

**BOGOTA BOARD OF EDUCATION
AUDITOR'S MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS -
FINANCIAL, COMPLIANCE AND PERFORMANCE
JUNE 30, 2018**

**BOGOTA BOARD OF EDUCATION
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- FINANCIAL, COMPLIANCE AND PERFORMANCE**

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LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

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

ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, PSA
DEBORAH K. LERCH, CPA, PSA
RALPH M. PICONE, CPA, RMA, PSA
DEBRA GOLLE, CPA
CINDY JANACEK, CPA, RMA
MARK SACO, CPA
SHERYL M. LEIDIG, CPA, PSA
ROBERT LERCH, CPA

INDEPENDENT AUDITOR'S MANAGEMENT REPORT

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

We have audited in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards issued by the Comptroller General of the United States, the basic financial statements of the Bogota Board of Education as of and for the fiscal year ended June 30, 2018, and have issued our report thereon dated January 18, 2019.

As part of our audit, we performed procedures required by the Office of School Finance, Department of Education, State of New Jersey and the findings and results thereof are disclosed on the following pages, as listed in the accompanying table of contents.

This report is intended solely for the information and use of management, the Board of Trustees, others within the District and the New Jersey State Department of Education. However, this report is a matter of public record and its distribution is not limited.

Respectfully submitted,

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

Gary J. Vinci
Public School Accountant
PSA Number CS00829

Fair Lawn, New Jersey
January 18, 2019

**BOGOTA BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Scope of Audit

The audit covered the financial transactions of the Board Secretary/School Business Administrator and Treasurer, the activities of the Board of Education and the records of the various funds under the auspices of the Board of Education.

Administrative Practices and Procedures

Insurance

Fire insurance coverage was carried in the amounts as reported on Exhibit J-20 as contained in the District's Comprehensive Annual Financial report (the "CAFR").

Official Bonds

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Irfan Evcil	Board Secretary/School Business Administrator	\$430,000
Janet Behrmann	Treasurer	430,000

There is a Public Employee Dishonesty with Faithful Performance Bond with New Jersey School Boards Association Insurance Group covering all other employees with a limit of \$250,000.

Finding – Our audit revealed the District did not have an approved Board procurement card policy relating to certain purchases.

Recommendation – A procurement card policy be developed and submitted to the Board for approval.

Financial Planning, Accounting and Reporting

Examination of Claims

An examination of claims paid during the period under review did not reveal any material discrepancies with respect to signatures, certification, proper itemization and supporting documentation.

Finding – Our audit revealed certain purchase were made and certain contacts were entered into prior to the approval and issuance of a purchase order.

Recommendation – A properly executed purchase order be approved and issued prior to the purchase of goods or rendering of services.

Payroll Account

The net salaries of all employees of the Board were deposited in the Payroll Account. Employees' payroll deductions and employer's share of payroll taxes were deposited in the Payroll Agency Account.

All payrolls tested were approved by the Board President and the Board Secretary/Business Administrator.

Salary withholdings were promptly remitted to the proper agencies, including employee health benefits contribution withholdings due to the General Fund. The School Business Administrator completed and filed the required Certification of Compliance with Federal and State Law respecting the reporting of compensation for certain employees.

The Board has implemented and maintains a personnel tracking and accounting (Position Control) system.

**BOGOTA BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Financial Planning, Accounting and Reporting (Continued)

Reserve for Encumbrances and Accounts Payable

A review of outstanding issued purchase orders was made as of June 30, for goods not yet received or services not yet rendered and it was determined that no blanket purchase orders were included in the balance of the reserve for encumbrances. Also, unpaid purchase orders included in the balance of accounts payable were reviewed for propriety and to determine that goods were received and services were rendered, as of June 30.

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 6A:23-2.2(g) as part of our test of transactions of randomly selected expenditure items. We also reviewed the coding of all expenditures included in our compliance and single audit testing procedures. In addition to randomly selecting a test sample, our sample selection specifically targeted administrative coding classifications to determine overall reliability and compliance with N.J.A.C. 6A:23A-8.2.

As a result of the procedures performed, no additional procedures were deemed necessary to test the propriety of expenditure classification.

Finding – Our audit revealed the appropriations and expenditures relating to the transfer of funds to charter schools were included in an incorrect budget account. This appears to be an isolated instance, thus an audit recommendation is not warranted.

