

BOGOTA BOARD OF EDUCATION
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Bogota, New Jersey

COMPREHENSIVE ANNUAL

FINANCIAL REPORT

of the

Bogota Board of Education

Bogota, New Jersey

For The Fiscal Year Ended June 30, 2010

Prepared by

Business Office

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INTRODUCTORY SECTION

BOGOTA BOARD OF EDUCATION

Dr. Carol A. Fredericks
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October 8, 2010

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

Dear Board Members:

The Comprehensive Annual Financial Report of the Bogota School District for the fiscal year ended June 30, 2010 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education ("The Board"). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The Comprehensive Annual Financial Report is presented in four sections: Introductory, Financial, Statistical and Single audit. The Introductory Section includes this transmittal letter, the District's Organizational Chart and a list of principal officials. The Financial Section includes the basic financial statements and required supplementary information, as well as the auditors' report thereon. The Statistical Section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual Single Audit in conformity with the provisions of the Single Audit Act of 1984 as amended in 1996 and the U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations", and the New Jersey OMB Circular Letter 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, and are not a required part of the basic financial statements. Information related to this Single Audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the Single Audit section of this report.

1) **REPORTING ENTITY AND ITS SERVICES:** Bogota Public Schools is an independent reporting entity within the criteria adopted by the GASB as established by GASB 14. All funds of the District are included in this report. The Bogota Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-K through 12. These include regular, vocational as well as special education for handicapped youngsters. The District completed the 2009-2010 fiscal year with an average daily enrollment of 1,201 students, which is 2 students above the previous year's enrollment.

Fiscal Year	<u>Average Daily Enrollment</u>	
	<u>Student Enrollment</u>	<u>Percent Change</u>
2009-10	1,201	.001%
2008-09	1,199	.003%
2007-08	1,195	.003%
2006-07	1,191	4.3%
2005-06	1,140	10.1 %
2004-05	1,025	(.2)%
2003-04	1,027	(12.1)%

2) **ECONOMIC CONDITION AND OUTLOOK:** The Bogota School District areas are fully developed. The existing number of businesses in the School District has remained relatively stable. The residential area of the School District has experienced a turnover from homes with few school-aged children to families with two to three students. Due to careful Budget controls and best practices, additional Fund Balance will be available for taxpayer relief in the 2011-2012 Budget cycle.

3) **MAJOR INITIATIVES:**

Principal Rotation- Principals at each of the three schools were reassigned to begin the 2009-2010 school year. This move allowed for a coordinated implementation of district initiatives in the area of curriculum, scheduling and workflow refinement in addition to providing a fresh perspective on building leadership.

Director of Curriculum- The district added a Director of Curriculum to the staff in order to coordinate instructional delivery in grades K-12. The scope of this position was extensive in 2009-2010 and included the refinement of a professional development program, technology infusion, scheduling, expanded electives, on-line course options and an assortment of other duties.

Administrative “Meet and Greet”- In order to allow parents and students an opportunity to meet the 2009-2010 administrative team a “meet and greet” was conducted prior to the start of the school year. Members of the school community were able to speak informally with our principals and district officials.

Automated Food Service Billing- APOS (Point of Sale) hardware and software applications were installed prior to the start of the 2009- 2010 school year. This allowed the district to establish an automated remittance process to collect outstanding lunch/breakfast bills. In addition, this application provided accurate data to the Department of Education and increased reimbursements from the state.

Web Page Development- A new district website was introduced at the start of the 2009-2010 school year. This project resulted in a more robust method of sharing information with the school community while providing building administrators with greater control of site content

Professional Development - The faculty participated in a series of in-house workshops designed to enhance instructional focus. Many K-6 teachers attended training throughout the school year in *Introduction to Writers’ Workshop* as consultants worked with the staff in small group meeting and in the classroom. All high school teachers attended training in *How the Brain Learns and the Implications for Classroom Instruction*. This presentation served as a launch point for sustained training in content area instructional methods throughout the school year.

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

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

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

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

3) MAJOR INITIATIVES: (Continued)

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

Expanded Electives- Twelve new electives were developed during the school year and will provide greater options for students to explore emerging interests in a broad realm of subjects areas in 2010-2011.

Online Course Options- Online courses were piloted at Bogota Jr./Sr. High School as a way to provide students with additional electives. The program will be expanded in 2010-2011 to include core content areas.

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

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

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

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

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

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

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of Fund Balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2010.

6) **ACCOUNTING SYSTEM AND REPORTS:** The District's accounting records reflect accounting principles generally accepted in the United States of America, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Financial Statements", Note 1.

7) **CASH MANAGEMENT:** The investment policy of the District is guided in large part by State Statute as detailed in "Notes to the Financial Statements", Note 2. The District has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

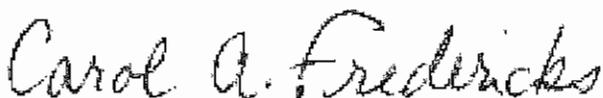
8) **RISK MANAGEMENT:** The Board carries various forms of insurance, including but not limited to General Liability, Automobile Liability and Comprehensive/Collision, Hazard and Theft insurance on property and contents, and fidelity bonds.

9) **OTHER INFORMATION: Independent Audit** - State Statutes require an annual audit by independent certified public accountants or registered municipal accounts. The accounting firm of Lerch, Vinci and Higgins, LLP, CPAs was selected by the Board, approved at the Organization Meeting and posted on the District website. In addition to meeting the requirements set forth in State Statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984 as amended in 1996 and the related OMB Circular A-133 and State Treasury Circular Letter 04-04 OMB. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the Single Audit are included in the Single Audit Section of this Report.

10) **MAJOR FINANCIAL MATTERS:** The 2009-2010 Budget was supported by the Department of Education with a small increase in State aid, based on steady increases in student enrollment. The Budget, voter approved, was a maintenance proposal, as salary and benefits, utilities and transportation costs all exceeded the budget caps. The Administrative costs continue to be below the Regional limit.

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

Respectfully submitted,



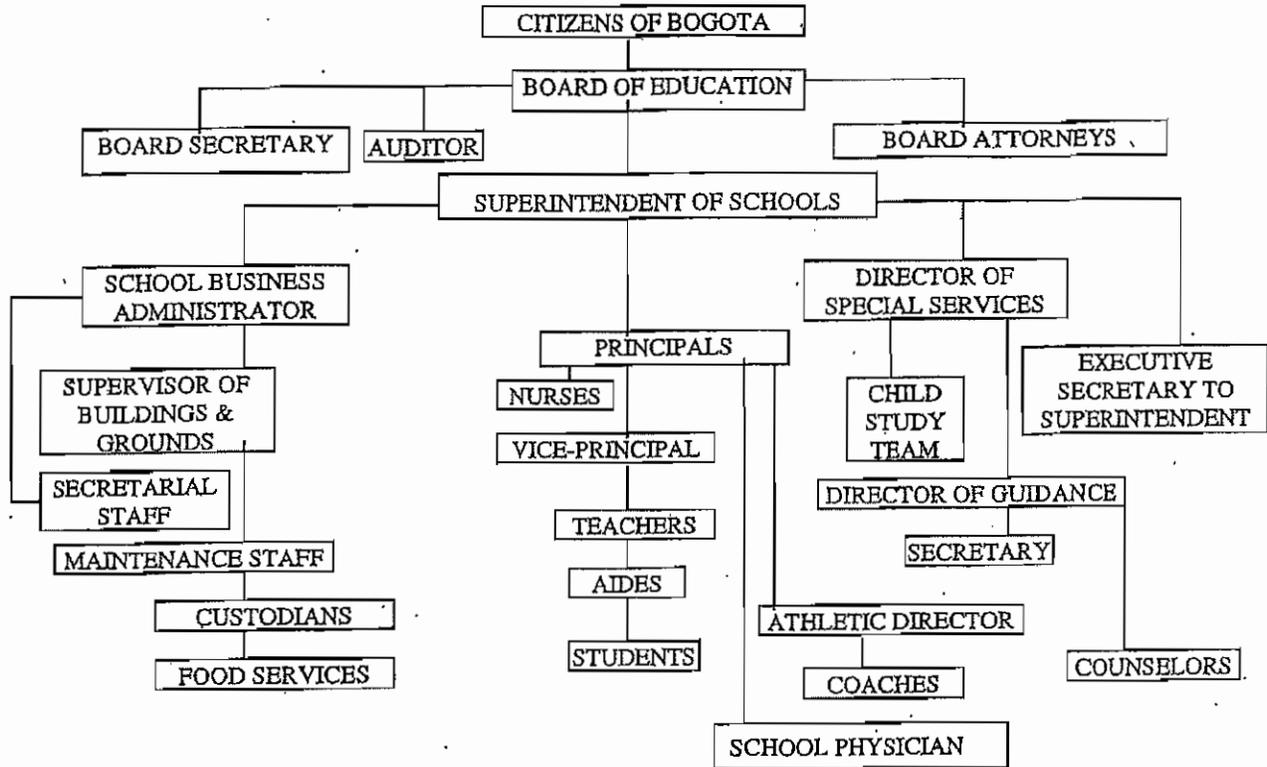
Dr. Carol A. Fredericks
School Business Administrator/Board Secretary

POLICY

BOGOTA BOARD OF EDUCATION

ADMINISTRATION
1110/page 1 of 1
Organizational Chart

1110 ORGANIZATIONAL CHART



Adopted: 25 August 2003



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

**ROSTER OF OFFICIALS
AS OF JUNE 30, 2010**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Mr. Charles Severino, President	2013
Ms. Jodi Kellar-Jackson, Vice President	2012
Mr. Thomas Demetrakis	2011
Ms. Laura Giumarra	2011
Mr. Alexander Hernandez	2012
Mr. Daniel Jatovsky	2011
Mr. Christopher Kelemen	2013
Mr. John Power	2013
Ms. Kathy Van Buren	2012

Other Officials

Mr. John P. Hynes, Superintendent of Schools

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

Mrs. Elizabeth Wiemer, Treasurer

**BOGOTA BOARD OF EDUCATION
CONSULTANTS AND ADVISORS**

AUDIT FIRM

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17-17 Route 208
Fair Lawn, New Jersey 07410

ATTORNEY

Richard Brovarone, Esq.
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OFFICIAL DEPOSITORY

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Government Banking Services
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Clifton, New Jersey

ARCHITECTS

USA Architects
20 North Doughty Ave
Somerville, New Jersey 08876

FINANCIAL SECTION

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GARY W. HIGGINS, CPA, RMA, PSA
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ANDREW PARENTE, CPA, RMA, PSA
ROBERT W. HAAG, CPA, PSA
DEBORAH KOZAK, CPA, PSA
DEBRA GOLLE, CPA
CINDY JANACEK, CPA, RMA
RALPH M. PICONE, CPA, RMA, PSA

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Bogota Board of Education as of and for the fiscal year ended June 30, 2010, which collectively comprise the Board of Education's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Board of Education's management. Our responsibility is to express opinions on these financial statements based on our audit.

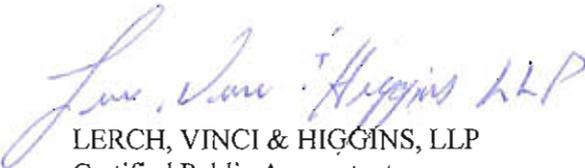
We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in the Government Auditing Standards, issued by the Comptroller General of the United States and audit requirements as prescribed by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

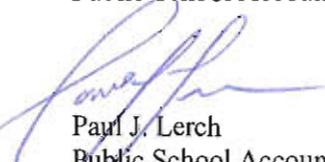
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Bogota Board of Education as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated October 8, 2010 on our consideration of the Bogota Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The management's discussion and analysis and budgetary comparison information are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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 accompanying introductory section, combining fund financial statements, financial schedules and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. Additionally, the accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations" and New Jersey OMB's Circular 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid", and are not a required part of the basic financial statements. The combining fund financial statements and schedules of expenditures of federal awards and state financial assistance have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken 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 express no opinion on them.


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


Paul J. Lerch
Public School Accountant
PSA Number CS01118

Fair Lawn, New Jersey
October 8, 2010

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010**

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, 2010. 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 (2009-2010) and the prior year (2008-2009) is required to be presented in the MD&A.

Financial Highlights

Key financial highlights for 2010 are as follows:

- District-Wide - General revenues were \$16,815,936 or 77 percent of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$5,147,186 or 23 percent of total revenues of \$21,963,122.
- District-Wide - The School District had \$21,134,725 in expenses; only \$5,147,186 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$16,815,936 were adequate to provide for these programs.
- Among governmental funds, the General Fund had \$19,261,511 in revenues and \$19,104,622 in expenditures. The General Fund's fund balance decreased \$229,768 from fiscal year 2009.

Using this Comprehensive Annual Financial Report (CAFR)

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

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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010**

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

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

Reporting the School District as a Whole

Statement of Net Assets and the Statement of Activities

While this document reports on all funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and ask the question, "How did we do financially during 2010?" The Statement of Net assets and the Statement of Activities answer that question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting recognizes all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010**

Reporting the District's Most Significant Funds

Fund Financial Statements

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

Governmental Funds

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

Enterprise Fund

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

The District as a Whole

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

Table 1 provides a summary of the District's net assets as of June 30, 2010 and 2009.

