,000
Additional Authorized Cost	74,195
Revised Authorized Cost	324,195
 Percentage Increase Over Original Authorized Cost	 30%
Percentage Completion	76%
Original Target Completion Date	October 15, 2017

**BOGOTA BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
BOGOTA HIGH SCHOOL GYM IMPROVEMENTS  
FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Local Share - Transfer from Capital Reserve	\$ -	\$ 177,000	\$ 177,000	\$ 177,000
<b>Total Revenues</b>	<u>-</u>	<u>177,000</u>	<u>177,000</u>	<u>177,000</u>
<b>Expenditures and Other Financing Uses</b>				
Construction Services	<u>-</u>	<u>113,100</u>	<u>113,100</u>	<u>177,000</u>
<b>Total Expenditures</b>	<u>-</u>	<u>113,100</u>	<u>113,100</u>	<u>177,000</u>
<b>Excess of Revenues Over Expenditures</b>	<u>\$ -</u>	<u>\$ 63,900</u>	<u>\$ 63,900</u>	<u>\$ -</u>

Additional Project Information:

Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 150,000
Additional Authorized Cost	27,000
Revised Authorized Cost	177,000
 Percentage Increase Over Original Authorized Cost	 18%
Percentage Completion	64%
Original Target Completion Date	August 31, 2017

**BOGOTA BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
SITE IMPROVEMENTS AT BOGOTA JR./SR. HIGH SCHOOL  
FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Local Share - Transfer from Capital Reserve	\$ -	\$ 175,000	\$ 175,000	\$ 175,000
 Total Revenues	-	175,000	175,000	175,000
<b>Expenditures and Other Financing Uses</b>				
Purchased Professional and Technical Services		14,870	14,870	15,800
Construction Services	-	91,982	91,982	159,200
 Total Expenditures	-	106,852	106,852	175,000
 Excess of Revenues Over Expenditures	\$ -	\$ 68,148	\$ 68,148	\$ -

Additional Project Information:

Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 175,000			
Additional Authorized Cost	-			
Revised Authorized Cost	175,000			
Percentage Increase Over Original Authorized Cost	0.00%			
Percentage Completion	61%			
Original Target Completion Date	October 31, 2017			

**BOGOTA BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
BIXBY SCHOOL LINTEL REPLACEMENTS AND ASSOCIATED MASONRY AND ROOF WORK  
FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Local Share - Transfer from Capital Reserve	\$ -	\$ -	\$ -	\$ 343,500
Total Revenues	-	-	-	343,500
<b>Expenditures and Other Financing Uses</b>				
Purchased Professional and Technical Services		14,375	14,375	19,500
Construction Services	-	-	-	324,000
Total Expenditures	-	14,375	14,375	343,500
Excess of Revenues Over Expenditures	\$ -	\$ (14,375)	\$ (14,375)	\$ -

Additional Project Information:

Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 343,500
Additional Authorized Cost	-
Revised Authorized Cost	343,500
Percentage Increase Over Original Authorized Cost	0.00%
Percentage Completion	4%
Original Target Completion Date	June 30, 2018

**PROPRIETARY FUNDS**

**SCHEDULE G-1**

**BOGOTA BOARD OF EDUCATION  
PROPRIETARY FUND  
COMBINING SCHEDULE OF NET POSITION  
AS OF JUNE 30, 2017**

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, 2017**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

**SCHEDULE G-3**

**COMBINING SCHEDULE OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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, 2017**

	<u>Student Activity</u>	<u>Payroll</u>	<u>Total Agency Funds</u>
<b>ASSETS</b>			
Cash	\$ 78,598	\$ 374,722	\$ 453,320
Due from Other Funds	<u>1,010</u>	<u>316</u>	<u>1,326</u>
Total Assets	<u>\$ 79,608</u>	<u>\$ 375,038</u>	<u>\$ 454,646</u>
 <b>LIABILITIES</b>			
Payroll Deductions and Withholdings		\$ 105,872	\$ 105,872
Accrued Salaries and Wages		15,107	15,107
Due to Other Funds		254,059	254,059
Due to Student Groups	<u>\$ 79,608</u>	<u>-</u>	<u>79,608</u>
Total Liabilities	<u>\$ 79,608</u>	<u>\$ 375,038</u>	<u>\$ 454,646</u>



**BOGOTA BOARD OF EDUCATION  
FIDUCIARY FUNDS  
SCHEDULE OF CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

FINANCIAL STATEMENT IS PRESENTED ON EXHIBIT B-8

**STUDENT ACTIVITY AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<b>Balance, July 1, <u>2016</u></b>	<b>Cash <u>Receipts</u></b>	<b>Cash <u>Disbursements</u></b>	<b>Balance June 30, <u>2017</u></b>
<b>ELEMENTARY SCHOOLS</b>				
Bixby	\$ 1,940	\$ 10,538	\$ 11,050	\$ 1,428
Steen	<u>3,987</u>	<u>9,768</u>	<u>8,729</u>	<u>5,026</u>
Total Elementary Schools	<u>5,927</u>	<u>20,306</u>	<u>19,779</u>	<u>6,454</u>
<b>HIGH SCHOOL</b>				
Student Activities	62,321	175,371	165,130	72,562
Athletic Account	<u>1,983</u>	<u>55,141</u>	<u>56,532</u>	<u>592</u>
Total High School	<u>64,304</u>	<u>230,512</u>	<u>221,662</u>	<u>73,154</u>
Total All Schools	<u>\$ 70,231</u>	<u>\$ 250,818</u>	<u>\$ 241,441</u>	<u>\$ 79,608</u>

**BOGOTA BOARD OF EDUCATION  
PAYROLL AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<b>Balance, July 1, <u>2016</u></b>	<b>Cash <u>Receipts</u></b>	<b>Cash <u>Disbursements</u></b>	<b>Balance, June 30, <u>2017</u></b>
Payroll Deductions and Withholdings	\$ 93,447	\$ 4,813,811	\$ 4,801,386	\$ 105,872
Due to/(from) Unemployment Trust Fund	12,412	-	12,728	(316)
Due to General Fund	254,059	-	-	254,059
Accrued Salaries and Wages	<u>13,590</u>	<u>6,490,806</u>	<u>6,489,289</u>	<u>15,107</u>
 Total	 <u>\$ 373,508</u>	 <u>\$ 11,304,617</u>	 <u>\$ 11,303,403</u>	 <u>\$ 374,722</u>