Board Secretary's Records

The financial records and books of accounts maintained by the Board Secretary were in good condition.

Our review of the financial and accounting records maintained by the Board Secretary disclosed the following:

Bids received were summarized in the minutes (N.J.S.A. 18A:18A-21).

The Treasurer did perform cash reconciliations for all the accounts as required (N.J.S.A. 18A:17-36).

All cash receipts were promptly deposited.

Finding – At June 30, 2018 the District had an uncollected property tax receivable of \$1,424,751. This amount was subsequently collected in July 2018 and August 2018 thus an audit recommendation is not warranted.

Finding – Our audit of the District's Summer Recovery Fund revealed a daily cash receipt ledger was not maintained during the 2016/17 school year.

Recommendation – A daily cash receipt ledger be maintained for all fees deposited in the District's Summer Recovery Fund.

Unemployment Compensation Insurance Trust Fund

The Board has adopted the direct reimbursement method and has established an Unemployment Compensation Insurance Trust Fund. The financial transactions of this fund are reported in the Fiduciary Trust Fund.

**BOGOTA BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Financial Planning, Accounting and Reporting (Continued)

Elementary and Secondary Education Act (E.S.E.A.) as amended by the Every Student Succeeds Act (E.S.S.A)

The E.S.E.A./E.S.S.A financial exhibits are contained within the Special Revenue section of the CAFR. This section of the CAFR documents the financial position pertaining to projects under the various Titles of the Elementary and Secondary Education Act as amended and reauthorized.

Our examination of the E.S.E.A./ESSA funds on a test basis indicated that obligations and expenditures were incurred during the fiscal year or project period for which the project was approved.

Other Special Federal and/or State Projects

The district's Special Projects were approved as listed on Exhibit K-3 and K-4 located in the CAFR.

Our audit of the federal and state funds on a test basis indicated that obligations and expenditures were incurred during the fiscal year or project period for which the project was approved.

The financial exhibits are contained within the Special Revenue Section of the CAFR. This section of the CAFR documents the financial position pertaining to the aforementioned special projects.

Teachers Pension and Annuity Fund

Our audit procedures included a test of the semi-monthly reimbursement forms filed with the Department of Education for district employees who are members of the Teachers Pension and Annuity Fund without exception.

The amount of the expenditure charged to the current year's Final Report for all federal awards for the school district to reimburse the State for the TPAF/FICA payments made by the State on-behalf of the school district for those employees whose salaries are identified as being paid from federal funds was made prior to the end of the 90 day grant liquidation period required by the Office of Grant Management. The expenditure was reviewed subsequent to the reimbursement and no exceptions were noted.

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

The bid thresholds in accordance with N.J.S.A. 18A:18A-2 and 18A:18A-3(A) are \$40,000 (with a Qualified Purchasing Agent) and \$29,000 (without a Qualified Purchasing Agent), respectively. The District's Business Administrator is not qualified and the bid threshold utilized is \$29,000. The law regulating bidding for public school student transportation contracts under N.J.S.A. 18A:39-3 is currently \$19,000.

If the purchasing agent is qualified pursuant to subsection b of section 9 of P.L. 1971, c.198 (c.40A:11-9), the Board of Education may establish that the bid threshold may be up to \$40,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section. The District's Business Administrator is not qualified.

The board of education has the responsibility of determining whether the expenditures in any category will exceed the statutory thresholds within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Board Attorney's opinion should be sought before a commitment is made.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

The results of our examination did not indicate any individual payments, contracts, or agreements which were made "for the performance of any work or the furnishing or hiring of any materials or supplies," in excess of statutory thresholds where there had been no advertising for bids in accordance with the provisions of N.J.S.A. 18A:18A-4, as amended.

Resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S.A. 18A:18A-5.

**BOGOTA BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

School Purchasing Programs (Continued)

Contracts and Agreements Requiring Advertisement for Bids (Continued)

The system of records did not provide for an accumulation of purchases for which the school board used contracts entered into by the State Department of Purchase and Property pursuant to Ch. 114, P.L. 1977, therefore, the extent of such purchases could not reasonably be ascertained. Our examination did reveal, however, that purchases were made through the use of State contracts.