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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010**

**Table 1
Net Assets**

	<u>2010</u>	<u>2009</u>
Assets		
Current and Other Assets	\$ 1,039,242	\$ 1,510,504
Capital Assets	<u>12,762,221</u>	<u>12,168,904</u>
Total Assets	<u>13,801,463</u>	<u>13,679,408</u>
Liabilities		
Long-Term Liabilities	7,086,906	7,584,993
Other Liabilities	<u>943,215</u>	<u>1,151,470</u>
Total Liabilities	<u>8,030,121</u>	<u>8,736,463</u>
Net Assets:		
Invested in Capital Assets, Net of Debt	6,010,081	5,007,538
Restricted	192,973	187,995
Unrestricted	<u>(431,712)</u>	<u>(252,588)</u>
Total Net Assets	<u>\$ 5,771,342</u>	<u>\$ 4,942,945</u>

The District's combined net assets were \$5,771,342 and \$4,942,945 on June 30, 2010 and 2009, respectively.

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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010**

Table 2 shows changes in net assets for fiscal year 2010 and 2009.

**Table 2
Changes in Net Assets**

	<u>2010</u>	<u>2009</u>
Revenues		
Program Revenues		
Charges for Services	\$ 209,281	\$ 236,417
Grants and Contributions	4,937,905	3,287,325
General Revenues		
Property Taxes	13,014,883	12,556,448
State and Federal Aid- Unrestricted/Restricted	3,782,801	4,131,418
Other	<u>18,252</u>	<u>66,166</u>
Total Revenues	<u>21,963,122</u>	<u>20,277,774</u>
Program Expenses		
Instruction	13,615,500	12,895,802
Support Services		
Students and Instructional Staff	1,795,306	1,597,411
General Administration, School Administration, Business Operations and Maintenance of Facilities	1,792,870	3,732,879
Pnpil Transportation	2,126,659	831,580
Interest on Debt	1,029,216	330,272
Food Services	317,564	454,604
<u>457,610</u>	<u>454,604</u>	
Total Expenses	<u>21,134,725</u>	<u>19,842,548</u>
Increase in Net Assets	<u>828,397</u>	<u>435,226</u>
Net Assets, Beginning of Year	<u>4,942,945</u>	<u>4,507,719</u>
Net Assets, End of Year	<u>\$ 5,771,342</u>	<u>\$ 4,942,945</u>

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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010**

District as a Whole

The funding of schools primarily through property taxes in New Jersey creates the legal requirement to annually seek voter approval for District operations. Property taxes made up 59 percent of revenues for the Bogota School District in fiscal year 2010. The District's total revenues were \$21,963,122 for the year ended June 30, 2010. Federal, state, and local grants for programs accounted for another 22 percent of revenue. Unrestricted State and Federal aid represented 17 percent of revenues. The total cost of all programs and services was \$21,134,725. 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 \$2,569.
- Charges for services represent 45 percent of revenue.
- Revenues include lunches and ala carte meals paid for by the students and partial or total reimbursement provided by the district's participation in the National School Lunch Program.

Governmental Activities

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

Table 3

	<u>Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Instruction	\$ 13,615,500	\$ 12,895,802	\$ 9,934,179	\$ 10,381,278
Support Services				
Students and Instructional Staff	1,795,306	1,597,411	1,412,450	1,464,379
General Administration, School Administration, Business Operations and Maintenance of Facilities	3,919,529	3,732,879	3,433,931	3,422,883
Pupil Transportation	1,029,216	831,580	891,512	715,890
Interest and Fiscal Charges	317,564	330,272	317,564	330,272
 Total Governmental Activities	 <u>\$ 20,677,115</u>	 <u>\$ 19,387,944</u>	 <u>\$ 15,989,636</u>	 <u>\$ 16,314,702</u>

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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010**

Governmental Activities (Continued)

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

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

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

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

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

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

The District's Funds

All governmental funds (i.e., general fund, special revenue fund, capital projects fund and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$21,544,911 and expenditures were \$21,769,715.

The following schedule presents a summary of the governmental fund revenues for the fiscal years ended June 30, 2010 and 2009.

Governmental Fund Revenues

<u>Revenue</u>	<u>2010</u>	<u>2009</u>	<u>Amount of Increase (Decrease)</u>	<u>Percent Increase (Decrease)</u>
Local Sources	\$ 13,080,851	\$ 12,622,002	\$ 458,849	3.6%
State Sources	6,632,806	6,480,028	152,778	2.4%
Federal Sources	<u>1,831,254</u>	<u>724,632</u>	<u>1,106,622</u>	152.7%
 Total Revenues	 <u>\$ 21,544,911</u>	 <u>\$ 19,826,662</u>	 <u>\$ 1,718,249</u>	 8.7%

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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010**

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, 2010 and 2009.

Governmental Fund Expenditures

<u>Expenditures</u>	<u>Amount</u>		<u>Amount of</u> <u>Increase</u> <u>(Decrease)</u>	<u>Percent</u> <u>Increase</u> <u>(Decrease)</u>
	<u>2010</u>	<u>2009</u>		
Current Expense:				
Instruction	\$ 13,390,741	\$ 12,658,189	\$ 732,552	5.8%
Support Services	6,643,930	6,052,817	591,113	9.8%
Capital Outlay	1,000,128	499,625	500,503	100.2%
Debt Service:				
Principal	460,000	455,000	5,000	1.1%
Interest and Other Charges	274,916	293,531	(18,615)	-6.3%
 Total Expenditures	 <u>\$ 21,769,715</u>	 <u>\$ 19,959,162</u>	 <u>\$ 1,810,553</u>	 9.1%

The increase in capital outlay expenditures reflects the substantial completion of the capital plan during 2009/2010.

General Fund Budgeting Highlights

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

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

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

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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010**

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 2010 and 2009, the District had \$12,719,941 and \$12,163,821, respectively, invested in land, buildings, furniture, equipment and vehicles used for governmental activities. Table 4 shows fiscal year 2010 balances compared to 2009.

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

	<u>2010</u>	<u>2009</u>
Land	\$ 69,852	\$ 69,852
Building and Building Improvements	12,487,006	12,029,765
Improvements Other than Buildings	2,337	2,629
Machinery and Equipment	<u>160,746</u>	<u>61,575</u>
 Total	 <u>\$ 12,719,941</u>	 <u>\$ 12,163,821</u>

Overall capital assets increased by \$556,120 from fiscal year 2009 to fiscal year 2010 due to capital asset additions.

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

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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010**

Debt Administration

At June 30, 2010 and 2009, the District had \$7,100,000 and \$7,560,000, respectively of outstanding debt, which consists of serial bonds issued for school construction.

**Table 5
Outstanding Debt at June 30**

	<u>2010</u>	<u>2009</u>
General Obligation Bonds	\$ <u>7,100,000</u>	\$ <u>7,560,000</u>

At June 30, 2010 and 2009, the District's overall legal debt capacity was \$37,299,367 and \$36,317,516, respectively.

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

For the Future

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

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

Contacting the District's Financial Management

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

BOGOTA BOARD OF EDUCATION
STATEMENT OF NET ASSETS
AS OF JUNE 30, 2010

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash	\$ 351,223	\$ 41,530	\$ 392,753
Receivables, net:			
Receivables from Other Governments	494,797	14,974	509,771
Internal Balances	18,044	(18,044)	-
Other	53,222		53,222
Deferred Charges	80,167		80,167
Inventory		3,329	3,329
Capital Assets:			
Not Being Depreciated	69,852		69,852
Being Depreciated, Net	<u>12,650,089</u>	<u>42,280</u>	<u>12,692,369</u>
Total Assets	<u>13,717,394</u>	<u>84,069</u>	<u>13,801,463</u>
LIABILITIES			
Accounts Payable and Other Current Liabilities	611,372	25,721	637,093
Intergovernmental Payables	24,861		24,861
Accrued Interest Payable	118,237		118,237
Unearned Revenue	160,270	2,754	163,024
Noncurrent Liabilities :			
Due Within One Year	485,000		485,000
Due Beyond One Year	<u>6,601,906</u>	<u>-</u>	<u>6,601,906</u>
Total Liabilities	<u>8,001,646</u>	<u>28,475</u>	<u>8,030,121</u>
NET ASSETS			
Invested in Capital Assets, net of Related Debt	5,967,801	42,280	6,010,081
Restricted for:			
Capital Projects	192,973		192,973
Unrestricted	<u>(445,026)</u>	<u>13,314</u>	<u>(431,712)</u>
Total Net Assets	<u>\$ 5,715,748</u>	<u>\$ 55,594</u>	<u>\$ 5,771,342</u>

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

BOGOTA BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
Instruction							
Regular	\$ 8,225,228		\$ 1,565,666	\$ 418,881	\$ (6,240,681)		\$ (6,240,681)
Special Education	4,785,657		1,634,444		(3,151,213)		(3,151,213)
School Sponsored Activities and Athletics	260,059		36,659		(223,400)		(223,400)
Other Instruction	344,556		25,671		(318,885)		(318,885)
Support Services							
Student and Instruction Related Services	1,795,306		382,856		(1,412,450)		(1,412,450)
School Administrative Services	1,109,618		158,529		(951,089)		(951,089)
General Administrative Services	683,252		66,123		(617,129)		(617,129)
Plant Operations and Maintenance	1,667,159		234,777		(1,432,382)		(1,432,382)
Pupil Transportation	1,029,216		137,704		(891,512)		(891,512)
Central Services	459,500		26,169		(433,331)		(433,331)
Interest on Long-Term Debt	317,564		-		(317,564)		(317,564)
Total Governmental Activities	20,677,115		4,268,598	418,881	(15,989,636)		(15,989,636)
Business-Type Activities							
Food Service	457,610	\$ 209,281	250,426			\$ 2,097	2,097
Total Business-Type Activities	457,610	209,281	250,426			2,097	2,097
Total Primary Government	\$ 21,134,725	\$ 209,281	\$ 4,519,024	\$ 418,881	(15,989,636)	2,097	(15,987,539)
General Revenues							
Property Taxes, General					12,294,405		12,294,405
Property Taxes, Debt Service					720,478		720,478
State and Federal Aid - Unrestricted					3,768,363		3,768,363
State Aid - Restricted for Debt Service					14,438		14,438
Miscellaneous Income					59,748	472	60,220
Loss on Disposal of Capital Assets					(41,968)		(41,968)
Total General Revenues					16,815,464	472	16,815,936
Change in Net Assets					825,828	2,569	828,397
Net Assets, Beginning of Year					4,889,920	53,025	4,942,945
Net Assets, End of Year					\$ 5,715,748	\$ 55,594	\$ 5,771,342

FUND FINANCIAL STATEMENTS

**BOGOTA BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2010**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash	\$ 351,223				\$ 351,223
Due from Other Funds	225,276				225,276
Receivables from Other Governments	43,854	\$ 367,094	\$ 83,849		494,797
Receivables- Other	<u>2,856</u>	<u>37,153</u>	<u>-</u>	<u>-</u>	<u>40,009</u>
Total Assets	<u>\$ 623,209</u>	<u>\$ 404,247</u>	<u>\$ 83,849</u>	<u>\$ -</u>	<u>\$ 1,111,305</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	\$ 492,390	\$ 103,982			\$ 596,372
Due to Other Funds	15,000	115,134	\$ 78,885		209,019
Payable to Federal Government		7,700			7,700
Payable to State Government		17,161			17,161
Deferred Revenue	<u>-</u>	<u>160,270</u>	<u>-</u>	<u>-</u>	<u>160,270</u>
Total Liabilities	<u>507,390</u>	<u>404,247</u>	<u>78,885</u>	<u>-</u>	<u>990,522</u>
Fund Balances:					
Reserved for:					
Encumbrances	141,606				141,606
Capital Reserve	188,009				188,009
Unreserved, Reported in:					
Undesignated	(413,796)		4,964		(408,832)
Designated for Subsequent Year's Expenditures	<u>200,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>200,000</u>
Total Fund Balances	<u>115,819</u>	<u>-</u>	<u>4,964</u>	<u>-</u>	<u>120,783</u>
Total Liabilities and Fund Balances	<u>\$ 623,209</u>	<u>\$ 404,247</u>	<u>\$ 83,849</u>	<u>\$ -</u>	

**BOGOTA BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2010**

Total Fund Balances (Exhibit B-1)	\$	120,783
<p>Amounts reported for <i>governmental activities</i> in the statement of net assets (A-1) are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$17,559,897 and the accumulated depreciation is \$4,839,956.</p>		12,719,941
<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>		(118,237)
<p>Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. These items are as follows:</p>		
Bonds Payable (net)	\$	(6,832,307)
Less: Bond Issuance Costs		80,167
Compensated Absences		(254,599)
		(7,006,739)
Net Assets of Governmental Activities (Exhibit A-1)	\$	<u>5,715,748</u>