**LONG-TERM DEBT**

**BOGOTA BOARD OF EDUCATION  
LONG-TERM DEBT  
SCHEDULE OF SERIAL BONDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

<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, 2016</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2017</u>
Refunding Bonds	9/24/2015	\$ 4,025,000	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	\$ -	\$ 490,000	\$ 3,535,000
						<u>\$ 4,025,000</u>	<u>\$ -</u>	<u>\$ 490,000</u>	<u>\$ 3,535,000</u>

**BOGOTA BOARD OF EDUCATION  
DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Budgeted Amounts</u>			<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Adjustments</u>	<u>Final</u>		<u>Final to Actual</u>
<b>REVENUES</b>					
Local Sources					
Property Taxes	\$ 631,250	-	\$ 631,250	\$ 631,250	-
Total Revenues	<u>631,250</u>	<u>-</u>	<u>631,250</u>	<u>631,250</u>	<u>-</u>
<b>EXPENDITURES</b>					
Regular Debt Service					
Principal	490,000		490,000	490,000	
Interest	<u>141,250</u>	<u>-</u>	<u>141,250</u>	<u>141,250</u>	<u>-</u>
Total Expenditures	<u>631,250</u>	<u>-</u>	<u>631,250</u>	<u>631,250</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, Beginning of Year	<u>45,218</u>	<u>\$ -</u>	<u>45,218</u>	<u>45,218</u>	<u>\$ -</u>
Fund Balance, End of Year	<u>\$ 45,218</u>	<u>\$ -</u>	<u>\$ 45,218</u>	<u>\$ 45,218</u>	<u>\$ -</u>
<u>Recapitulation of Balance</u>					
Designated for Subsequent Year's 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,									
	2008	2009	2010	2011 (1)	2012	2013	2014 (Restated)	2015	2016	2017
<b>Governmental Activities</b>										
Investment in Capital Assets	\$ 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	\$ 8,400,116
Restricted	109,146	187,995	192,973	292,973	591,234	1,457,205	458,303	2,597,010	3,854,767	3,107,864
Unrestricted	(82,621)	(300,530)	(445,026)	(325,968)	401,885	784,661	732,997	(480,701)	(153,434)	(46,125)
<b>Total Governmental Activities Net Position</b>	<u>\$ 4,481,202</u>	<u>\$ 4,889,920</u>	<u>\$ 5,715,748</u>	<u>\$ 4,332,492</u>	<u>\$ 6,359,219</u>	<u>\$ 8,035,035</u>	<u>\$ 8,070,737</u>	<u>\$ 9,581,583</u>	<u>\$ 11,122,638</u>	<u>\$ 11,461,855</u>
<b>Business-Type Activities</b>										
Investment in Capital Assets	\$ 6,129	\$ 5,083	\$ 42,280	\$ 54,762	\$ 48,694	\$ 42,873	\$ 37,290	\$ 31,839	\$ 33,862	\$ 28,194
Unrestricted	20,388	47,942	13,514	1,938	7,541	3,468	(26,169)	17,313	34,960	60,461
<b>Total Business-Type Activities Net Position</b>	<u>\$ 26,517</u>	<u>\$ 53,025</u>	<u>\$ 55,594</u>	<u>\$ 56,700</u>	<u>\$ 56,235</u>	<u>\$ 46,341</u>	<u>\$ 11,121</u>	<u>\$ 49,152</u>	<u>\$ 68,822</u>	<u>\$ 88,655</u>
<b>District-Wide</b>										
Investment in Capital Assets	\$ 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	\$ 8,428,310
Restricted	109,146	187,995	192,973	292,973	591,234	1,457,205	458,303	2,597,010	3,854,767	3,107,864
Unrestricted	(62,233)	(252,588)	(431,712)	(324,030)	409,426	788,129	706,828	(463,388)	(118,474)	14,336
<b>Total District Net Position</b>	<u>\$ 4,507,719</u>	<u>\$ 4,942,945</u>	<u>\$ 5,771,342</u>	<u>\$ 4,389,192</u>	<u>\$ 6,415,454</u>	<u>\$ 8,081,376</u>	<u>\$ 8,081,858</u>	<u>\$ 9,630,735</u>	<u>\$ 11,191,460</u>	<u>\$ 11,550,510</u>

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,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Expenses</b>										
Governmental Activities										
Instruction										
Regular	\$ 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	\$ 10,907,301
Special Education	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	5,877,087
Other Instruction	334,699	334,889	344,556	312,379	297,318	380,752	263,840	375,913	346,096	412,351
School Sponsored Activities and Athletics	337,960	251,418	260,059	270,669	323,814	445,029	474,035	550,991	546,839	595,774
Support Services:										
Student & Instruction Related Services	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	2,749,843
School Administrative Services	1,006,124	996,703	1,109,618	942,836	661,409	787,239	736,590	1,224,178	1,196,161	1,312,161
General Administration	555,603	645,568	683,252	705,920	615,592	614,508	660,251	902,449	1,048,012	1,220,821
Plant Operations and Maintenance	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	2,694,060
Pupil Transportation	755,717	831,580	1,029,216	829,306	659,078	617,377	722,488	673,795	932,164	892,247
Central Services	412,141	366,136	459,500	428,516	444,735	529,913	578,875	374,285	431,513	466,731
Interest on Long-Term Debt	339,508	330,272	317,564	304,201	277,819	247,796	226,973	206,766	119,418	97,365
Total Governmental Activities Expenses	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	27,225,741
Business-Type Activities:										
Food Service	436,736	454,604	457,610	463,072	479,444	444,777	417,664	440,391	481,857	477,875
Summer Recovery	-	-	-	-	-	-	-	-	-	43,742
Total business-Type Activities Expense	436,736	454,604	457,610	463,072	479,444	444,777	417,664	440,391	481,857	521,617
Total District Expenses	\$ 18,922,162	\$ 19,842,548	\$ 21,134,725	\$ 20,879,518	\$ 20,542,391	\$ 20,862,255	\$ 21,805,558	\$ 23,755,809	\$ 24,894,131	\$ 27,747,358
<b>Program Revenues</b>										
Governmental Activities:										
Charges for Services:										
Instruction (Tuition)	\$ 14,793							\$ 43,191	\$ 140,080	\$ 35,648
Operating Grants and Contributions	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	7,877,275
Capital Grants and Contributions	1,960	87,923	418,881		398,532	64,588	20,840	-	26,702	-
Total Governmental Activities Program Revenues	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	7,912,923
Business-Type Activities:										
Charges for Services										
Food Service	228,410	236,417	209,281	195,360	202,355	178,793	155,639	205,362	208,028	200,050
Summer Recovery										30,125
Operating Grants and Contributions	203,551	214,083	250,426	268,543	276,393	255,884	226,559	273,061	293,225	297,283
Total Business Type Activities Program Revenues	431,961	450,500	459,707	463,903	478,748	434,677	382,198	478,423	501,253	527,458
Total District Program Revenues	\$ 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	\$ 8,440,381
<b>Net (Expense)/Revenue</b>										
Governmental Activities	\$ (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)	\$ (19,312,818)
Business-Type Activities	(4,775)	(4,104)	2,097	831	(696)	(10,100)	(35,466)	38,032	19,396	5,841
Total District-Wide Net Expense	\$ (15,132,412)	\$ (16,318,806)	\$ (15,987,539)	\$ (17,378,698)	\$ (16,303,927)	\$ (16,946,632)	\$ (17,906,026)	\$ (18,004,096)	\$ (18,161,759)	\$ (19,306,977)