Finding (CAFR Finding 2018-001) - Our audit of expenditures revealed the following:

- We noted two (2) instances where contract awards and purchases were made in excess of the quote threshold where there was no documentation to support competitive quotations were solicited by the District in accordance with N.J.S.A. 18A:18A-37(a).
- There was one (1) vendor awarded purchases through a consortium whose invoices did not detail unit price and/or material mark-ups. We were unable to verify the amounts charged to the contract awarded by the respective consortium.

Recommendation - Internal control procedures be reviewed and revised to ensure:

- Competitive quotations are solicited and attached to purchase orders for all contract awards that exceed the quote threshold in accordance with N.J.S.A. 18A:18A-37(a).
- Documentation supporting all cooperative purchasing contracts be retained for audit, and all vendor invoices submitted be in agreement with the terms of the approved contract award.

School Food Service

The school food service program was not selected as a major federal and/or state program. However, the program expenditures exceeded \$100,000 in federal and/or state support. Accordingly, we inquired of school management, or appropriate school food service personnel, as to whether the Board had any Child Nutrition Program reimbursement overclaims or under claims.

We also, inquired of school management, or appropriate school food service personnel, as to whether the SFA's expenditures of school food service revenues were limited to allowable direct and indirect costs. No exceptions were noted.

The financial records of the School Food Services were maintained in satisfactory condition. The financial accounts were reviewed on a test-check basis.

Applications for free and reduced priced meals were reviewed for completeness and accuracy as part of the audit of the Application for State School Aid.

Cash receipts and bank records were reviewed for timely deposit.

Expenses were separately recorded as food, labor and other costs. Vendor invoices were reviewed and costs verified. Inventory records on food supply items were currently maintained and properly applied in determining the cost of food and supplies used.

**BOGOTA BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

School Food Service (Continued)

The cash disbursement records reflected expenses for program related goods and services. The appropriate revenue and expense records were maintained in order to substantiate the non-profit status of the school food service. Net cash resources did not exceed three months average expenditures.

U.S.D.A. commodities were received and a separate inventory was maintained on a first-in, first-out basis.

Exhibits reflecting Child Nutrition Program operations are included in the District's CAFR (Exhibits B-4 to B-6).

The Board utilizes a food service management company (FSMC) for the operation of the school food services. Provisions of the FSMC contract were reviewed and audited. The FSMC contract includes an operating results provision which guarantees that the food service program will return a profit of at least \$28,038. The operating results provision has been met.

USDA Food Distribution Program (food and/or commodities) were received and a single inventory was maintained on a first-in, first-out basis. No exceptions were noted.

The Statement of Revenues, Expenses, and Changes in Net Assets (CAFR Schedule B-5) does separate program and non-program revenue and program and non-program cost of goods sold.

The school district maintains the detailed revenue and expense information necessary in order to execute the USDA mandated Non-Program Food Revenue Tool at least annually.

Student Activity Fund/School Athletics

The District has a policy which clearly established the regulation of student activity funds.

Application for State School Aid

Our audit procedures included a test of information reported in the October 13, 2017 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the disabled, low-income, related services and bilingual. We also performed a review of the district procedures related to its completion. The information on the A.S.S.A. was compared to the district workpapers without exceptions. The information that was included on the workpapers was verified with minor exceptions relating to resident low income. The results of our procedures are presented in the Schedule of Audited Enrollments.

The District maintained workpapers on the prescribed State forms or their equivalent.

The District's written procedures appear to be adequate for the recording of student enrollment data.

Pupil Transportation

Our audit procedures were to include a test of on-roll status reported in the 2017-2018 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report with one exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

Our procedures also included a review of transportation-related contracts and purchases. Based on our review, the District complied with proper bidding procedures and award contracts. No exceptions were noted in our review of transportation-related purchases of goods and services.

**BOGOTA BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Facilities and Capital Assets

Our procedures included a review of the SDA grant agreement for consistency with recording SDA grant revenue, transfer of local funds from the General Fund or from the Capital Reserve Account, and awarding of contracts for eligible facilities construction

Testing for Lead of All Drinking Water in Educational Facilities

The school district adhered to all the requirements of N.J.A.C. 26-1.2 and 12.4 related to the testing for lead of all drinking water in educational facilities.

The school district did submit the annual Statement of Assurance to the Department of Education, pursuant to N.J.A.C. 6A:26-12.4(g).

Follow-up on Prior Year Findings

In accordance with government auditing standards, our procedures included a review of all prior year recommendations. Corrective action had been taken on all prior year findings.