BOGOTA BOARD OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Revenue</u> <u>Fund</u>	<u>Capital</u> <u>Projects</u> <u>Fund</u>	<u>Debt</u> <u>Service</u> <u>Fund</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
REVENUES					
Local Sources					
Local Property Tax Levy	\$ 12,294,405			\$ 720,478	\$ 13,014,883
Miscellaneous	59,746	\$ 6,220	\$ 2	-	65,968
Total - Local Sources	12,354,151	6,220	2	720,478	13,080,851
State Sources	6,063,251	136,236	418,881	14,438	6,632,806
Federal Sources	844,109	987,145	-	-	1,831,254
Total Revenues	19,261,511	1,129,601	418,883	734,916	21,544,911
EXPENDITURES					
Current					
Regular Instruction	7,763,590	292,224			8,055,814
Special Education Instruction	4,176,989	567,109			4,744,098
Other Instruction	253,046				253,046
School-Sponsored Activities and Athletics	337,783				337,783
Support Services and Undistributed Costs					
Student and Instruction Related Services	1,620,754	140,145			1,760,899
School Administrative Services	1,085,290				1,085,290
General Administrative Services	673,650				673,650
Plant Operations and Maintenance	1,644,824				1,644,824
Pupil Transportation	1,028,386				1,028,386
Central Services	450,881				450,881
Debt Service					
Principal				460,000	460,000
Interest and Other Charges				274,916	274,916
Capital Outlay	69,429	130,123	800,576	-	1,000,128
Total Expenditures	19,104,622	1,129,601	800,576	734,916	21,769,715
Excess (Deficiency) of Revenues					
Over/(Under) Expenditures	156,889	-	(381,693)	-	(224,804)
OTHER FINANCING SOURCES (USES)					
Transfers In	2		386,659		386,661
Transfers Out	(386,659)	-	(2)	-	(386,661)
Total Other Financing Sources and Uses	(386,657)	-	386,657	-	-
Net Change in Fund Balances	(229,768)	-	4,964	-	(224,804)
Fund Balance, Beginning of Year	345,587	-	-	-	345,587
Fund Balance, End of Year	\$ 115,819	\$ -	\$ 4,964	\$ -	\$ 120,783

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

**BOGOTA BOARD OF EDUCATION
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
WITH THE DISTRICT-WIDE STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

Total net change in fund balances - governmental funds (Exhibit B-2) \$ (224,804)

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

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement and allocated over their estimated useful lives as annual depreciation expense. This is the amount by which depreciation exceeds capital outlay in the current period.

Capital Outlay	\$ 1,000,128	
Depreciation Expense	<u>(402,040)</u>	
		598,088

The net effect of loss on disposal of capital assets is to decrease net assets (41,968)

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

Compensated Absences	77,160
----------------------	--------

In the statement of activities, costs related to the issuance of long term debt are deferred and amortized over the term of the debt. In the governmental funds, the issuance costs are reported upon issuance of the debt. This amount represents the current year amortization of the costs related to the issuance of long term debt in previous years.

Original Issue Discount	(5,501)	
Debt Issuance Costs	(11,701)	
Deferred Amount on Refunding	<u>(33,572)</u>	
		(50,774)

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

Bonds Payable	460,000
---------------	---------

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>8,126</u>
------------------------------	--------------

Change in net assets of governmental activities (Exhibit A-2) **\$ 825,828**

**BOGOTA BOARD OF EDUCATION
 PROPRIETARY FUNDS
 STATEMENT OF NET ASSETS
 AS OF JUNE 30, 2010**

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

ASSETS

Current Assets	
Cash	\$ 41,530
Intergovernmental Receivable:	
State	711
Federal	14,263
Inventories	<u>3,329</u>
Total Current Assets	<u>59,833</u>
Capital Assets	
Equipment	84,575
Less: Accumulated Depreciation	<u>(42,295)</u>
Total Capital Assets, Net	<u>42,280</u>
Total Assets	<u>102,113</u>

LIABILITIES

Current Liabilities	
Accounts Payable	25,721
Due to Other Funds	18,044
Unearned Revenue	<u>2,754</u>
Total Current Liabilities	<u>46,519</u>

NET ASSETS

Invested in Capital Assets	42,280
Unrestricted	<u>13,314</u>
Total Net Assets	<u>\$ 55,594</u>

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

**BOGOTA BOARD OF EDUCATION
 PROPRIETARY FUND
 STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN NET ASSETS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	Business-Type Activities Enterprise Fund <u>Food Service</u>
OPERATING REVENUES	
Charges for Services	
Daily Sales	\$ 209,281
	<hr/>
Total Operating Revenues	209,281
OPERATING EXPENSES	
Cost of Sales	227,633
Salaries and Employee Benefits	174,390
Supplies and Materials	19,211
Insurance	10,763
Depreciation	4,522
Management Fee	17,641
Miscellaneous	3,450
	<hr/>
Total Operating Expenses	457,610
Operating Loss	<hr/> (248,329)
NONOPERATING REVENUES	
Interest Earnings	472
State Sources	
School Lunch Program	8,569
School Breakfast Program	1,675
Federal Sources	
National School Lunch Program	187,292
National School Breakfast Program	22,443
Food Distribution Program	30,447
	<hr/>
Total Nonoperating Revenues	250,898
Change in Net Assets	2,569
Total Net Assets, Beginning of Year	<hr/> 53,025
Total Net Assets, End of Year	<hr/> <u>\$ 55,594</u>

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

**BOGOTA BOARD OF EDUCATION
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	Business-Type Activities Enterprise Fund Food Service
Cash Flows from Operating Activities	
Cash Received from Customers	\$ 209,281
Cash Payments for Employees' Salaries and Benefits	(174,390)
Cash Payments to Suppliers for Goods and Services	<u>(295,562)</u>
Net Cash Used for Operating Activities	<u>(260,671)</u>
Cash Flows from Noncapital Financing Activities	
Cash Received from State and Federal Subsidy Reimbursements	<u>244,227</u>
Net Cash Provided by Noncapital Financing Activities	<u>244,227</u>
Cash Flows from Capital and Related Financing Activities	
Purchases of Capital Assets	<u>(23,376)</u>
Net Cash Used by Capital and Related Financing Activities	<u>(23,376)</u>
Cash Flows from Investing Activities	
Interest Earnings	<u>472</u>
Net Cash Flows Provided by Investing Activities	<u>472</u>
Net Decrease in Cash and Cash Equivalents	(39,348)
Cash and Cash Equivalents, Beginning of Year	<u>80,878</u>
Cash and Cash Equivalents, End of Year	<u>\$ 41,530</u>
Reconciliation of Operating Loss to Net Cash Used by Operating Activities	
Operating Loss	\$ <u>(248,329)</u>
Adjustments to Reconcile Operating Loss to Net Cash Used for Operating Activities	
Depreciation	4,522
USDA Commodities- Non Cash Assistance	30,447
Change in Assets and Liabilities	
Increase/(Decrease) in Deferred Revenue	(134)
Increase/(Decrease) in Accounts Payable	(53,301)
Increase/(Decrease) Due to Other Funds- Operating Expenses	
Paid on Behalf of Food Service	2,842
(Increase)/Decrease in Inventory	<u>3,282</u>
Total Adjustments	<u>(12,342)</u>
Net Cash Used for Operating Activities	<u>\$ (260,671)</u>

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

**BOGOTA BOARD OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET ASSETS
AS OF JUNE 30, 2010**

	Unemployment Compensation <u>Trust</u>	<u>Agency Fund</u>
ASSETS		
Cash	\$ 61,776	\$ 110,295
Intergovernmental Receivable	4,457	
Due from Other Funds	<u>15,000</u>	<u>1,655</u>
 Total Assets	 <u>\$ 81,233</u>	 <u>\$ 111,950</u>
 LIABILITIES		
Payroll Deductions and Withholdings		\$ 23,085
Accrued Salaries and Wages		993
Intergovernmental Payable	\$ 17,452	
Due to Other Funds	1,655	13,213
Due to Student Groups	<u>-</u>	<u>74,659</u>
 Total Liabilities	 <u>19,107</u>	 <u>\$ 111,950</u>
 NET ASSETS		
Held in Trust for Unemployment Claims	<u>\$ 62,126</u>	

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

**BOGOTA BOARD OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	Unemployment Compensation <u>Trust</u>
ADDITIONS	
Contributions	
Employees	\$ 29,966
Board	75,000
Interest Earned	<u>487</u>
Total Additions	<u>105,453</u>
 DEDUCTIONS	
Unemployment Claims and Contributions	<u>140,748</u>
Total Deductions	<u>140,748</u>
Change in Net Assets	(35,295)
Net Assets, Beginning of the Year	<u>97,421</u>
Net Assets, End of the Year	<u>\$ 62,126</u>

NOTES TO THE BASIC FINANCIAL STATEMENTS

**BOGOTA BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

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. District-wide and Fund Financial Statements

The district-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the Board of Education. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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.

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

**BOGOTA BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

Property taxes, tuition, unrestricted state aid, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Grants and similar awards are recognized as revenue as soon as all eligibility requirements imposed by the grantor or provider have been met. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports the following major governmental funds:

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

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

The *capital projects fund* accounts for the proceeds from the sale of bonds, lease purchases and other revenues used for the acquisition or construction of major capital facilities and other capital assets.

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

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

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

**BOGOTA BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Additionally, the government reports the following fund type:

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

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

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the food service enterprise fund are charges to customers for sales and services. Operating expenses for the enterprise fund 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.

D. Assets, Liabilities and Net Assets or Equity

1. *Deposits and Investments*

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

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

**BOGOTA BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

2. *Receivables and Payables*

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

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

Tuition 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 2008-2009 and 2009-2010 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

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

3. *Inventories*

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

Food Service Fund inventories, exclusive of the federal commodities, are valued at cost, using the first-in first-out (FIFO) method. The United States Department of Agriculture (USDA) commodity portion of the Food Service Fund inventory consists of food donated by the USDA. It is valued at estimated market prices by the USDA. The amount of unused commodities at year-end is reported as unearned revenue.

**BOGOTA BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Net Assets or Equity (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 \$500 if purchased prior to July 1, 2001 or \$2,000 if purchased after July 1, 2001 and an estimated useful life in excess of two years. Such assets are recorded at historical cost if purchased or estimated historical cost if constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives 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.

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

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

5. *Compensated Absences*

It is the District's policy to permit employees to accumulate (with certain restrictions) earned but unused sick leave benefits. A long-term liability of accumulated sick leave and salary related payments has been recorded in the governmental activities in the district-wide financial statements, representing the Board's commitment to fund such costs from future operations. Proprietary Funds accrue accumulated sick leave and salary related payments in the period that they are earned. A liability is reported in the governmental funds only to the amount actually due at year end as a result of employee resignations and retirements.

6. *Long-Term Obligations*

In the district-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Gains and losses resulting from debt refundings are also deferred and amortized over the life of the refunded bonds or new bonds whichever is less using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount and refunding gains or losses. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

**BOGOTA BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

6. *Long-Term Obligations (Continued)*

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

7. *Fund Equity*

Reservations of fund balances of governmental funds are created to either (1) satisfy legal covenants that require a portion of the fund balance to be segregated or (2) identify the portion of the fund balance that is appropriated for future expenditures.

Reserved for Encumbrances - This reserve was created to represent encumbrances outstanding at the end of the year based on purchase orders and contracts awarded for which the goods or services have not yet been received at June 30.

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

Designations of fund balance represent tentative management plans that are subject to change.

Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of fund balance appropriated in the adopted 2010/2011 District budget certified for taxes.

8. *Reclassifications*

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

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

**BOGOTA BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgetary Information (Continued)

The annual budget is adopted in the spring of the preceding year for the general, special revenue and debt service funds. The District is not required to adopt an annual budget for the capital projects fund. The budget is submitted to the county superintendent and is voted upon at the annual school election on the third Tuesday in April. Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2009/2010. During 2009/2010 the Board increased the original budget by \$860,823. The increase was funded by additional surplus appropriated, 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 the certain state aid payments for budgetary purposes only and the treatment of encumbrances in the special revenue fund as described in the Notes to Required Supplementary Information (RSI). Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

Encumbrance accounting is employed in the governmental funds. Under encumbrance accounting, purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the special revenue fund are reported as reservations of 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.

The District has an unreserved/undesignated deficit fund balance of \$413,796 in the General Fund as of June 30, 2010 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 2009/2010 budgeted state aid payments in the subsequent fiscal year, the school district cannot recognize such payments on the GAAP (fund) financial statements until the year the State records the payable. Due to the timing difference of recording these delayed state aid payments, the General and Special Revenue Fund balance deficit does not alone indicate that the District is facing financial difficulties; however, unless the State of New Jersey budgets the delayed payments in future years, the District may also report fund balance deficits in the future.

Pursuant to NJSA 18A:22-44.2, any negative unreserved, undesignated general fund balance that is reported as a direct result of a delay in the payment of state aid until the following fiscal year, is not considered as a violation of New Jersey Statute or regulation and is not considered an item in need of corrective action. The District deficit in the GAAP (fund) financial statements of \$413,796 in the General Fund is less than delayed state aid payments.

**BOGOTA BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

B. Capital Reserve Account

A capital reserve account was established by the District on June 21, 2000. The accumulation of funds will be used for capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account 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 account 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, 2010 is as follows:

Balance, July 1, 2009	\$ 187,995
Increased by:	
Interest Earnings	<u>14</u>
Balance, June 30, 2010	<u>\$ 188,009</u>

C. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended, the designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance in excess of 2% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. There is no excess fund balance at June 30, 2010.