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

	Fiscal Year Ended June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 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	\$ 14,180,378
Taxes Levied for Debt Service	734,685	734,904	720,478	730,059	709,199	709,999	707,772	645,666	644,533	631,250
State and Federal Aid - Unrestricted	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	4,773,016
State Aid - Restricted for Debt Service	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	51,081	46,625								
Miscellaneous Income	3,942	18,929	59,748	27,751	24,455	14,952	119,274	121,915	172,526	80,489
Transfers		(30,000)								(13,098)
<b>Total Governmental Activities</b>	<b>15,281,907</b>	<b>16,723,420</b>	<b>16,815,464</b>	<b>17,714,577</b>	<b>18,117,694</b>	<b>18,612,348</b>	<b>19,138,213</b>	<b>19,552,974</b>	<b>19,722,210</b>	<b>19,652,035</b>
Business-Type Activities:										
Transfers		30,000								13,098
Investment Earnings	2,070	612	472	275	231	206	246		274	894
<b>Total Business-Type Activities</b>	<b>2,070</b>	<b>30,612</b>	<b>472</b>	<b>275</b>	<b>231</b>	<b>206</b>	<b>246</b>	<b>-</b>	<b>274</b>	<b>13,992</b>
<b>Total District-Wide</b>	<b>\$ 15,283,977</b>	<b>\$ 16,754,032</b>	<b>\$ 16,815,936</b>	<b>\$ 17,714,852</b>	<b>\$ 18,117,925</b>	<b>\$ 18,612,554</b>	<b>\$ 19,138,459</b>	<b>\$ 19,552,974</b>	<b>\$ 19,722,484</b>	<b>\$ 19,666,027</b>
<b>Change in Net Position</b>										
Governmental Activities	\$ 154,270	\$ 408,718	\$ 825,828	\$ 335,048	\$ 1,814,463	\$ 1,675,816	\$ 1,267,653	\$ 1,510,846	\$ 1,541,055	\$ 339,217
Business-Type Activities	(2,705)	26,508	2,569	1,106	(465)	(9,894)	(35,220)	38,032	19,670	19,833
<b>Total District</b>	<b>\$ 151,565</b>	<b>\$ 435,226</b>	<b>\$ 828,397</b>	<b>\$ 336,154</b>	<b>\$ 1,813,998</b>	<b>\$ 1,665,922</b>	<b>\$ 1,232,433</b>	<b>\$ 1,548,878</b>	<b>\$ 1,560,725</b>	<b>\$ 359,050</b>

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

	Fiscal Year Ended June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Fund										
Restricted				\$ 307,414	\$ 754,402	\$ 2,366,110	\$ 2,514,715	\$ 3,597,202	\$ 5,097,990	\$ 4,079,026
Committed					92,817	43,722	155,832	65,000	-	56,388
Assigned				202,124	693,662	444,247	46,662	147,296	424,174	357,809
Unassigned				(173,342)	(217,674)	(285,585)	(241,326)	(268,668)	(300,229)	(221,339)
Reserved	\$ 432,177	\$ 427,216	\$ 329,615							
Unreserved	98,312	(81,629)	(213,796)							
<b>Total General Fund</b>	<b>\$ 530,489</b>	<b>\$ 345,587</b>	<b>\$ 115,819</b>	<b>\$ 336,196</b>	<b>\$ 1,323,207</b>	<b>\$ 2,568,494</b>	<b>\$ 2,475,883</b>	<b>\$ 3,540,830</b>	<b>\$ 5,221,935</b>	<b>\$ 4,271,884</b>
All Other Governmental Funds										
Restricted				\$ 4,964	\$ 65,527	\$ 502	\$ 175,948	\$ 53,982	\$ 61,739	\$ 604,626
Unreserved	\$ (22,402)		\$ 4,964							
<b>Total All Other Governmental Funds</b>	<b>\$ (22,402)</b>	<b>\$ -</b>	<b>\$ 4,964</b>	<b>\$ 4,964</b>	<b>\$ 65,527</b>	<b>\$ 502</b>	<b>\$ 175,948</b>	<b>\$ 53,982</b>	<b>\$ 61,739</b>	<b>\$ 604,626</b>