Suggestion to Management

- Old outstanding checks and reconciling items in the General Operating, High School Student Activities and High School Athletics accounts be reviewed and cleared of record.

Acknowledgment

We received the complete cooperation of all the officials of the school district and greatly appreciate the courtesies extended to the members of the audit team.

**BOGOTA BOARD OF EDUCATION
FOOD SERVICE ENTERPRISE FUND
SCHEDULE OF MEAL COUNT ACTIVITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOT APPLICABLE

**FOOD SERVICE ENTERPRISE FUND
CALCULATION OF NET CASH RESOURCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Net Cash Resources:

Current Assets

Cash and Cash Equivalents	\$	56,446
Due from Other Governments		15,232
Accounts Receivable		22,899

Current Liabilities

Unearned Revenue		4,063
Accounts Payable		26,331

Net Cash Resources	\$	64,183
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Adjusted Total Operating Expenses:

Total Operating Expenses	\$	449,503
Less Depreciation Expense		(3,493)

Adjusted Total Operating Expenses	\$	446,010
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Average Monthly Operating Expense:	\$	44,601
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Three Times Monthly Average:	\$	133,803
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Total Net Cash Resources	\$	64,183
Three Times Monthly Average		133,803

Net	\$	-
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**BOGOTA BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID SUMMARY
SCHEDULE OF AUDITED ENROLLMENTS
ENROLLMENT AS OF OCTOBER 13, 2017**

	<u>2018-2019 Application for State School Aid</u>						<u>Sample for Verification</u>						<u>Private Schools for Disabled</u>			
	<u>Reported on</u>		<u>Reported on</u>		<u>Errors</u>		<u>Sample</u>		<u>Verified per</u>		<u>Errors per</u>		<u>Reported on</u>	<u>Sample</u>	<u>Sample</u>	<u>Sample</u>
	<u>A.S.S.A.</u>		<u>Workpapers</u>				<u>Selected from</u>		<u>Registers</u>		<u>Registers</u>		<u>A.S.S.A. as</u>	<u>for</u>		
	<u>Full</u>	<u>Shared</u>	<u>Full</u>	<u>Shared</u>	<u>Full</u>	<u>Shared</u>	<u>Full</u>	<u>Shared</u>	<u>Full</u>	<u>Shared</u>	<u>Full</u>	<u>Shared</u>	<u>Private</u>	<u>Verifi-</u>	<u>Verified</u>	<u>Errors</u>
	<u>On Roll</u>		<u>On Roll</u>				<u>Workpapers</u>		<u>On Roll</u>		<u>On Roll</u>		<u>Schools</u>	<u>cation</u>		
Full Day Kindergarten	63	-	63	-	-	-	31	-	31	-	-	-	-	-	-	-
One	63	-	63	-	-	-	27	-	27	-	-	-	-	-	-	-
Two	90	-	90	-	-	-	44	-	44	-	-	-	-	-	-	-
Three	76	-	76	-	-	-	47	-	47	-	-	-	-	-	-	-
Four	69	-	69	-	-	-	30	-	30	-	-	-	-	-	-	-
Five	61	-	61	-	-	-	34	-	34	-	-	-	-	-	-	-
Six	66	-	66	-	-	-	38	-	38	-	-	-	-	-	-	-
Seven	72	-	72	-	-	-	72	-	72	-	-	-	-	-	-	-
Eight	84	-	84	-	-	-	84	-	84	-	-	-	-	-	-	-
Nine	69	-	69	-	-	-	69	-	69	-	-	-	-	-	-	-
Ten	69	-	69	-	-	-	69	-	69	-	-	-	-	-	-	-
Eleven	82	-	82	-	-	-	82	-	82	-	-	-	-	-	-	-
Twelve	67	-	67	-	-	-	67	-	67	-	-	-	-	-	-	-
Subtotal	<u>931</u>	<u>-</u>	<u>931</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>694</u>	<u>-</u>	<u>694</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Special Ed - Elementary	80	-	80	-	-	-	11	-	11	-	-	-	1	1	1	-
Special Ed - Middle School	50	-	50	-	-	-	7	-	7	-	-	-	5	5	5	-
Special Ed - High School	48	-	48	-	-	-	7	-	7	-	-	-	8	8	8	-
Subtotal	<u>178</u>	<u>-</u>	<u>178</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25</u>	<u>-</u>	<u>25</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14</u>	<u>14</u>	<u>14</u>	<u>-</u>
Totals	<u>1,109</u>	<u>-</u>	<u>1,109</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>719</u>	<u>-</u>	<u>719</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14</u>	<u>14</u>	<u>14</u>	<u>-</u>
Percentage Error					<u>0.00%</u>	<u>0.00%</u>					<u>0.00%</u>	<u>0.00%</u>				<u>0.00%</u>