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Deposits

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

**BOGOTA BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Deposits and Investments (Continued)

Deposits (Continued)

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2010, the book value of the Board's deposits was \$564,824 and bank balances of the Board's cash and deposits amounted to \$1,245,594. The Board's deposits which are displayed on the balance sheets and statement of net assets as "cash" or "cash and cash equivalents" are categorized as:

<u>Depository Account</u>	<u>Bank Balance</u>
Insured	\$ <u>1,245,594</u>

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, 2010 the Board's bank balance was not exposed to custodial credit risk.

Investments

The Board is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 18A:20-37. Examples of the allowable investments are bonds or other obligations of the United States or obligations guaranteed by the United States of America, Government Money Market Mutual Funds, bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located, Local Government investment pools, and agreements or the repurchase of fully collateralized securities, if transacted in accordance with the above statute.

As of June 30, 2010, the Board had no outstanding investments.

Investment and interest earnings in the Capital Projects Fund are assigned to the General Fund in accordance with Board policy.

B. Receivables

Receivables as of year-end for the district's individual major funds and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Food Service</u>	<u>Fiduciary Funds</u>	<u>Total</u>
Receivables:						
Intergovernmental	\$ 43,854	\$367,094	\$ 83,849	\$ 14,974	\$ 4,457	\$ 514,228
Other	<u>2,856</u>	<u>37,153</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,009</u>
Gross Receivables	46,710	404,247	83,849	14,974	4,457	554,237
Less: Allowance for Uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Total Receivables	<u>\$ 46,710</u>	<u>\$404,247</u>	<u>\$ 83,849</u>	<u>\$ 14,974</u>	<u>\$ 4,457</u>	<u>\$ 554,237</u>

**BOGOTA BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

B. Receivables (Continued)

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

	<u>Unearned</u>
Special Revenue Fund	
Unencumbered Grant Draw Downs	\$ 120,948
Grant draw down reserve for encumbrances	<u>39,322</u>
	<u>\$ 160,270</u>

C. Capital Assets

Capital asset activity for the year ended June 30, 2010 was as follows:

	<u>Balance, July 1, 2009</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance, June 30, 2010</u>
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 69,852	-	-	\$ 69,852
Total capital assets, not being depreciated	<u>69,852</u>	<u>-</u>	<u>-</u>	<u>69,852</u>
Capital assets, being depreciated:				
Buildings	15,036,546	\$ 844,576		15,881,122
Improvements other than buildings	85,426			85,426
Machinery and equipment	<u>1,718,585</u>	<u>155,552</u>	<u>\$ (350,640)</u>	<u>1,523,497</u>
Total capital assets being depreciated	<u>16,840,557</u>	<u>1,000,128</u>	<u>(350,640)</u>	<u>17,490,045</u>
Less accumulated depreciation for:				
Buildings	(3,006,781)	(387,335)		(3,394,116)
Improvements other than buildings	(82,797)	(292)		(83,089)
Machinery and equipment	<u>(1,657,010)</u>	<u>(14,413)</u>	<u>308,672</u>	<u>(1,362,751)</u>
Total accumulated depreciation	<u>(4,746,588)</u>	<u>(402,040)</u>	<u>308,672</u>	<u>(4,839,956)</u>
Total capital assets, being depreciated, net	<u>12,093,969</u>	<u>598,088</u>	<u>(41,968)</u>	<u>12,650,089</u>
Government activities capital assets, net	<u>\$ 12,163,821</u>	<u>\$ 598,088</u>	<u>\$ (41,968)</u>	<u>\$ 12,719,941</u>

**BOGOTA BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

C. Capital Assets (Continued)

Business-Type Activities:

Capital assets, being depreciated:

Machinery and equipment	\$ 42,856	\$ 41,719	-	\$ 84,575
Total capital assets being depreciated	<u>42,856</u>	<u>41,719</u>	<u>-</u>	<u>84,575</u>

Less accumulated depreciation for:

Machinery and equipment	(37,773)	(4,522)	-	(42,295)
Total accumulated depreciation	<u>(37,773)</u>	<u>(4,522)</u>	<u>-</u>	<u>(42,295)</u>

Total capital assets, being depreciated, net	<u>5,083</u>	<u>37,197</u>	<u>-</u>	<u>42,280</u>
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Business-type activities capital assets, net	<u>\$ 5,083</u>	<u>\$ 37,197</u>	<u>\$ -</u>	<u>\$ 42,280</u>
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Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities:

Instruction

Regular	\$ 209,650
Special	51,429
Other Instruction	8,678
School Sponsored Activities/Athletics	<u>8,381</u>

Total Instruction	<u>278,138</u>
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Support Services

Student and Instruction Related Services	42,579
General administration	11,883
School administration	30,106
Operations and maintenance of plant	27,640
Pupil Transportation	1,027
Business/Central services	<u>10,667</u>

Total Support Services	<u>123,902</u>
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Total depreciation expense - governmental activities	<u>\$ 402,040</u>
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Business-Type Activities:

Food Service Fund	<u>\$ 4,522</u>
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Total depreciation expense-business-type activities	<u>\$ 4,522</u>
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**BOGOTA BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2010, is as follows:

Due to/from other funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Capital Projects Fund	\$ 78,885
General Fund	Agency Fund	13,213
General Fund	Food Service Fund	18,044
General Fund	Special Revenue Fund	115,134
Unemployment Compensation Fund	General Fund	15,000
Agency Fund	Unemployment Compensation Fund	<u>1,655</u>
 Total		 <u>\$ 241,931</u>

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

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

Interfund transfers

	<u>Transfer In:</u>		
	<u>General Fund</u>	<u>Capital Projects</u>	<u>Total</u>
<u>Transfer Out:</u>			
General Fund		\$ 386,659	\$ 386,659
Capital Projects Fund	\$ <u>2</u>	<u>-</u>	<u>2</u>
	<u>\$ 2</u>	<u>\$ 386,659</u>	<u>\$ 386,661</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.

**BOGOTA BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

E. Long-Term Debt

General Obligation Bonds

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

Bonds payable at June 30, 2010 are comprised of the following issues:

\$550,000, 1999 Bonds, due in annual installments of \$40,000 to \$50,000 through January 15, 2014, interest at 4.60%	\$ 200,000
\$7,460,000, 2005 Refunding Bonds, due in annual installments of \$415,000 to \$545,000 through July 15, 2023, interest at 4.10%	<u>6,900,000</u>
	<u>\$7,100,000</u>

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

Governmental Activities:

Year Ending <u>June 30,</u>	<u>Serial Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2011	\$ 485,000	\$ 257,971	\$ 742,971
2012	480,000	241,609	721,609
2013	495,000	225,906	720,906
2014	510,000	209,178	719,178
2015	455,000	191,668	646,668
2016-2020	2,535,000	680,117	3,215,117
2021-2024	<u>2,140,000</u>	<u>174,090</u>	<u>2,314,090</u>
	<u>\$ 7,100,000</u>	<u>\$ 1,980,539</u>	<u>\$ 9,080,539</u>

**BOGOTA BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

E. Long-Term Debt (Continued)

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2010 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 37,299,367
Less: Net Debt	<u>7,100,000</u>
Remaining Borrowing Power	<u>\$ 30,199,367</u>

Changes in long-term liabilities

Long-term liability activity for the year ended June 30, 2010, was as follows:

	<u>Balance, July 1, 2009</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance, June 30, 2010</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds Payable	\$ 7,560,000		\$ (460,000)	\$ 7,100,000	\$ 485,000
Less:					
Unamortized Discount	(43,192)		5,501	(37,691)	
Unamortized Amount on Refunding	<u>(263,574)</u>	<u>-</u>	<u>33,572</u>	<u>(230,002)</u>	<u>-</u>
Sub-total Bonds Payable	7,253,234	-	(420,927)	6,832,307	485,000
Compensated Absences	<u>331,759</u>	<u>-</u>	<u>(77,160)</u>	<u>254,599</u>	<u>-</u>
Governmental Activity Long-Term Liabilities	<u>\$ 7,584,993</u>	<u>\$ -</u>	<u>\$ (498,087)</u>	<u>\$ 7,086,906</u>	<u>\$ 485,000</u>

For the governmental activities, compensated absences are generally liquidated by the general fund.

NOTE 4 OTHER INFORMATION

A. Risk Management

The District is exposed to various risks of loss related to property, general liability, automobile coverage, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; student accident; termination of employees and natural disasters. The Board has obtained commercial insurance coverage to guard against these events to minimize the exposure to the District should they occur. A complete schedule of insurance coverage can be found in the statistical section of this Comprehensive Annual Financial Report.

**BOGOTA BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

NOTE 4 OTHER INFORMATION (Continued)

A. Risk Management (Continued)

The District is a member of the New Jersey School Board Association Group (NJSBAIG). The Group is a risk sharing public entity pool, established for the purpose of insuring against worker's compensation claims, property, casualty loss and automotive.

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

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

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

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

<u>Year Ended June 30,</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2010	\$ 75,000	\$ 29,966	\$ 140,748	\$ 62,126
2009	50,000	26,238	76,809	97,421
2008	-	20,869	13,281	97,176

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.

**BOGOTA BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

NOTE 4 OTHER INFORMATION (Continued)

B. Contingent Liabilities (Continued)

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, 2010, 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, 2010, the District had no estimated arbitrage earnings due to the IRS.

D. Employee Retirement Systems and Pension Plans

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

Public Employees' Retirement System (PERS) – Established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage, including post-retirement health care, to substantially all full time employees of the State or any county, municipality, school district, or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after 8 to 10 years of service for pension benefits and 25 years for post-retirement health care coverage.

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

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

Defined Contribution Retirement Program (DCRP) – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected and certain appointed officials, effective July 1, 2007. Membership is mandatory for such individuals with vesting occurring after one (1) year of membership.

**BOGOTA BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Other Pension Funds

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

The cost of living increase for PERS and TPAF, are funded directly by each of the respective systems and are considered in the annual actuarial calculation of the required State contribution for the system.

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

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

Basis of Accounting

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

Investment Valuation

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

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

Significant Legislation

P.L. 2009, c. 19, effective March 17, 2009 provided an option for local employers to contribute 50 percent of the normal and accrued liability contribution amounts certified by the PERS for payments due in State fiscal year 2009. This law also provided that a local employer may pay 100 percent of the required contribution. Such an employer was credited with the full payment and any such amounts were not to be included in their unfunded liability. The actuaries for PERS will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the State fiscal year ending June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

**BOGOTA BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Significant Legislation (Continued)

P.L. 2008, c. 89, effective November 1, 2008, increased the TPAF and PERS eligibility age for unreduced benefits from age 60 to age 62 for members hired on or after November 1, 2008; changed the early retirement provisions; increased the minimum annual compensation required for membership eligibility for new members on or after the effective date of this law.

P.L. 2007, c. 103, certain parts effective July 1, 2007, provided for the following: changed contribution rates of TPAF, PERS, and Defined Contribution Retirement Program (DCRP) to 5.5 percent of annual compensation; imposed an annual maximum wage contribution base and a new retirement age to new employees; implemented changes to State Health Benefits Program (SHBP) which included the creation of the School Employees' Health Benefit Program (SEHBP) and established an employee contribution of 1.5 percent of the employee's base salary.

Funding Status and Funding Progress

As of June 30, 2008, the most recent actuarial valuation date, the aggregate funded ratio for all the State administered retirement systems including TPAF and PERS, is 72.6 percent with an unfunded actuarial accrued liability of \$34.4 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded systems is 69.6 percent and \$23.0 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS and PFRS is 77.2 percent and \$11.4 billion.

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

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

Actuarial Methods and Assumptions

In the June 30, 2008 actuarial valuation, the projected unit credit was used as the actuarial cost method, and the five year average of market value was used as the asset valuation method for the retirement systems. The actuarial assumptions included (1) 8.25 percent for investment rate of return for the retirement systems and (2) 5.45 percent for projected salary increases for the PERS and 5.74 percent for TPAF.

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan member and employer contributions may be amended by State of New Jersey legislation with the amount of contributions by the State of New Jersey contingent upon the Annual Appropriations Act. As defined, the retirement systems require employee contributions based on 5.5% for PERS, 5.5% for TPAF and 5.50% for DCRP of the employee's annual compensation.

**BOGOTA BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Annual Pension Costs (APC)

Per the requirements of GASB Statement No. 27 for the year ended June 30, 2010 for TPAF, which is a cost sharing plan with special funding situations, annual pension cost differs from the annual required contribution. For PERS, which is a cost sharing multi-employer defined benefit pension plan, the annual pension cost equals contributions made. TPAF employer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution.

During the years ended June 30, 2010, 2009 and 2008 the Board was required to contribute for PERS and the State of New Jersey was required to contribute for TPAF for normal cost pension and accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Year Ended June 30,	PERS	On-behalf TPAF
2008	\$ 83,941	\$ 553,546
2009	143,754	23,492
2010	127,360	25,406

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

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$608,431 during the year ended June 30, 2010 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount, along with the on-behalf TPAF pension contribution, has been included in the district-wide financial statements and the fund financial statements as a revenue and expenditure in accordance with GASB No. 24.