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,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Revenues</b>										
Property Tax Levy	\$ 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	\$ 14,811,628
Tuition Charges	14,793									
Interest Earnings	51,081	46,625								
Miscellaneous	3,942	18,929	65,968	94,908	71,174	19,858	130,482	167,009	335,549	119,042
State Sources	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	8,197,104
Federal Sources	481,043	724,632	1,831,254	747,787	862,268	611,580	870,670	641,670	770,098	761,291
<b>Total Revenue</b>	<b>18,639,696</b>	<b>19,826,662</b>	<b>21,544,911</b>	<b>20,751,827</b>	<b>21,877,410</b>	<b>22,093,294</b>	<b>22,655,547</b>	<b>23,016,576</b>	<b>23,777,356</b>	<b>23,889,065</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	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	8,468,945
Special Education Instruction	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	5,267,472
Other Instruction	323,458	243,478	253,046	261,021	297,318	379,143	263,630	324,088	291,346	312,507
School Sponsored Activities and Athletics	337,960	327,076	337,783	304,446	323,814	445,029	474,035	546,800	532,513	566,947
<b>Support Services:</b>										
Student & Inst. Related Services	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	2,343,957
General Administration	537,626	971,650	673,650	693,733	608,392	627,671	653,051	858,432	879,590	1,155,139
School Administrative Services	982,975	633,196	1,085,290	918,061	634,077	775,512	711,610	1,076,150	1,076,469	1,093,249
Plant Operations and Maintenance	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	2,147,412
Pupil Transportation	755,717	821,730	1,028,386	820,971	651,298	609,475	714,568	664,842	921,921	884,728
Central Services	404,646	366,136	450,881	410,698	444,420	529,476	579,190	347,098	393,566	439,035
Capital Outlay	7,000	499,625	1,000,128	51,817	811,417	344,571	1,081,186	659,209	112,274	972,490
<b>Debt Service:</b>										
Principal	435,000	455,000	460,000	485,000	480,000	495,000	541,968	455,000	470,000	490,000
Interest and Other Charges	313,784	293,531	274,916	257,971	241,609	225,906	209,178	191,667	129,315	141,250
Bond Issuance Costs									100,490	
<b>Total Expenditures</b>	<b>18,451,437</b>	<b>19,959,162</b>	<b>21,769,715</b>	<b>20,531,450</b>	<b>20,920,241</b>	<b>20,913,032</b>	<b>22,572,712</b>	<b>22,073,595</b>	<b>22,188,984</b>	<b>24,283,131</b>
<b>Excess (Deficiency) of Revenues</b>										
Over (Under) Expenditures	188,259	(132,500)	(224,804)	220,377	957,169	1,180,262	82,835	942,981	1,588,372	(394,066)
<b>Other Financing Sources (Uses)</b>										
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	9	121,741	386,661	1	434,380	69,519	857,606	96,278	-	1,376,195
Transfers Out	(9)	(151,741)	(386,661)	(1)	(434,380)	(69,519)	(857,606)	(96,278)	-	(1,389,293)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(30,000)</b>	<b>-</b>	<b>-</b>	<b>90,405</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>100,490</b>	<b>(13,098)</b>
<b>Net Change in Fund Balances</b>	<b>\$ 188,259</b>	<b>\$ (162,500)</b>	<b>\$ (224,804)</b>	<b>\$ 220,377</b>	<b>\$ 1,047,574</b>	<b>\$ 1,180,262</b>	<b>\$ 82,835</b>	<b>\$ 942,981</b>	<b>\$ 1,688,862</b>	<b>\$ (407,164)</b>
<b>Debt Service as a Percentage of</b>										
Noncapital Expenditures	4.06%	3.85%	3.54%	3.63%	3.59%	3.50%	3.50%	3.02%	3.17%	2.71%

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

Fiscal Year Ended <u>June 30,</u>	<u>Tuition</u>	Interest on <u>Investments</u>	Cancel Prior Year Accounts <u>Payable</u>	<u>Miscellaneous</u>	<u>Total</u>
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
2017	35,648	21,525		58,964	116,137

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 <sup>a</sup>
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
2017	2,719,200	528,837,500	56,079,300	17,199,200	37,623,200	642,458,400	-	642,458,400	729,342,969	2.319

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>
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
2017	3.800	2.319	1.196	0.285

\* Revaluation of Real Property Effective 2008.

\*\*Reassessed Effective 2013

(1) Includes Municipal Library

(2) Includes County Open Space tax

Source: Tax Duplicate, Borough of Bogota

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

Taxpayer	2017		2008	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
River Rock Equities	6,608,400	1.03%	\$ 5,476,100	1.16%
Del-Val Financial Corp	6,200,000	0.97%		
Michael Court Apartments	3,600,000	0.56%	2,279,500	0.48%
BRC Propty LLC	3,444,800	0.54%		
Rega Bogota LLC	3,396,300	0.53%		
Bogota LLC	3,300,000	0.51%		
Singh Real Estate De & Inv Co	3,057,000	0.48%		
Evergreen Realty	2,797,100	0.44%	1,999,900	0.42%
253 W. Fort Lee Rd Corp	2,661,800	0.41%		
Bogota Royale Inv.	2,645,000	0.41%		
Bogota Tennis			2,109,800	0.44%
Landmark Development			2,431,100	0.51%
Hess Oil			2,158,000	0.45%
BR Colony Holdings Co LLC			2,791,900	0.59%
Sterling Management Corp			3,269,200	0.69%
C. Sterling Management			2,378,100	0.50%
	<u>\$ 37,710,400</u>	<u>5.87%</u>	<u>24,893,600</u>	<u>5.24%</u>

Source: Municipal Tax Assessor

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
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
2017	14,811,628	14,811,628	100.00%	

Source: District records.



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

<u>Governmental Activities</u>					
Fiscal Year Ended June 30,	General Obligation Bonds	Capital Leases	Total District	Estimated Population	Per Capita
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	8,507	473
2017	3,535,000		3,535,000	8,507 *	416

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		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Deductions			
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%	473
2017	3,535,000	\$ 45,218	3,489,782	0.54%	410

Source: District records

**BOGOTA BOARD OF EDUCATION  
COMPUTATION OF DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF DECEMBER 31, 2016  
(UNAUDITED)**

	<u>Total Debt</u>
Municipal Debt: (1)	
Bogota Board of Education	\$ 3,535,000
Borough of Bogota	<u>6,945,000</u>
	10,480,000
Overlapping Debt Apportioned to the Municipality:	
Bergen County (2);(A):	
County of Bergen (A)	5,155,737
Bergen County Utilities Authority - Water Pollution (B)	<u>1,793,372</u>
Total Direct and Overlapping Debt	<u>\$ 17,429,109</u>

Sources:

- (1) Borough of Bogota 2016 Annual Debt Statement
- (2) Bergen County 2016 Debt Statement