**BOGOTA BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID SUMMARY
SCHEDULE OF AUDITED ENROLLMENTS
ENROLLMENT AS OF OCTOBER 13, 2017**

	<u>Resident Low Income</u>			<u>Sample for Verification</u>			<u>Resident LEP Low Income</u>			<u>Sample for Verification</u>		
	<u>Reported on A.S.S.A. as Low Income</u>	<u>Reported on Workpapers as Low Income</u>	<u>Errors</u>	<u>Sample Selected from Workpapers</u>	<u>Verified to Application and Register</u>	<u>Sample Errors</u>	<u>Reported on A.S.S.A. as LEP low Income</u>	<u>Reported on Workpapers as LEP low Income</u>	<u>Errors</u>	<u>Sample Selected from Workpapers</u>	<u>Verified to Test Score and Register</u>	<u>Sample Errors</u>
Full Day Kindergarten	25	25	-	3	3	-	5	5	-	2	2	-
One	23	23	-	3	3	-	2	2	-	1	1	-
Two	45	45	-	5	5	-	7	7	-	3	3	-
Three	34	34	-	4	4	-	2	2	-	1	1	-
Four	36	36	-	4	4	-	1	1	-	1	1	-
Five	26	26	-	3	3	-	1	1	-	1	1	-
Six	30	30	-	4	3	1	2	2	-	1	1	-
Seven	46	46	-	6	6	-	1	1	-	1	1	-
Eight	37	37	-	4	3	1	-	-	-	-	-	-
Nine	28	28	-	3	3	-	-	-	-	-	-	-
Ten	36	36	-	4	4	-	-	-	-	-	-	-
Eleven	43	43	-	5	4	1	1	1	-	1	1	-
Twelve	28	28	-	3	3	-	1	1	-	1	1	-
Subtotal	<u>437</u>	<u>437</u>	<u>-</u>	<u>51</u>	<u>48</u>	<u>3</u>	<u>23</u>	<u>23</u>	<u>-</u>	<u>13</u>	<u>13</u>	<u>-</u>
Special Ed - Elementary	40	40	-	5	5	-	1	1	-	1	1	-
Special Ed - Middle	28	28	-	4	4	-	-	-	-	-	-	-
Special Ed - High	32	32	-	4	3	1	1	1	-	-	-	-
Subtotal	<u>100</u>	<u>100</u>	<u>-</u>	<u>13</u>	<u>12</u>	<u>1</u>	<u>2</u>	<u>2</u>	<u>-</u>	<u>1</u>	<u>1</u>	<u>-</u>
Totals	<u>537</u>	<u>537</u>	<u>-</u>	<u>64</u>	<u>60</u>	<u>4</u>	<u>25</u>	<u>25</u>	<u>-</u>	<u>14</u>	<u>14</u>	<u>-</u>
Percentage Error			<u>0.00%</u>			<u>6.25%</u>			<u>0.00%</u>			<u>0.00%</u>

Transportation

	<u>Reported on DRTRS by DOE/county</u>	<u>Reported on DRTRS by District</u>	<u>Errors</u>	<u>Tested</u>	<u>Verified</u>	<u>Errors</u>
Reg. - Public Schools, col. 1	29	29	-	15	15	-
Reg -SpEd, col. 4	4	4	-	2	2	-
Transported - Non-Public, col. 3			-	-	-	-
Special Ed Spec, col. 6	58	58	-	31	30	1
Totals	<u>91</u>	<u>91</u>	<u>-</u>	<u>48</u>	<u>47</u>	<u>1</u>
Percentage Error					<u>2.08%</u>	

**BOGOTA BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID SUMMARY
SCHEDULE OF AUDITED ENROLLMENTS
ENROLLMENT AS OF OCTOBER 13, 2017**