E. Post-Retirement Medical Benefits

The State of New Jersey sponsors and administers the post-retirement health benefit program plans for school districts. The Plans are cost sharing multiple employer defined benefit plans.

As a result of implementing Governmental Accounting Standards Board (GASB) Statement No. 43, *Financial Reporting for Post-employment Benefit Plans Other than Pension Plans* (OPEB), effective for Fiscal Year 2007, the State Health Benefits Program (SHBP), and the Prescription Drug Program (PDP), and Post-Retirement Medical (PRM) of the PERS and TPAF are combined and reported as Pension and Other employee Benefit Trust Funds in the State's Comprehensive Annual Financial Report (CAFR). Specifically, SHBP-State, PDP-State, and the PRM of the PERS are combined and reported as a Health Benefits Program Fund – State classified as a single employer plan. The SHBP-Local, PDP-Local, and the PRM of the TPAF are combined and reported as Health Benefits Program Fund –Local Government classified as a cost-sharing multiple-employer plan in the State's CAFR. The post-retirement benefit programs had a total of 484 state and local participating employers and contributing entities for Fiscal Year 2009.

**BOGOTA BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

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

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

Basis of Accounting

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

Investment Valuation

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

Funded Status and Funding Progress

As of June 30, 2008, the most recent actuarial valuation date, the State had a \$55.9 billion unfunded actuarial accrued liability for other postemployment benefits (OPEB) which is made up to \$19.8 billion for state active and retired members and \$36.1 billion for education employees and retirees that become the obligation of the State of New Jersey upon retirement.

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

**BOGOTA BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

Actuarial Methods and Assumptions

In the June 30, 2008, actuarial valuation, the projected unit credit was used as the actuarial cost method, and the market value was used as asset valuation method for the OPEB. The actuarial assumptions included 4.50 percent for investment rate of return for the OPEB.

Post-Retirement Medical Benefits Contributions

P.L. 1987, c. 384 and P.L. 1990, c.6 required the Teachers' Pension and Annuity Fund (TPAF) and Public Employees' Retirement System (PERS), respectively to fund post-retirement medical benefits for those State employees and education employees who retire after accumulating 25 years of credited service or on a disability retirement. As of June 30, 2009, there were 84,590 retirees receiving post-retirement medical benefits and the State contributed \$837.7 million on their behalf. The cost of these benefits is funded through contributions by the State and in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education with 25 years of service. The State paid \$116.9 million toward Chapter 126 benefits for 13,320 eligible retired members in fiscal year 2009.

The State sets the contribution rate based on a pay as you go basis and not on the *annual required contribution of the employers (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contributions to the State Health Benefits Program Fund for TPAF retirees' post-retirement benefits on behalf of the School District for the years ended June 30, 2010, 2009 and 2008 were \$477,161, \$448,169 and \$489,678, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey.



BUDGETARY COMPARISONS

**BOGOTA BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	<u>Budgeted Amounts</u>			<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Transfers</u>	<u>Final</u>		<u>Final To Actual</u>
REVENUES					
Local Sources					
Local Property Tax Levy	\$ 12,294,405		\$ 12,294,405	\$ 12,294,405	
Miscellaneous	103,476	-	103,476	59,746	\$ (43,730)
Total Local Sources	12,397,881	-	12,397,881	12,354,151	(43,730)
State Sources					
Transportation Aid	201,284		201,284	140,395	(60,889)
Special Education Aid	723,900		723,900	723,900	-
Equalization Aid	4,576,736	(830,431)	3,746,305	3,746,305	-
Security Aid	239,594		239,594	239,594	-
Extraordinary Aid	100,000		100,000	141,777	41,777
On-behalf TPAF Post-Retirement Medical (Non-budgeted)				477,161	477,161
On-behalf TPAF Pension Contributions (Non-budgeted)				25,406	25,406
On-behalf TPAF Social Security Contributions (Non-budgeted)	-	-	-	608,431	608,431
Total State Sources	5,841,514	(830,431)	5,011,083	6,102,969	1,091,886
Federal Sources					
Medicaid Reimbursement	25,792		25,792	13,678	(12,114)
ARRA- Education Stabilization Fund		799,482	799,482	799,482	-
ARRA- Government Services Fund	-	30,949	30,949	30,949	-
Total Federal Sources	25,792	830,431	856,223	844,109	(12,114)
Total Revenues	18,265,187	-	18,265,187	19,301,229	1,036,042
EXPENDITURES					
CURRENT EXPENDITURES					
Instruction - Regular Programs					
Salaries of Teachers					
Preschool/Kindergarten	256,371	(51,566)	204,805	202,575	2,230
Grades 1-5	1,900,731	30,818	1,931,549	1,931,549	-
Grades 6-8	887,001	(1,731)	885,270	885,270	-
Grades 9-12	2,103,788	33,498	2,137,286	2,137,286	-
Regular Programs - Home Instruction					
Salaries of Teachers	20,000	(8,820)	11,180	11,180	-
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	123,856	14,861	138,717	138,717	-
Purchased Professional -Educational Services	5,505	(3,255)	2,250	2,250	-
Cleaning, Repair & Maint. Service	3,500	(2,229)	1,271	1,271	-
Other Purchased Services		2,532	2,532	2,419	113
General Supplies	213,688	2,286	215,974	178,361	37,613
Textbooks	124,366	(8,082)	116,284	73,085	43,199
Other Objects	6,055	113	6,168	6,168	-
Total Regular Programs	5,644,861	8,425	5,653,286	5,570,131	83,155
Cognitive - Mild					
Purchased Professional -Educational Services	168,000	(168,000)	-	-	-
Total Cognitive - Mild	168,000	(168,000)	-	-	-

(Continued)

**BOGOTA BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	<u>Budgeted Amounts</u>			<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Transfers</u>	<u>Final</u>		<u>Final To Actual</u>
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Special Education (Continued)					
Learning and Language Disabilities					
Salaries of Teachers	\$ 491,615	\$ (116,174)	\$ 375,441	\$ 361,934	\$ 13,507
Other Salaries for Instruction	77,561	-	77,561	75,917	1,644
General Supplies	1,200	-	1,200	41	1,159
Total Learning and Language Disabilities	<u>570,376</u>	<u>(116,174)</u>	<u>454,202</u>	<u>437,892</u>	<u>16,310</u>
Multiple Disabilities					
Other Salaries for Instruction	32,768	(1,123)	31,645	30,536	1,109
Total Multiple Disabilities - Instruction	<u>32,768</u>	<u>(1,123)</u>	<u>31,645</u>	<u>30,536</u>	<u>1,109</u>
Resource Room/Resource Center					
Salaries of Teachers	600,000	110,404	710,404	706,331	4,073
Other Salaries for Instruction	32,468	(2,562)	29,906	29,906	-
General Supplies	4,550	(2,408)	2,142	1,396	746
Total Resource Room/Resource Center	<u>637,018</u>	<u>105,434</u>	<u>742,452</u>	<u>737,633</u>	<u>4,819</u>
Preschool Disabilities - Full Time					
Salaries of Teachers	80,143	988	81,131	81,131	-
Other Salaries for Instruction	16,234	(228)	16,006	16,006	-
General Supplies	1,000	(242)	758	415	343
Total Preschool Disabilities - Full Time	<u>97,377</u>	<u>518</u>	<u>97,895</u>	<u>97,552</u>	<u>343</u>
Total Special Education	<u>1,505,539</u>	<u>(179,345)</u>	<u>1,326,194</u>	<u>1,303,613</u>	<u>22,581</u>
Basic Skills/Remedial - Instruction					
Salaries of Teachers	15,000	2,924	17,924	2,924	15,000
General Supplies	3,060	-	3,060	2,452	608
Textbooks	4,807	-	4,807	3,410	1,397
Total Basic Skills/Remedial - Instruction	<u>22,867</u>	<u>2,924</u>	<u>25,791</u>	<u>8,786</u>	<u>17,005</u>
Bilingual Education					
Salaries of Teachers	215,133	1,596	216,729	216,729	-
General Supplies	950	-	950	950	-
Textbooks	1,956	-	1,956	-	1,956
Total Bilingual Education	<u>218,039</u>	<u>1,596</u>	<u>219,635</u>	<u>217,679</u>	<u>1,956</u>
School Sponsored Co-Curricular Activities					
Salaries	81,088	6,586	87,674	84,174	3,500
Purchased Services	3,750	8,142	11,892	10,522	1,370
General Supplies	12,450	-	12,450	8,187	4,263
Miscellaneous Expenditures	450	-	450	355	95
Total School Sponsored Co-Curricular Activities	<u>97,738</u>	<u>14,728</u>	<u>112,466</u>	<u>103,238</u>	<u>9,228</u>
School Sponsored Athletics - Instruction					
Salaries	150,000	(14,728)	135,272	127,958	7,314
Purchased Services	60,785	(4,444)	56,341	51,356	4,985
General Supplies	24,500	8,270	32,770	22,541	10,229
Misc. Expenditures	10,665	(965)	9,700	7,019	2,681
Total School Sponsored Athletics - Instruction	<u>245,950</u>	<u>(11,867)</u>	<u>234,083</u>	<u>208,874</u>	<u>25,209</u>
Total - Instruction	<u>7,734,994</u>	<u>(163,539)</u>	<u>7,571,455</u>	<u>7,412,321</u>	<u>159,134</u>

(Continued)

**BOGOTA BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	<u>Budgeted Amounts</u>			<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Transfers</u>	<u>Final</u>		<u>Final To Actual</u>
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures					
Instruction					
Tuition to Other LEAs Within the State - Special	\$ 547,419	\$ (8,226)	\$ 539,193	\$ 539,193	
Tuition to County Vocational Schools- Regular	444,000	(50,810)	393,190	393,190	-
Tuition to County Vocational Schools- Special	297,000	53,000	350,000	350,000	-
Tuition to CSSD and Regional Day Schools	613,957	115,543	729,500	729,150	\$ 350
Tuition Private School for the Disabled					-
Within State	861,384	(216,193)	645,191	645,191	-
Tuition - Other	144,414	11,993	156,407	155,582	825
Total Undistributed Expenditures - Instruction	<u>2,908,174</u>	<u>(94,693)</u>	<u>2,813,481</u>	<u>2,812,306</u>	<u>1,175</u>
Health Services					
Salaries	167,862	2,122	169,984	169,984	-
Purchased Professional - Technical Services	15,000	-	15,000	14,870	130
General Supplies	5,944	-	5,944	5,649	295
Total Health Services	<u>188,806</u>	<u>2,122</u>	<u>190,928</u>	<u>190,503</u>	<u>425</u>
Speech/Occupational Therapy/Physical Therapy and Related Svcs.					
Salaries	124,472	11,000	135,472	135,235	237
Purchased Professional - Educational Services	500	131,000	131,500	121,269	10,231
Supplies and Materials	650	-	650	647	3
Total Speech/Occup. Therapy/Physical Therapy and Related Svcs.	<u>125,622</u>	<u>142,000</u>	<u>267,622</u>	<u>257,151</u>	<u>10,471</u>
Guidance Services					
Salaries of Other Professional Staff	266,592	7,592	274,184	274,184	-
Salaries of Secretarial and Clerical Assistants	48,006	(3,999)	44,007	42,614	1,393
Other Salaries	2,660	(923)	1,737	1,680	57
Purchased Professional - Educational Services	2,850	(1,030)	1,820	1,820	-
Other Purchased Prof. And Tech. Services	9,099	(3,480)	5,619	1,614	4,005
Rentals	2,000	-	2,000	2,000	-
Supplies and Materials	9,461	1,203	10,664	10,286	378
Other Objects	307	-	307	206	101
Total Guidance Services	<u>340,975</u>	<u>(637)</u>	<u>340,338</u>	<u>334,404</u>	<u>5,934</u>
Child Study Team					
Salaries of Other Professional Staff	275,972	170	276,142	276,028	114
Salaries of Secretarial and Clerical Assistants	81,346	(900)	80,446	80,019	427.00
Purchased Professional - Educational Services	26,500	(1,007)	25,493	22,531	2,962
Other Purchased Prof. And Tech. Services	13,500	(9,449)	4,051	4,050	1
Miscellaneous Purchased Services	7,580	(6,620)	960	792	168
Supplies and Materials	10,500	131	10,631	4,700	5,931
Other Objects	900	(132)	768	768	-
Total Child Study Team	<u>416,298</u>	<u>(17,807)</u>	<u>398,491</u>	<u>388,888</u>	<u>9,603</u>

(Continued)