(A) The debt for this entity was apportioned by dividing the Municipality's 2016 equalized value by the total 2016 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**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Debt limit	\$ 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	\$ 28,489,483
Total Net Debt Applicable to Limit	<u>8,015,000</u>	<u>7,560,000</u>	<u>7,100,000</u>	<u>6,615,000</u>	<u>6,135,000</u>	<u>5,640,000</u>	<u>5,130,000</u>	<u>4,675,000</u>	<u>4,025,000</u>	<u>3,535,000</u>
Legal Debt Margin	<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>	<u>\$ 24,954,483</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	23.87%	20.82%	19.04%	18.33%	18.00%	17.49%	16.83%	16.04%	14.17%	12.41%

**Legal Debt Margin Calculation for Fiscal Year 2017**

	Equalized Valuation Basis	
	2014	703,053,649
	2015	710,610,626
	2016	<u>723,046,956</u>
		<u>\$ 2,136,711,231</u>
Average Equalized Valuation of Taxable Property		\$ 712,237,077
Debt Limit (4 % of average equalization value)		28,489,483
Total Net Debt Applicable to Limit		<u>3,535,000</u>
Legal Debt Margin		<u>\$ 24,954,483</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>	
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	75,849	5.0%	
2016	8,507	N/A	4.7%	
2017	N/A	N/A	4.7%	*

N/A - Not Available

\*Estimated

Source: New Jersey Department of Education

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

<u>Employer</u>	<u>2017</u>		<u>2008</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>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>	<u>2017</u>
Instruction										
Regular	92	104	102	100	101	101	101	103	107	99
Special Education	30	15	15	14	15	15	15	15	16	18
Other Special Education	5	3	3	3	3	3	6	6	7	11
Support Services:										
Student & Instruction Related Services		18	18	15	15	15	15	16	22	18
General Administration	2	2	2	3	3	3	3	3	5	3
School Administrative Services	5	5	4	-	-	-	-	-	-	4
Other Administrative Services	9	5	4	2	2	2	2	2	2	2
Central Services	3	3	3	3	3	3	3	3	4	4
Plant Operations and Maintenance	16	15	12	1	1	1	3	13	13	15
Total	<u>162</u>	<u>170</u>	<u>163</u>	<u>141</u>	<u>143</u>	<u>143</u>	<u>148</u>	<u>161</u>	<u>176</u>	<u>174</u>

Source: Annual School Budget Statement

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

Fiscal Year	Enrollment <sup>a</sup>	Operating Expenditures <sup>b</sup>	Cost Per Pupil <sup>c</sup>	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					
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%
2017	1,118	22,679,391	20,286	8.56%	107	9:01	9:01		1097	1047	-4.02%	95.44%

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)**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b><u>District Building</u></b>										
<b><u>E. Roy Bixby</u></b>										
Square Feet	40,475	40,475	40,475	40,475	40,475	40,475	40,475	40,475	40,475	40,475
Capacity (students)	303	N/A	300	292	292	292	292	292	292	292
Enrollment					294	294	294	308	294	280
<b><u>Lillian M Steen</u></b>										
Square Feet	47,456	47,456	47,456	47,456	47,456	47,456	47,456	47,456	47,456	47,456
Capacity (students)	306	N/A	321	296	296	296	296	296	296	296
Enrollment					302	302	302	294	308	302
<b><u>Jr./Sr. High School</u></b>										
Square Feet	78,464	86,104	86,104	86,104	86,104	86,104	86,104	86,104	86,104	86,104
Capacity (students)	543	N/A	580	575	575	575	575	575	575	575
Enrollment					554	554	554	493	503	515
<b><u>Other</u></b>										
<b><u>Board of Education Offices</u></b>										
Square Feet	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
<b><u>Feigel Field House</u></b>										
Square Feet	7,640	7,640	7,640	7,640	7,640	7,640	7,640	7,640	7,640	7,640
<b>Number of Schools at June 30, 2017</b>										
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>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>	<u>2017</u>
School Facilities										
Bixby Elementary School	\$ 68,525	\$ 101,951	\$ 107,720	\$ 72,190	\$ 66,979	\$ 73,287	\$ 57,440	\$ 88,388	\$ 106,601	\$ 233,465
Steen Elementary School	82,800	119,536	121,186	57,550	85,247	85,927	67,371	103,663	125,140	273,732
Bogota High School	<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>	<u>496,659</u>
Grand Total	<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>	<u>\$ 1,003,856</u>

Source: School District's Financial Statements

**BOGOTA BOARD OF EDUCATION  
SCHEDULE OF INSURANCE  
JUNE 30, 2017  
(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  
GARY J. VINCI, CPA, RMA, PSA  
GARY W. HIGGINS, CPA, RMA, PSA  
JEFFREY C. BLISS, CPA, RMA, PSA  
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DEBRA GOLLE, CPA  
CINDY JANACEK, CPA, RMA  
MARK SACO, CPA  
SHERYL M. NICOLOSI, CPA, PSA

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

### INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Bogota Board of Education as of and for the fiscal year ended June 30, 2017 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 2, 2017.

#### *Internal Control Over Financial Reporting*

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

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

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

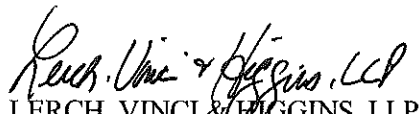
***Compliance and Other Matters***


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

However, we noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Bogota Board of Education in a separate report entitled, “Auditor’s Management Report on Administrative Findings – Financial, Compliance and Performance” dated November 2, 2017.

***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 2, 2017



DIETER P. LERCH, CPA, RMA, PSA  
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**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM;  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT  
ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE  
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 the Bogota Board of Education's major federal and state programs for the fiscal year ended June 30, 2017. 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 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, 2017.

### ***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 which are described in the accompanying schedule of findings and questioned costs as items 2017-001, 2017-002 and 2017-003. 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 compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The Bogota Board of Education's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

### ***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.

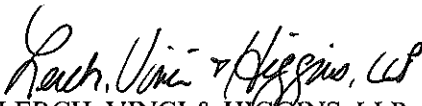
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any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


The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the U.S. Uniform Guidance and New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.