	<u>Resident LEP NOT Low Income</u>			<u>Sample for Verification</u>		
	<u>Reported on A.S.S.A. as NOT Low Income</u>	<u>Reported on Workpapers as NOT Low Income</u>	<u>Errors</u>	<u>Sample Selected from Workpapers</u>	<u>Verified to Application and Register</u>	<u>Sample Errors</u>
Full Day Kindergarten	2	2	-	2	2	-
One	5	5	-	5	5	-
Two	2	2	-	2	2	-
Three	2	2	-	2	2	-
Four	-	-	-	-	-	-
Five	-	-	-	-	-	-
Six	-	-	-	-	-	-
Seven	1	1	-	1	1	-
Eight	3	3	-	3	3	-
Nine	1	1	-	1	1	-
Ten	1	1	-	1	1	-
Eleven	2	2	-	2	2	-
Twelve	1	1	-	1	1	-
Subtotal	<u>20</u>	<u>20</u>	<u>-</u>	<u>20</u>	<u>20</u>	<u>-</u>
Special Ed - Elementary	-	-	-	-	-	-
Special Ed - Middle	-	-	-	-	-	-
Special Ed - High	-	-	-	-	-	-
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Totals	<u>20</u>	<u>20</u>	<u>-</u>	<u>20</u>	<u>20</u>	<u>-</u>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

**BOGOTA BOARD OF EDUCATION
CALCULATION OF EXCESS SURPLUS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

2017-2018 Total General Fund Budgetary Expenditures	\$ 22,926,065	
Increased by:		
Transfer to Capital Projects	<u>1,888,469</u>	
	\$ 24,814,534	
Decreased by:		
On-Behalf TPAF Pension & Social Security	<u>(2,478,845)</u>	
Adjusted 2017-2018 General Fund Expenditures	<u>\$ 22,335,689</u>	
2% of Adjusted 2017-2018 General Fund Expenditures	\$ 446,714	
Increased by:		
Allowable Adjustment - Extraordinary Aid	<u>\$ 135,720</u>	
Maximum Unassigned Fund Balance		\$ 582,434
Total General Fund - Fund Balance at June 30, 2018	\$ 3,788,110	
Decreased by:		
Restricted		
Capital Reserve	1,009,345	
Capital Reserve - Designated for Subsequent Year's Budget	217,593	
Maintenance Reserve	1,235	
Maintenance Reserve - Designated for Subsequent Year's Budget	76,000	
Excess Surplus - Designated for Subsequent Year's Budget	700,000	
Assigned		
Designated for Subsequent Year's Budget	<u>401,503</u>	
Total Unassigned Fund Balance		<u>\$ 1,382,434</u>
Restricted Fund Balance - Excess Surplus		<u>\$ 800,000</u>
<u>Recapitulation of Restricted Excess Surplus as of June 30, 2018</u>		
Excess Surplus - Designated for Subsequent Year's Budget		\$ 700,000
Excess Surplus		<u>800,000</u>
		<u>\$ 1,500,000</u>

**BOGOTA BOARD OF EDUCATION
RECOMMENDATIONS**

I. Administrative Practices and Procedures

It is recommended that a procurement card policy be developed and submitted to the Board for approval.

II. Financial Planning, Accounting and Reporting

It is recommended that:

1. A properly executed purchase order be approved and issued prior to the purchase of goods or rendering of services.
2. A daily cash receipt ledger be maintained for all fees deposited in the District's Summer Recovery Fund.

III. School Purchasing Program

It is recommended that internal control procedures be reviewed and revised to ensure:

- Competitive quotations are solicited and attached to purchase orders for all contract awards that exceed the quote threshold in accordance with N.J.S.A. 18A:18A-37(a).
- Documentation supporting all cooperative purchasing contracts be retained for audit, and all vendor invoices submitted be in agreement with the terms of the approved contract award.

IV. School Food Service

There are none.

V. Student Activity Fund/School Athletics

There are none.

VI. Application for State School Aid

There are none.

VII. Pupil Transportation

There are none.

VIII. Facilities and Capital Assets

There are none.

IX. Miscellaneous

There are none.

X. Status of Prior Years' Audit Findings/Recommendations

A review was performed on all prior years' recommendations. Corrective action was taken on all prior year recommendations.

ACKNOWLEDGEMENT

We received the complete cooperation of all the officials of the school district and we greatly appreciate the courtesies extended to us.

Respectfully submitted,

LERCH, VINCI & HIGGINS, LLP



Gary J. Vinci
Public School Accountant
PSA Number CS00829