**BOGOTA BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	<u>Budgeted Amounts</u>			<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Transfers</u>	<u>Final</u>		<u>Final To Actual</u>
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Improvement of Instructional Services					
Salaries of Other Professional Staff	\$ 71,300	\$ (63,800)	\$ 7,500	\$ 7,500	-
Total Improvement of Instructional Services	<u>71,300</u>	<u>(63,800)</u>	<u>7,500</u>	<u>7,500</u>	<u>-</u>
Educational Media Services/School Library					
Salaries	91,410	(898)	90,512	90,512	
Rentals	1,200	-	1,200	1,200	-
Other Purchased Services	8,000	(2,526)	5,474		\$ 5,474
Supplies and Materials	9,785	5,910	15,695	11,782	3,913
Other Objects	3,645	(2,607)	1,038	1,038	-
Total Educational Media Services/School Library	<u>114,040</u>	<u>(121)</u>	<u>113,919</u>	<u>104,532</u>	<u>9,387</u>
Support Services General Administration					
Salaries	301,040	(1)	301,039	300,780	259
Legal Services	100,000	-	100,000	98,975	1,025
Audit Fees	26,000	16,000	42,000	38,389	3,611
Purchased Professional Services	30,000	6,300	36,300	30,000	6,300
Purchased Technical Services	10,000	3,013	13,013	9,012	4,001
Communications/Telephone	55,000	(15,190)	39,810	39,209	601
Rentals	10,000	(6,300)	3,700	3,700	-
Other Purchased Services	30,000	(1,201)	28,799	28,350	449
General Supplies	2,500	(1,063)	1,437	799	638
BOE In-House Training/Meeting Supplies	1,200	(1,150)	50	50	-
Miscellaneous Expenditures	9,702	(3,831)	5,871	5,241	630
BOE Membership Dues and Fees	10,000	(200)	9,800	9,028	772
Total Support Services General Administration	<u>585,442</u>	<u>(3,623)</u>	<u>581,819</u>	<u>563,533</u>	<u>18,286</u>
Support Services School Administration					
Salaries of Principals/Assistant Principals	427,987	50,489	478,476	478,476	-
Salaries of Other Professional Staff	101,766	12,928	114,694	114,694	-
Salaries of Secretarial and Clerical Assistants	160,000	8,873	168,873	168,873	-
Purchased Professional - Educational Services	695	(45)	650		650
Rentals	56,505	(369)	56,136	56,136	-
Other Purchased Services	8,360	(2,529)	5,831	1,778	4,053
Travel	440	(380)	60		60
Supplies and Materials	25,937	(2,252)	23,685	15,906	7,779
Miscellaneous Expenditures	4,510	(1,981)	2,529	2,529	-
Total Support Services School Administration	<u>786,200</u>	<u>64,734</u>	<u>850,934</u>	<u>838,392</u>	<u>12,542</u>

(Continued)

**BOGOTA BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	Budgeted Amounts			Actual	Variance
	Original	Transfers	Final		Final To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Central Services					
Salaries	\$ 264,734	\$ 5,604	\$ 270,338	\$ 269,986	\$ 352
Purchased Professional Services	1,000		1,000	1,000	
Purchased Technical Services	23,000	(17,221)	5,779	4,179	1,600
Miscellaneous Purchased Services	6,900		6,900	6,830	70
Supplies and Materials	9,200	2,441	11,641	11,641	-
Miscellaneous Expenditures	1,500	-	1,500	1,497	3
Total Central Services	<u>306,334</u>	<u>(9,176)</u>	<u>297,158</u>	<u>295,133</u>	<u>2,025</u>
Administrative Information Technology					
Salaries	-	54,636	54,636	54,636	-
Total Administrative Information Technology	<u>-</u>	<u>54,636</u>	<u>54,636</u>	<u>54,636</u>	<u>-</u>
Required Maintenance for School Facilities					
Salaries	212,066	10,769	222,835	222,834	1
Cleaning, Repair, and Maintenance Services	150,000	13,222	163,222	159,760	3,462
General Supplies	30,000	30,200	60,200	59,477	723
Miscellaneous Expenditures	12,000	(5,000)	7,000	6,765	235
Total Required Maintenance for School Facilities	<u>404,066</u>	<u>49,191</u>	<u>453,257</u>	<u>448,836</u>	<u>4,421</u>
Custodial Services					
Salaries	500,635	(65,405)	435,230	422,149	13,081
Purchased Professional and Technical Services	10,000	(7,772)	2,228	2,228	-
Insurance	115,000	10,397	125,397	125,353	44
General Supplies	17,000	-	17,000	16,956	44
Energy (Heat and Electricity)	390,000	(51,011)	338,989	327,251	11,738
Total Custodial Services	<u>1,032,635</u>	<u>(113,791)</u>	<u>918,844</u>	<u>893,937</u>	<u>24,907</u>
Student Transportation Services					
Salaries	30,529	-	30,529	25,986	4,543
Contracted Services (Other Than Between Home and School) - Vendors	119,355	(10,088)	109,267	105,042	4,225
Contracted Services (Between Home and School) Joint Agreement	125,000	(27,251)	97,749	97,206	543
Contracted Serv. (Spec.Ed Stud) - Joint Agreement	650,000	150,152	800,152	800,152	-
Total Student Transportation Services	<u>924,884</u>	<u>112,813</u>	<u>1,037,697</u>	<u>1,028,386</u>	<u>9,311</u>
Allocated Benefits- Regular Programs- Instruction					
Social Security	38,759	2,500	41,259	38,759	2,500
Unemployment Compensation	10,000	65,500	75,500	75,000	500
Workmen's Compensation	61,304		61,304	61,304	-
Health Benefits	923,001	60,033	983,034	983,033	1
Other Employee Benefits	12,386	-	12,386	-	12,386
Total Allocated Benefits- Regular Programs Instruction	<u>1,045,450</u>	<u>128,033</u>	<u>1,173,483</u>	<u>1,158,096</u>	<u>15,387</u>
Allocated Benefits- Special Programs- Instruction					
Social Security	12,143	3,104	15,247	15,247	-
Workmen's Compensation	13,180	4,174	17,354	17,354	-
Health Benefits	186,917	77,211	264,128	264,127	1
Other Employee Benefits	15,903	-	15,903	-	15,903
Total Allocated Benefits- Special Programs Instruction	<u>228,143</u>	<u>84,489</u>	<u>312,632</u>	<u>296,728</u>	<u>(Continued) 1,904</u>

**BOGOTA BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	Budgeted Amounts			Actual	Variance
	Original	Transfers	Final		Final To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Allocated Benefits- Health Services					
Workmen's Compensation	\$ 1,679		\$ 1,679	\$ 1,679	-
Health Benefits	43,156	\$ 4,755	47,911	47,853	\$ 58
Total Allocated Benefits- Health Services	44,835	4,755	49,590	49,532	58
Allocated Benefits- Students- Related Services					
Workmen's Compensation	1,229		1,229	1,229	-
Health Benefits	27,251	(25,729)	1,522	999	523
Total Allocated Benefits- Students- Related Services	28,480	(25,729)	2,751	2,228	523
Allocated Benefits- Students- Regular					
Social Security	3,683	32,038	35,721	5,721	30,000
Other Retirement Contributions - Regular	4,815		4,815	4,815	-
Workmen's Compensation	3,146		3,146	3,146	-
Health Benefits	59,083	4,754	63,837	63,604	233
Total Allocated Benefits- Students- Regular	70,727	36,792	107,519	77,286	30,233
Allocated Benefits- Students- Special					
Social Security	6,241	17,442	23,683	7,683	16,000
Other Retirement Contributions - Regular	8,151		8,151	8,151	-
Workmen's Compensation	3,573		3,573	3,573	-
Health Benefits	63,702	(4,801)	58,901	58,899	2
Total Allocated Benefits- Students- Special	81,667	12,641	94,308	78,306	16,002
Allocated Benefits- General Administration					
Social Security	8,839	24,032	32,871	13,871	19,000
Other Retirement Contributions - Regular	11,554		11,554	11,554	-
Workmen's Compensation	3,010		3,010	3,010	-
Health Benefits	42,026	3,296	45,322	45,283	39
Total Allocated Benefits- General Administration	65,429	27,328	92,757	73,718	19,039
Allocated Benefits- School Administration					
Social Security	21,640		21,640	21,640	-
Other Retirement Contributions - Regular	18,111		18,111	18,111	-
Workmen's Compensation	7,063		7,063	7,063	-
Health Benefits	89,617	18,251	107,868	107,866	2
Total Allocated Benefits- School Administration	136,431	18,251	154,682	154,680	2
Allocated Benefits- Central Services					
Social Security	22,038	5,000	27,038	22,038	5,000
Other Retirement Contributions - Regular	17,308		17,308	17,308	-
Workmen's Compensation	2,881		2,881	2,881	-
Health Benefits	43,941	14,944	58,885	58,885	-
Total Allocated Benefits- Central Services	86,168	19,944	106,112	101,112	5,000

(Continued)

**BOGOTA BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	<u>Budgeted Amounts</u>			<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Transfers</u>	<u>Final</u>		<u>Final To Actual</u>
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Allocated Benefits- Operation & Maintenance of Plant					
Social Security	\$ 49,932	\$ 2,886	\$ 52,818	\$ 52,818	-
Other Retirement Contributions - Regular	61,767	5,670	67,437	67,421	\$ 16
Workmen's Compensation	37,863	(32,990)	4,873	4,873	-
Health Benefits	163,186	6,245	169,431	169,318	113
Total Allocated Benefits- Operation & Maintenance of Plant	312,748	(18,189)	294,559	294,430	129
Total Allocated Benefits	2,100,078	288,315	2,388,393	2,286,116	102,277
On-Behalf TPAF Poast-Retirement Medical (Non-Budgeted)				477,161	(477,161.0)
On-bchalf TPAF Pension Contributions (Non-Budgeted)				25,406	(25,406)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)	-	-	-	608,431	(608,431)
Total On-Behalf Benefits	-	-	-	1,110,998	(1,110,998)
Total Undistributed Expenditures	10,304,854	410,163	10,715,017	11,615,251	(900,234)
Total Expenditures - Current Expenditures	18,039,848	246,624	18,286,472	19,027,572	(741,100)
CAPITAL OUTLAY					
Equipment					
Instruction					
Grades 9-12	-	3,450	3,450	3,450	-
Total Equipment	-	3,450	3,450	3,450	-
Facilities Acquisition and Construction Services					
Construction Services		56,341	56,341	51,790	4,551
Infrastructure	534,810	(513,000)	21,810	21,810	-
Total Facilities Acquisition and Construction Services	534,810	(456,659)	78,151	73,600	4,551
Total Capital Outlay	534,810	(453,209)	81,601	77,050	4,551
Total Expenditures	18,574,658	(206,585)	18,368,073	19,104,622	(736,549)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(309,471)	206,585	(102,886)	196,607	299,493

(Continued)

**BOGOTA BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	<u>Budgeted Amounts</u>			<u>Actual</u>	<u>Variance Final To Actual</u>
	<u>Original</u>	<u>Transfers</u>	<u>Final</u>		
Other Financing Sources(Uses)					
Transfer In - Capital Projects				\$ 2	\$ 2
Transfer Out - Capital Projects	-	\$ (386,659)	\$ (386,659)	(386,659)	-
Total Other Financing Sources(Uses)	-	(386,659)	(386,659)	(386,657)	2
Excess/(Deficiency)of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	\$ (309,471)	(180,074)	(489,545)	(190,050)	299,495
Fund Balances, Beginning of Year	940,803	-	940,803	940,803	-
Fund Balances, End of Year	\$ 631,332	\$ (180,074)	\$ 451,258	\$ 750,753	\$ 299,495

Recapitulation of Fund Balances:

Reserve for Encumbrances	\$ 141,606
Capital Reserve	188,009
Unreserved	
Designated For Subsequent Year's Expenditures	200,000
Undesignated	221,138
	<u>750,753</u>

Reconciliation to Governmental Fund Statements (GAAP)

Less:		
Last State Aid Payment not Recognized on GAAP Basis	\$ 493,157	
Extraordinary Aid Payment not Recognized on GAAP Basis	141,777	
		<u>634,934</u>
Fund Balance per Governmental Funds (GAAP)		<u>\$ 115,819</u>

**BOGOTA BOARD OF EDUCATION
GENERAL FUND
AMERICAN RECOVERY AND REINVESTMENT ACT
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	<u>Budgeted Amounts</u>			<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Transfers</u>	<u>Final</u>		<u>Final To Actual</u>
REVENUES					
Federal Sources					
ARRA- Educational Stabilization Fund		\$ 799,482	\$ 799,482	\$ 799,482	-
ARRA- Government Services Fund	-	30,949	30,949	30,949	-
Total Revenues	-	830,431	830,431	830,431	-
EXPENDITURES					
CURRENT EXPENDITURES					
Instruction - Regular Programs					
Salaries of Teachers					
Preeschool/Kindergarten		22,041	22,041	22,041	-
Grades 1-5		182,316	182,316	182,316	-
Grades 6-8		82,749	82,749	82,749	-
Grades 9-12		203,770	203,770	203,770	-
Regular Programs - Undistributed Instruction					-
Other Salaries for Instruction	-	10,270	10,270	10,270	-
Total Regular Programs	-	501,146	501,146	501,146	-
Learning and Language Disabilities					
Salaries of Teachers					
Other Salaries for Instruction	-	4,737	4,737	4,737	-
Total Learning and Language Disabilities	-	38,907	38,907	38,907	-
Resource Room/Resource Center					
Salaries of Teachers					
Other Salaries for Instruction	-	1,755	1,755	1,755	-
Total Resource Room/Resource Center	-	36,168	36,168	36,168	-
Preeschool Disabilities - Full Time					
Salaries of Teachers					
Other Salaries for Instruction	-	3,510	3,510	3,510	-
Total Preeschool Disabilities - Full Time	-	7,458	7,458	7,458	-
Total Special Education	-	82,533	82,533	82,533	-
Basic Skills/Remedial - Instruction					
Salaries of Teachers					
Total Basic Skills/Remedial - Instruction	-	2,924	2,924	2,924	-
Bilingual Education					
Salaries of Teachers					
Total Bilingual Education	-	7,154	7,154	7,154	-
Total - Instruction	-	593,757	593,757	593,757	-