***Report on Schedule of Expenditures of Federal Awards Required by 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, 2017 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 2, 2017, 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 2, 2017

**BOGOTA BOARD OF EDUCATION  
SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	FAIN Number	Grant Period	Award Amount	Balance July 1, 2016					Balance June 30, 2017					MEMO GAAP Receivable
					(Accounts Receivable)	Unearned Revenue	Due to Grantor	A/R Carryover Amount	Def. Rev Carryover Amount	Cash Received	Budgetary Expenditures	(A) Adjustments	(Accounts Receivable)	Unearned Revenue	
<b>U.S. Department of Education</b>															
ARRA - Medical Assistance Program (SEMI)	93.778		7/1/14-6/30/16	\$ 4,776	\$ 4,776							\$ 4,776			*
ARRA - Medical Assistance Program (SEMI)	93.778	1705NJ5MAP	7/1/16-6/30/17	964						\$ 964	\$ 964				*
Medicaid Assistance Program (Semi)	93.778	1705NJ5MAP	7/1/16-6/30/17							43,547	43,547				*
<b>Total U.S. Department of Education - General Fund</b>						4,776				44,511	44,511	4,776			*
<b>U.S. Department of Agriculture</b>															
<b>Passed-Through State Department of Education</b>															
Food Distribution Program- Non Cash Assistance	10.555	16161NJ304N1099	7/1/15-6/30/16	26,074	\$ 1,396						1,396				*
Food Distribution Program- Non Cash Assistance	10.555	171NJ304N1099	7/1/16-6/30/17	36,790						36,790	34,373		\$ 2,417		*
National School Breakfast Program	10.553	16161NJ304N1099	7/1/15-6/30/16	39,101	(8,463)					8,463					*
National School Breakfast Program	10.553	171NJ304N1099	7/1/16-6/30/17	37,075						20,868	37,075		(16,207)		\$ (16,207)
National School Lunch Program	10.555	16161NJ304N1099	7/1/15-6/30/16	222,831	(40,327)					40,327					*
National School Lunch Program	10.555	171NJ304N1099	7/1/16-6/30/17	219,368						131,761	219,368		(87,607)		(87,607)
<b>Total Child Nutrition Cluster/U.S. Department of Agriculture</b>					(48,790)	1,396				238,209	292,212		(103,814)	2,417	(103,814)
<b>U.S. Department of Education</b>															
<b>Passed-Through State Department of Education</b>															
Title III	84.365	S365A160030	7/1/16-6/30/17	17,404						13,084	17,404		(4,320)		(4,320)
Title III	84.365	S365A150030	7/1/15-6/30/16	16,269	(111)					111					*
Title III, Immigrant	84.365	S365A160030	7/1/16-6/30/17	4,227			\$ (18)	\$ 18		4,245	4,245				*
Title III, Immigrant	84.365	S365A150030	7/1/15-6/30/16	5,983	(5,983)	1,542		18	(18)	5,965				\$ 1,524	*
<b>Total Title III Cluster</b>					(6,094)	1,542				23,405	21,649		(4,320)		(4,320)
I.D.E.A. Part B	84.027		7/1/14-6/30/15	300,934			\$ 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	(44,028)	4,715	3,144	(3,144)		40,884					1,571
I.D.E.A. Part B	84.027	H027A160100	7/1/16-6/30/17	309,075			(3,144)	3,144		250,472	311,726		(61,747)	493	(61,254)
I.D.E.A. Preschool	84.173	H173A160114	7/1/16-6/30/17	8,185						6,600	8,185		(1,585)		(1,585)
<b>Total IDEA Cluster</b>					(44,028)	9,757	934			297,956	319,911		(63,332)	493	(62,839)
Title I	84.010		7/1/14-6/30/15	310,540			11								11
Title I	84.010	S010A150030	7/1/15-6/30/16	320,436	(179,497)	32,143	28,943	(28,943)		150,554					3,200
Title I	84.010	S010A160030	7/1/16-6/30/17	314,577			(43,427)	43,427		263,754	358,004		(94,250)		(94,250)
<b>Total Title I Cluster</b>					(179,497)	32,143	11	(14,484)	14,484	414,308	358,004		(94,250)		(94,250)
Title II Part A	84.367A	S367A150029	7/1/15-6/30/16	31,909	(47,703)	6,423	2,733	(2,733)		44,970					3,690
Title II Part A	84.367A	S367A160029	7/1/16-6/30/17	28,967			11,751	(11,751)		14,483	17,216		(2,733)		(2,733)
<b>Total Title II Cluster</b>					(47,703)	6,423		14,484	(14,484)	59,453	17,216		(2,733)		(2,733)
<b>Total U.S. Department of Education - Special Revenue Fund</b>					(277,322)	49,865	945			795,122	716,780		(164,635)	493	(164,142)
<b>Total</b>					\$ (326,112)	\$ 56,037	\$ 945	\$ -	\$ -	\$ 1,077,842	\$ 1,053,503	\$ 4,776	\$ (268,449)	\$ 2,910	\$ (267,956)

(A) - To adjust beginning balance and realize prior year unearned revenue

FAIN numbers are only applicable for current year grant awards.