**BOGOTA BOARD OF EDUCATION
GENERAL FUND
AMERICAN RECOVERY AND REINVESTMENT ACT
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	Budgeted Amounts			Actual	Variance Final To Actual
	Original	Transfers	Final		
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures					
Health Services					
Salaries	-	\$ 16,551	\$ 16,551	\$ 16,551	-
Total Health Services	-	16,551	16,551	16,551	-
Other Support Services- Students- Related Serv.					
Salaries	-	12,823	12,823	12,823	-
Total Other Supp. Serv. - Students - Rel. Serv.	-	12,823	12,823	12,823	-
Other Support Services - Students - Regular					
Salaries of Other Professional Staff		26,302	26,302	26,302	-
Salaries of Secretarial and Clerical Assistants	-	4,637	4,637	4,637	-
Total Other Support Services - Students - Regular	-	30,939	30,939	30,939	-
Other Support Services - Students - Special Services					
Salaries of Other Professional Staff		26,390	26,390	26,390	-
Salaries of Secretarial and Clerical Assistants	-	8,002	8,002	8,002	-
Total Other Support Services - Students - Special	-	34,392	34,392	34,392	-
Improvement of Instructional Services					
Salaries of Other Professional Staff	-	7,500	7,500	7,500	-
Total Improvement of Instructional Services	-	7,500	7,500	7,500	-
Educational Media Services/School Library					
Salaries	-	10,082	10,082	10,082	-
Total Educational Media Services/School Library	-	10,082	10,082	10,082	-
Support Services General Administration					
Salaries	-	29,724	29,724	29,724	-
Total Support Services General Administration	-	29,724	29,724	29,724	-

**BOGOTA BOARD OF EDUCATION
GENERAL FUND
AMERICAN RECOVERY AND REINVESTMENT ACT
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	<u>Original</u>	<u>Transfers</u>	<u>Final</u>	<u>Actual</u>	<u>Actual</u>
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Support Services School Administration					
Salaries of Principals/Assistant Principals		\$ 38,079	\$ 38,079	\$ 38,079	-
Salaries of Other Professional Staff		11,040	11,040	11,040	-
Salaries of Secretarial and Clerical Assistants	-	17,192	17,192	17,192	-
Total Support Services School Administration	-	66,311	66,311	66,311	-
Central Services					
Salaries	-	26,169	26,169	26,169	-
Total Central Services	-	26,169	26,169	26,169	-
Student Transportation Services					
Salaries	-	2,183	2,183	2,183	-
Total Student Transportation Services	-	2,183	2,183	2,183	-
Total Undistributed Expenditures	-	236,674	236,674	236,674	-
Total Expenditures- Current Expenditures	-	830,431	830,431	830,431	-
Excess/(Deficiency) of Revenues Over Expenditures	-	-	-	-	-
Fund Balances, Beginning of Year	-	-	-	-	-
Fund Balances, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -

**BOGOTA BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	<u>Budgeted Amounts</u>			<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Transfers</u>	<u>Final</u>		<u>Final to Actual</u>
REVENUES					
Intergovernmental					
State		\$ 155,013	\$ 155,013	\$ 137,852	\$ (17,161)
Federal	\$ 572,560	519,744	1,092,304	1,004,235	(88,069)
Local Sources					
Miscellaneous	-	5,992	5,992	26,836	20,844
Total Revenues	<u>572,560</u>	<u>680,749</u>	<u>1,253,309</u>	<u>1,168,923</u>	<u>(84,386)</u>
EXPENDITURES					
Instruction					
Salaries of Teachers	217,560	(6,691)	210,869	207,178	3,691
Tuition	330,000	(58,500)	271,500	271,500	-
Purchased Professional & Technical Svc.	-	16,568	16,568	16,568	-
Other Purchased Services	-	285,179	285,179	247,750	37,429
General Supplies	25,000	134,180	159,180	157,735	1,445
Textbooks	-	11,067	11,067	11,048	19
Total Instruction	<u>572,560</u>	<u>381,803</u>	<u>954,363</u>	<u>911,779</u>	<u>42,584</u>
Support Services					
Personal Services - Employee Benefits	-	41,973	41,973	41,188	785
Purchased Professional & Technical Svs	-	60,537	60,537	57,053	3,484
Purchased Professional & Educational Svs	-	13,569	13,569	11,936	1,633
Other Purchased Services	-	8,745	8,745	3,422	5,323
Supplies and Materials	-	13,422	13,422	13,422	-
Total Support Services	<u>-</u>	<u>138,246</u>	<u>138,246</u>	<u>127,021</u>	<u>11,225</u>
Facilities Acquisition and Construction Services					
Instructional Equipment		60,700	60,700	51,239	9,461
Non-Instructional Equipment	-	100,000	100,000	78,884	21,116
Total Facilities and Construction Services	<u>-</u>	<u>160,700</u>	<u>160,700</u>	<u>130,123</u>	<u>30,577</u>
Total Expenditures	<u>572,560</u>	<u>680,749</u>	<u>1,253,309</u>	<u>1,168,923</u>	<u>84,386</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, 2010**

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

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

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

	General Fund	Special Revenue Fund
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue"		
from the budgetary comparison schedules (Exhibit C-1 & C-2)	\$ 19,301,229	\$ 1,168,923
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		(39,322)
State Aid and Extraordinary Aid payment recognized for GAAP purpose, not recognized for budgetary statements (2008/2009 State Aid)	595,216	
State Aid and Extraordinary Aid payment recognized for budgetary purpose, not recognized for GAAP statements (2009/2010 State Aid)	<u>(634,934)</u>	<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds. (Exhibit B-2)	<u>\$ 19,261,511</u>	<u>\$ 1,129,601</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 19,104,622	\$ 1,168,923
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.	<u>-</u>	<u>(39,322)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 19,104,622</u>	<u>\$ 1,129,601</u>

SCHOOL LEVEL SCHEDULES

(General Fund)

NOT APPLICABLE

SPECIAL REVENUE FUND

**BOGOTA BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	Chapter 192			Chapter 193			Exhibit E-1a Totals	Grand Totals	
	Miscellaneous	Nonpublic Nursing	Nonpublic Textbooks	Comp. Ed.	ESL	Exam. and Class			Corrective Speech
REVENUES									
Intergovernmental									
State		\$ 13,124	\$ 11,048	\$ 61,808	\$ 3,045	\$ 21,994	\$ 10,230	\$ 16,603	\$ 137,852
Federal		-	-	-	-	-	-	-	\$ 1,004,235
Local Sources									
Miscellaneous	\$ 26,836	-	-	-	-	-	-	-	26,836
Total Revenues	\$ 26,836	\$ 13,124	\$ 11,048	\$ 61,808	\$ 3,045	\$ 21,994	\$ 10,230	\$ 16,603	\$ 1,168,923
EXPENDITURES									
Instruction									
Salaries of Teachers									\$ 207,178
Tuition									271,500
Purchased Professional & Technical Svc.									16,568
Other Purchased Services		\$ 13,124	\$ -	\$ 61,808	\$ 3,045	\$ 21,994	\$ 10,230	\$ 16,603	120,946
General Supplies	\$ 20,844	-	-	-	-	-	-	-	136,891
Textbooks	-	-	\$ 11,048	-	-	-	-	-	11,048
Total Instruction	20,844	13,124	11,048	61,808	3,045	21,994	10,230	16,603	753,083
Support Services									
Personal Services - Employee Benefits									41,188
Purchased Professional & Technical Svc									57,053
Purchased Professional & Educational Svc									11,936
Other Purchased Services									3,422
General Supplies	5,992	-	-	-	-	-	-	-	7,430
Total Support Services	5,992	-	-	-	-	-	-	-	121,029
Facilities Acquisition and Construction Services									
Instructional Equipment									51,239
Non-Instructional Equipment									78,884
Total Facilities Acq. & Construction									130,123
Total Expenditures	\$ 26,836	\$ 13,124	\$ 11,048	\$ 61,808	\$ 3,045	\$ 21,994	\$ 10,230	\$ 16,603	\$ 1,168,923

**BOGOTA BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	NCLB										Individuals with Disabilities Education Act				Total				
	Title I		Title II-A		Title II-D		Title II-D		Title III		Title IV		Part B, Basic			Part B, Preschool		Part B, Preschool	
	Title I (carry over)	ARRA	Title IIA	Title II-D	Title II-D (carry over)	Title II-D	Title II-D (carry over)	Title III	Title IV	Title IV (carry over)	ARRA	ARRA	ARRA	ARRA		ARRA	ARRA	ARRA	ARRA
REVENUES																			
Intergovernmental	\$ 243,037	\$ 8,532	\$ 78,171	\$ 40,077	\$ 816	\$ 1,698	\$ 17,739	\$ 4,428	\$ 4	\$ 302,045	\$ 289,166	\$ 7,168	\$ 11,354	\$ 1,004,235					
Federal	\$ 243,037	\$ 8,532	\$ 78,171	\$ 40,077	\$ 816	\$ 1,698	\$ 17,739	\$ 4,428	\$ 4	\$ 302,045	\$ 289,166	\$ 7,168	\$ 11,354	\$ 1,004,235					
Total Revenues																			
EXPENDITURES																			
Instruction	\$ 182,136		\$ 11,042			\$ 14,000								\$ 207,178					
Salaries of Teachers														\$ 271,500					\$ 271,500
Tuition														\$ 16,568					\$ 16,568
Purchased Professional & Technical Svcs.														\$ 120,946					\$ 120,946
Purchased Professional & Educational Svcs														\$ 136,891					\$ 136,891
Other Purchased Services	12,337	-	75,789	1,717	816	1,068	649	40	-	2,030	40,491	-	1,954						
General Supplies	194,473	-	75,789	12,759	816	1,068	14,649	100	-	273,530	161,377	7,168	11,354	753,083					
Total Instruction																			
Support Services	36,180		2,208			2,800								41,188					
Personal Services - Employee Benefits			1,576			630			4	28,515				57,053					
Purchased Professional & Technical Svc.	768	\$ 8,532	22,000											11,936					
Purchased Professional & Educational Svc	2,616		806											3,422					
Other Purchased Services														7,430					
General Supplies																			
Total Support Services																			
Facilities Acquisition and Construction	39,564	8,532	2,382	27,318	-	630	3,090	4,328	4	28,515	6,666	-	-	121,029					
Instructional Equipment	9,000													51,239					
Non-Instructional Equipment														78,884					
Total Facilities Acq. & Construction																			
Total Expenditures	\$ 243,037	\$ 8,532	\$ 78,171	\$ 40,077	\$ 816	\$ 1,698	\$ 17,739	\$ 4,428	\$ 4	\$ 302,045	\$ 289,166	\$ 7,168	\$ 11,354	\$ 1,004,235					

**BOGOTA BOARD OF EDUCATION
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL EDUCATION AID
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

NOT APPLICABLE

CAPITAL PROJECTS FUND

BOGOTA BOARD OF EDUCATION
 CAPITAL PROJECTS FUND
 SUMMARY SCHEDULE OF PROJECT EXPENDITURES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2010

<u>Issue/ Project Title</u>	<u>Original Appropriation</u>	<u>Expenditures to Date</u>		<u>Balance June 30, 2010</u>
		<u>Prior Years</u>	<u>Current Year</u>	
Junior/High School Roof Replacement	\$ 805,540	-	\$ 800,576	\$ 4,964
Total		-	\$ 800,576	\$ 4,964
			Project Balance	\$ 4,964
			Fund Balance -GAAP Basis	\$ 4,964

**BOGOTA BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

Revenues and Other Financing Sources	
State Sources - SDA Grant	\$ 418,881
Transfer from Capital Outlay	386,659
Interest Earned on Investments	<u>2</u>
 Total Revenues	 <u>805,542</u>
Expenditures and Other Financing Uses	
Purchased Professional and Technical Services	48,836
Construction Services	751,740
Transfer Out	<u>2</u>
 Total Expenditures	 <u>800,578</u>
 Excess of Expenditures Over Revenues	 4,964
 Fund Balance, July 1, 2009	 <u>-</u>
 Fund Balance, June 30, 2010	 <u>\$ 4,964</u>

**BOGOTA BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
JUNIOR/HIGH SCHOOL ROOF REPLACEMENT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

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

Additional Project Information:

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

PROPRIETARY FUNDS

SCHEDULE G-1

**BOGOTA BOARD OF EDUCATION
PROPRIETARY FUND
COMBINING SCHEDULE OF NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-4