See Accompanying Notes to Schedule of Expenditures of Federal Awards

**BOGOTA BOARD OF EDUCATION  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

State Grant/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance July 1, 2016		Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance June 30, 2017		MEMO
				(Accounts Receivable)	Due to Grantor				(Accounts Receivable)	Due to Grantor	
<b>State Department of Education</b>											
General Fund	17-495-034-5120-078	7/1/16-6/30/17	\$ 4,656,232	\$	\$	4,236,892	4,656,232		\$ (419,340)	\$	4,656,232
Equalization Aid	16-495-034-5120-078	7/1/15-6/30/16	4,656,216	(444,062)	444,062						
Equalization Aid	16-495-034-5120-068	7/1/15-6/30/16	33,438	(3,189)	3,189						
School Choice Aid	17-495-034-5120-089	7/1/16-6/30/17	764,979	(72,285)	696,085	764,979			(68,894)		764,979
Special Education Aid	17-495-034-5120-089	7/1/15-6/30/16	757,950	(72,285)	72,285						
Special Education Aid	17-495-034-5120-084	7/1/16-6/30/17	73,248	(6,179)	66,651	73,248			(6,597)		73,248
Security Aid	16-495-034-5120-084	7/1/15-6/30/16	64,794	(6,179)	6,179						
Security Aid	16-495-034-5120-085	7/1/15-6/30/16	47,038	(4,486)	4,486						
Additional Adjustment Aid	17-495-034-5120-085	7/1/16-6/30/17	80,476		73,228	80,476			(7,248)		80,476
Additional Adjustment Aid	17-495-034-5120-101	7/1/16-6/30/17	11,230		10,219	11,230			(1,011)		11,230
Professional Learning Community Aid	17-495-034-5120-098	7/1/16-6/30/17	11,100		10,100	11,100			(1,000)		11,100
PARCC Readiness Aid	16-495-034-5120-098	7/1/15-6/30/16	11,100	(1,059)	1,059						
PARCC Readiness Aid	17-495-034-5120-097	7/1/16-6/30/17	11,100		10,100	11,100			(1,000)		11,100
Per Pupil Growth Aid	16-495-034-5120-097	7/1/15-6/30/16	11,100	(1,059)	1,059						
Per Pupil Growth Aid											
				(532,319)		5,635,594	5,608,365		(505,090)		5,608,365
<b>Total State Aid - Public Cluster</b>											
Extraordinary Aid	17-100-034-5120-044	7/1/16-6/30/17	228,784			228,784			(228,784)		228,784
Extraordinary Aid	16-100-034-5120-473	7/1/15-6/30/16	235,612	(235,612)	235,612						
Transportation Aid	17-495-034-5120-014	7/1/16-6/30/17	53,824		48,977	53,824			(4,847)		53,824
Transportation Aid	16-495-034-5120-014	7/1/15-6/30/16	47,315	(4,512)	4,512						
On-School TPAF Payments											
Normal Costs	17-495-034-5094-002	7/1/16-6/30/17	794,643		794,643	794,643					794,643
NCGI Premium	17-495-034-5094-004	7/1/16-6/30/17	28,792		28,792	28,792					28,792
Long-Term Disability Insurance Contributions	17-495-034-5094-004	7/1/16-6/30/17	2,004		2,004	2,004					2,004
Post Retirement Medical Contribution	17-495-034-5094-001	7/1/16-6/30/17	686,108		686,108	686,108					686,108
Social Security Aid-Non-Budget	17-495-034-5094-003	7/1/16-6/30/17	573,533		544,699	573,533			(28,834)		573,533
Social Security Aid-Non-Budget	16-495-034-5094-003	7/1/15-6/30/16	548,471	(28,534)	28,534						
				(800,977)		8,009,475	7,976,053		(767,555)		7,976,053
<b>Total General Fund</b>											
Special Revenue Fund											
New Jersey Nonpublic Aid:											
Auxiliary Services:											
Compensatory Education	17-100-034-5120-067	7/1/16-6/30/17	69,872		69,872	61,094			\$	8,778	61,094
English as a Second Language	17-100-034-5120-067	7/1/16-6/30/17	5,482		5,482	5,482				5,482	5,482
Transportation	17-100-034-5120-067	7/1/16-6/30/17	15,300		15,300	15,300					15,300
Transportation	16-100-034-5120-067	7/1/15-6/30/16	27,625	\$	14,450	14,450					
Home Instruction	16-100-034-5120-067	7/1/15-6/30/16	1,835	(1,835)	1,835						
<b>Total Nonpublic Auxiliary Services Aid (Chapter 192) Cluster</b>											
Handicapped Services:											
Examination & Classification	17-100-034-5120-066	7/1/16-6/30/17	22,163		22,163	19,636				2,527	19,636
Examination & Classification	16-100-034-5120-066	7/1/15-6/30/16	35,291		35,291	35,291					35,291
Supplemental Instruction	17-100-034-5120-066	7/1/16-6/30/17	27,464		27,464	17,670				9,794	17,670
Supplemental Instruction	16-100-034-5120-066	7/1/15-6/30/16	23,837		23,837	23,837					23,837
Corrective Speech	17-100-034-5120-066	7/1/16-6/30/17	24,739		24,739	19,539				5,200	19,539
Corrective Speech	16-100-034-5120-066	7/1/15-6/30/16	19,814		19,814	19,814					19,814
<b>Total Nonpublic Handicapped Aid (Chapter 193) Cluster</b>											
Textbook Aid	16-100-034-5120-064	7/1/15-6/30/16	13,704		13,704	14,237					14,237
Textbook Aid	17-100-034-5120-064	7/1/16-6/30/17	14,237		14,237	14,237					14,237
Nursing Services	17-100-034-5120-070	7/1/16-6/30/17	22,230		22,230	21,415				815	21,415
Technology Aid	16-100-034-5120-373	7/1/15-6/30/16	6,240		6,240	6,370					6,370
Technology Aid	17-100-034-5120-373	7/1/16-6/30/17	6,422		6,422	6,370				52	6,370
Security Aid	16-100-034-5120-509	7/1/15-6/30/16	6,000		6,000	12,068					12,068
Security Aid	17-100-034-5120-509	7/1/16-6/30/17	12,330		12,330	12,330				282	12,330
<b>Total Special Revenue Fund</b>											
				(1,835)		222,094	187,329				187,329

See Accompanying Notes 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, 2017**

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2016		Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance June 30, 2017		MEMO	
				(Accounts Receivable)	Due to Grantor				(Accounts Receivable)	Due to Grantor	GAAP Receivable	Cumulative Expenditures
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	-	-	-	-	-	-
Total Capital Projects Fund				(463,120)	-	463,120	-	-	-	-	-	-
State Department of Agriculture												
Enterprise Fund												
State School Lunch Program	17-100-010-3350-023	7/1/16-6/30/17	5,071			3,070	\$ 5,071		\$ (2,001)		\$ (2,001)	\$ 5,071
State School Lunch Program	16-100-010-3350-023	7/1/15-6/30/16	5,332	\$ (955)	-	955	-	-	-	-	-	-
Total Food Service Fund				(955)	-	4,025	5,071	-	(2,001)	-	(2,001)	5,071
<b>Total State Financial Assistance Subject to Single Audit Determination</b>				<b>(1,266,887)</b>	<b>\$ 37,321</b>	<b>8,698,714</b>	<b>8,168,453</b>	<b>\$ 37,321</b>	<b>(769,556)</b>	<b>32,930</b>	<b>(30,835)</b>	<b>8,168,453</b>
Less On-Behalf TPAF Pension and Annuity Aid												
Normal Costs						(794,643)	(794,643)					(794,643)
NCGI Premium						(28,792)	(28,792)					(28,792)
Long-Term Disability Insurance Contributions						(2,004)	(2,004)					(2,004)
Post Retirement Medical Contribution						(686,108)	(686,108)					(686,108)
						(1,511,547)	(1,511,547)					(1,511,547)
<b>Total State Financial Assistance Subject to Major Program Determination</b>				<b>\$ (1,266,887)</b>	<b>\$ 37,321</b>	<b>\$ 7,187,167</b>	<b>\$ 6,656,906</b>	<b>\$ 37,321</b>	<b>\$ (769,556)</b>	<b>\$ 32,930</b>	<b>\$ (30,835)</b>	<b>\$ 6,656,906</b>

118

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, 2017**

**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 Title 2 U.S. Code of Federal Regulations Part 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 an increase of \$33,722 for the general 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	\$ 44,511	\$ 8,009,775	\$ 8,054,286
Special Revenue Fund	716,780	187,329	904,109
Food Service Fund	292,212	5,071	297,283
	<hr/>	<hr/>	<hr/>
Total Financial Assistance	<u>\$ 1,053,503</u>	<u>\$ 8,202,175</u>	<u>\$ 9,255,678</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, 2017**

**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 \$573,533 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, 2017. The amount reported as TPAF Pension System Contributions in the amount of \$823,435, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$686,108 and TPAF Long-Term Disability Insurance in the amount of \$2,004 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2017.

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

On-behalf State Programs for TPAF Pension, Post-Retirement Medical Benefits and Long-Term Disability Insurance 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 10 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, 2017**

*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? \_\_\_\_\_ yes       X  none reported

Noncompliance material to the basic financial statements noted? \_\_\_\_\_ yes       X  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?  X  yes      \_\_\_\_\_ 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>H027A160100</u>	<u>IDEA Part B</u>
<u>84.173</u>	<u>H173A160114</u>	<u>IDEA Preschool</u>
<u>84.01</u>	<u>S010A160030</u>	<u>Title I</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, 2017**

*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?

X  yes      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?

yes     X  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>17-495-034-5120-078</u>	<u>Equalization Aid</u>
<u>17-495-034-5120-101</u>	<u>Professional Learning Community Aid</u>
<u>17-495-034-5120-089</u>	<u>Special Education Aid</u>
<u>17-495-034-5120-084</u>	<u>Security Aid</u>
<u>17-495-034-5120-085</u>	<u>Additional Adjustment Aid</u>
<u>17-495-034-5120-098</u>	<u>PARCC Readiness Aid</u>
<u>17-495-034-5120-097</u>	<u>Per Pupil Growth Aid</u>



**BOGOTA BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

*Part 2 – Schedule of Financial Statement Findings*

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

There are none.

**BOGOTA BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

*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**

**Finding 2017-001**

Our audit of the Title I grant program revealed certain employees and their respective salaries charged to the program were not formally approved in the official minutes of the Board.

**Federal Program Information:**

Title I	84.010
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**Criteria or Specific Requirement:**

Federal Grant Compliance Supplement – Employee Time and Effort

**Condition:**

See Finding 2017-001

**Questioned Costs:**

Unknown

**Context:**

We noted four (4) employees charged to Title I were not approved in the official minutes by grant title and salary amount allocated.

**Effect:**

Personnel charged to Federal grants may not be allowable grant expenses.

**Cause:**

Unknown.

**Recommendation:**

Employees and their respective salaries charged to Title I grant programs be formally approved in the official minutes of the Board.

**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, 2017**

*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 (Continued)**

**Finding 2017-002**

Our audit noted that the 2016/17 reimbursement report for the Title I grant program and the 2015/2016 final reimbursement reports for IDEA Basic and Title I grant programs were not in agreement with the District's records.

**Federal Program Information:**

IDEA Basic	84.027
Title I	84.010

**Criteria or Specific Requirement:**

Grant Program Reporting Requirements – Code of Federal Regulations (31 CFR Section 205.12 (b) (5))

**Questioned Costs:**

Unknown

**Condition:**

Expenditures reported on the District's financial records were not in agreement with amounts reported in the respective grant reimbursement reports for the 2016/2017 and 2015/2016 grant periods.

**Context:**

- The District's 2016/2017 Title I reimbursement request did not agree to the District's financial records for the period July 1, 2016 to December 31, 2016. The District's respective reimbursement request was for \$88,239, but the District's financial records covering the same period reported expenditures totaling \$125,917.
- The District's 2015/2016 final reimbursement reports for IDEA Basic and Title I did not agree to the District's financial records by \$1,571 and \$3,200, respectively. As a result, the District received additional funds not supported by expenditures incurred by the respective grant program. This excess reimbursement was adjusted and reported as due to the State of New Jersey.

**Effect:**

The District's financial reports were not in agreement with amounts requested for reimbursement from the grantor agencies.

**BOGOTA BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

*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 (Continued)**

**Finding 2017-002 (Continued)**

**Cause:**

Grant reimbursement reports were not reconciled to actual grant expenditures incurred prior to submission.

**Recommendation:**

Grant reimbursement reports for the Title I and IDEA Federal programs be reconciled to and be in agreement with the District's accounting records prior to their submission for reimbursement.

**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, 2017**

*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 2017-003**

Our audit revealed the Treasurer's monthly reports for 2016/2017 were not completed and submitted to the Board for their approval within sixty (60) days of month end.

**State Program Information:**

Equalization Aid	495-034-5120-078
Professional Learning Community Aid	495-034-5120-101
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 – Special Tests and Provisions

**Condition:**

See Finding 2017-003

**Questioned Costs:**

Unknown.

**Context:**

See Finding 2017-003.

**Effect:**

Financial statements and transactions could be misstated without proper and timely completion, submission and approval of monthly Treasurer's reports.

**Cause:**

Unknown.

**BOGOTA BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

*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 (Continued)**

**Finding 2017-003 (Continued)**

**Recommendation:**

The monthly reports of the Treasurer be completed and submitted to the Board for approval in a timely manner in accordance with N.J.S.A. 18A:17-36.

**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, 2017**

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**

**Finding 2016-001**

Our audit revealed the 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.

**Current Status**

Corrective action was taken.

**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.

**Current Status**

See Auditor's Management Report.

**Finding 2016-003**

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

**Current Status**

Corrective action was taken.