SCHEDULE G-2

**COMBINING SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

SCHEDULE G-3

**COMBINING SCHEDULE OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-6

**BOGOTA BOARD OF EDUCATION
INTERNAL SERVICE FUND
COMBINING SCHEDULE OF NET ASSETS
AS OF JUNE 30, 2010**

THIS STATEMENT NOT APPLICABLE

**COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES
IN NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

THIS STATEMENT IS NOT APPLICABLE

**COMBINING SCHEDULE OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

THIS STATEMENT IS NOT APPLICABLE

FIDUCIARY FUNDS

**BOGOTA BOARD OF EDUCATION
FIDUCIARY FUNDS
COMBINING SCHEDULE OF AGENCY NET ASSETS
AS OF JUNE 30, 2010**

	<u>Student Activity</u>	<u>Payroll</u>	<u>Total Agency Funds</u>
ASSETS			
Cash	\$ 74,659	\$ 35,636	\$ 110,295
Due from Unemployment Compensation Trust	<u>-</u>	<u>1,655</u>	<u>1,655</u>
Total Assets	<u>\$ 74,659</u>	<u>\$ 37,291</u>	<u>\$ 111,950</u>
LIABILITIES			
Payroll Deductions and Withholdings		\$ 23,085	\$ 23,085
Accrued Salaries and Wages		993	993
Due to General Fund		13,213	13,213
Due to Student Groups	<u>\$ 74,659</u>	<u>-</u>	<u>74,659</u>
Total Liabilities	<u>\$ 74,659</u>	<u>\$ 37,291</u>	<u>\$ 111,950</u>

**BOGOTA BOARD OF EDUCATION
FIDUCIARY FUNDS
SCHEDULE OF CHANGES IN NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

FINANCIAL STATEMENT IS PRESENTED ON EXHIBIT B-8

**STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	Balance, July 1, <u>2009</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance June 30, <u>2010</u>
ELEMENTARY SCHOOLS				
Bixby	\$ 1,069	\$ 16,695	\$ 13,681	\$ 4,083
Steen	<u>1,647</u>	<u>6,181</u>	<u>5,062</u>	<u>2,766</u>
Total Elementary Schools	<u>2,716</u>	<u>22,876</u>	<u>18,743</u>	<u>6,849</u>
HIGH SCHOOL				
Student Activities	66,758	114,433	113,381	67,810
Athletic Account	<u>161</u>	<u>46,373</u>	<u>46,534</u>	<u>-</u>
Total High School	<u>66,919</u>	<u>160,806</u>	<u>159,915</u>	<u>67,810</u>
Total All Schools	<u>\$ 69,635</u>	<u>\$ 183,682</u>	<u>\$ 178,658</u>	<u>\$ 74,659</u>

**BOGOTA BOARD OF EDUCATION
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	Balance, July 1, <u>2009</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance, June 30, <u>2010</u>
Payroll Deductions and Withholdings	\$ 128,027	\$ 4,527,301	\$ 4,632,243	\$ 23,085
Due from Unemployment Trust Fund	(1,655)			(1,655)
Due to General Fund	11,891	1,322		13,213
Accrued Salaries and Wages	<u>1,046</u>	<u>6,820,139</u>	<u>6,820,192</u>	<u>993</u>
 Total	 <u>\$ 139,309</u>	 <u>\$ 11,348,762</u>	 <u>\$ 11,452,435</u>	 <u>\$ 35,636</u>

LONG-TERM DEBT

**BOGOTA BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities Date</u>	<u>Annual Maturities Amount</u>	<u>Interest Rate</u>	<u>Balance July 1, 2009</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2010</u>
School Improvements	1/15/1999	\$ 550,000	1/15/11-14	\$ 50,000	4.60 %	\$ 245,000		\$ 45,000	\$ 200,000
Refunding Bonds	6/23/2005	7,460,000	7/15/2010	435,000	3.50				
			7/15/2011	430,000	3.00				
			7/15/2012	445,000	3.125				
			7/15/2013	460,000	3.25				
			7/15/2014	455,000	3.40				
			7/15/2015	470,000	4.00				
			7/15/2016	505,000	3.70				
			7/15/2017	525,000	3.75				
			7/15/2018	520,000	3.85				
			7/15/2019	515,000	4.00				
			7/15/2020	530,000	4.00				
			7/15/2021	525,000	4.00				
			7/15/2022	545,000	4.00				
			7/15/2023	540,000	4.10				
						7,315,000	-	415,000	6,900,000
						<u>\$ 7,560,000</u>	<u>\$ -</u>	<u>\$ 460,000</u>	<u>\$ 7,100,000</u>

**BOGOTA BOARD OF EDUCATION
LONG-TERM DEBT
DEBT SERVICE FUND BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	<u>Budgeted Amounts</u>			<u>Actual</u>	<u>Variance Final to Actual</u>
	<u>Original</u>	<u>Budget Transfer</u>	<u>Final</u>		
REVENUES					
Local Sources					
Property Taxes	\$ 720,478		\$ 720,478	\$ 720,478	-
State Sources					
Debt Service Aid Type II	<u>14,438</u>	<u>-</u>	<u>14,438</u>	<u>14,438</u>	<u>-</u>
Total Revenues	<u>734,916</u>	<u>-</u>	<u>734,916</u>	<u>734,916</u>	<u>-</u>
EXPENDITURES					
Regular Debt Service					
Interest	274,916		274,916	274,916	-
Principal	<u>460,000</u>	<u>-</u>	<u>460,000</u>	<u>460,000</u>	<u>-</u>
Total Expenditures	<u>734,916</u>	<u>-</u>	<u>734,916</u>	<u>734,916</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

STATISTICAL SECTION

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

Contents

Exhibits

Financial Trends

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

J-1 to J-5

Revenue Capacity

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

J-6 to J-9

Debt Capacity

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

J-10 to J-13

Demographic and Economic Information

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

J-14 and J-15

Operating Information

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

J-16 to J-20

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

BOGOTA BOARD OF EDUCATION
NET ASSETS BY COMPONENT
LAST EIGHT FISCAL YEARS
(Unaudited)
(accrual basis of accounting)

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

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

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

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

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

**BOGOTA BOARD OF EDUCATION
FUND BALANCES - GOVERNMENTAL FUNDS
LAST EIGHT FISCAL YEARS**

(Unaudited)

(modified accrual basis of accounting)

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

Note:

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

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

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

* Noncapital expenditures are total expenditures less capital outlay.

Note:

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

EXHIBIT J-5

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

<u>Fiscal Year Ended June 30,</u>	<u>Tuition</u>	<u>Interest on Investments</u>	<u>Insurance Refund</u>	<u>Sale of Property</u>	<u>Cancel Prior Year Accounts Payable</u>	<u>Miscellaneous</u>	<u>Total</u>
2010		\$ 20,438			\$ 32,990	\$ 6,318	\$ 59,746
2009		46,581				18,929	65,510
2008	\$ 14,793	51,072				3,942	69,807
2007	153,063	79,952				15,478	248,493
2006	198,497	59,526				16,427	274,450
2005	3,116	35,245				1,479	39,840
2004		9,735	\$ 14,776	\$ 685,000		43,798	753,309
2003		3,635				43,382	47,017
2002	12,000	8,990				48,051	69,041
2001	61,226	34,512					95,738

Source: School District's Financial Statements

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^a
2001	\$ 2,338,300	\$ 281,844,000			\$ 25,876,900	\$ 12,846,700	\$ 18,583,300	\$ 341,489,200	\$ 494,447	\$ 341,983,647	\$ 437,796,010	\$ 2.300
2002	3,022,400	394,566,800			32,106,000	14,808,100	25,059,100	469,562,400	794,407	470,356,807	495,710,765	1.900
2003	3,103,200	394,254,900			31,812,100	14,808,100	25,059,100	469,037,400	612,757	469,650,157	511,044,784	1.937
2004	2,098,400	393,480,900			35,903,000	14,808,100	24,736,500	471,026,900	523,084	471,549,984	581,875,373	2.112
2005	2,908,400	393,657,680			35,919,100	14,862,100	24,736,500	472,083,780	521,727	472,605,507	666,879,191	2.091
2006	2,786,600	394,559,800			36,015,700	14,530,200	24,664,900	472,577,200	437,073	473,014,273	760,934,497	2.156
2007	2,859,700	395,385,875			36,218,400	14,580,200	24,614,900	473,659,075	381,281	474,040,356	906,905,826	2.402
2008	2,791,700	396,497,975			36,227,800	14,530,200	24,664,900	474,732,375	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

Source: County Abstract of Ratables

^a Tax rates are per \$100

*- Revaluation of Real Property effective 2002

** - Revaluation of Real Property effective 2009

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

<u>Calendar Year</u>	<u>Total</u>	<u>Local School District</u>	<u>Municipality</u>	<u>County (1)</u>
2010	\$ 2.549	\$ 1.620	\$ 0.714	\$ 0.215
2009	2.421	1.532	0.665	0.224
2008	4.024	2.564	1.101	0.359
2007	3.730	2.402	1.000	0.328
2006	3.395	2.156	0.949	0.290
2005	3.280	2.091	0.917	0.272
2004	3.280	2.112	0.918	0.250
2003	3.135	1.937	0.918	0.280
2002	3.090	1.900	0.950	0.240
2001	3.830	2.300	1.230	0.300

* Revaluation of Real Property Effective 2009.

(1) Includes County Open Space tax

Source: Tax Duplicate, Borough of Bogota

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

Taxpayer	2010		2001	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Bogota Golf	\$ 10,848,500	1.30%	NOT AVAILABLE	
Stirling Management	10,785,700	1.29%		
P. Feiner	4,323,100	0.52%		
McHael Court	4,105,800	0.49%		
Evergreen Realty	3,200,000	0.38%		
Landmark Developers	3,845,100	0.46%		
BR Holding	2,921,800	0.35%		
River Road Associates	2,059,900	0.25%		
Hess Oil	4,343,100	0.52%		
	<u>\$ 46,433,000</u>	<u>5.05%</u>		

Source: Municipal Tax Assessor

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2001	\$ 7,357,575	\$ 7,357,575	100.00%	
2002	8,351,927	8,351,927	100.00%	
2003	9,163,100	9,163,100	100.00%	
2004	9,682,429	9,441,540	97.51%	\$ 240,889
2005	9,913,919	9,913,919	100.00%	
2006	9,962,517	9,962,517	100.00%	
2007	10,814,904	10,814,904	100.00%	
2008	11,786,563	11,786,563	100.00%	
2009	12,556,448	12,556,448	100.00%	
2010	13,014,883	13,014,883	100.00%	

Source: District records.

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

Fiscal Year Ended June 30,	<u>Governmental Activities</u>		Total District	Estimated Population	Per Capita
	General Obligation Bonds	Capital Leases			
2005	\$ 9,215,000	\$ 17,012	\$ 9,232,012	8,015	\$ 1,152
2006	8,860,000		8,860,000	7,938	1,116
2007	8,450,000		8,450,000	7,907	1,069
2008	8,015,000		8,015,000	7,887	1,016
2009	7,560,000		7,560,000	7,917	955
2010	7,100,000		7,100,000	7,917	897

Source: District records

Note:

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

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

Fiscal Year Ended June 30,	<u>General Bonded Debt Outstanding</u>		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions			
2005	\$ 9,215,000		\$ 9,215,000	1.95%	\$ 1,150
2006	8,860,000		8,860,000	1.87%	1,116
2007	8,450,000		8,450,000	1.78%	1,069
2008	8,015,000		8,015,000	1.69%	1,016
2009	7,560,000		7,560,000	0.91%	955
2010	7,100,000		7,100,000	0.85%	955

Source: District records

Notes:

a See Exhibit J-6 for property tax data.

b See Exhibit J-14 for population data.

Note:

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

**BOGOTA BOARD OF EDUCATION
COMPUTATION OF DIRECT AND OVERLAPPING OUTSTANDING BONDED DEBT
FOR YEAR ENDED DECEMBER 31, 2009
(UNAUDITED)**

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Municipal Debt: (1)			
Borough of Bogota School District <i>(June, 30, 2009)</i>	\$ 7,100,000		\$ 7,100,000
Borough of Bogota <i>(December 31, 2009)</i>	<u>6,536,444</u>	<u>\$ -</u>	<u>6,536,444</u>
	<u>\$ 13,636,444</u>	<u>\$ -</u>	13,636,444
Overlapping Debt Apportioned to the Municipality:			
Bergen County (3);(A):			
County of Bergen (A)			3,524,341
Bergen County Utilities Authority (2) - Water Pollution (B)			<u>3,209,022</u>
 Total Direct and Overlapping Debt			 <u>\$ 20,369,807</u>

(A) The debt for this entity was apportioned to the Borough of Bogota by dividing the Municipality's 2009 equalized value by the total 2009 equalized value for Bergen County.

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

Sources:

- (1) Borough of Bogota Annual Debt Statement
- (2) BCUA 2009 audit.
- (3) Bergen County Debt Statement 12/31/09

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

Legal Debt Margin Calculation for Fiscal Year 2010

	Equalized valuation basis									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Debt limit	\$ 1,560,603	\$ 1,616,853	\$ 1,715,979	\$ 1,816,879	\$ 2,063,507	\$ 2,341,022	\$ 3,366,957	\$ 3,582,135	\$ 3,637,516	\$ 3,729,367
Total net debt applicable to limit	10,280,000	9,985,000	9,675,000	9,345,000	9,010,000	9,215,000	8,485,000	8,015,000	7,560,000	7,100,000
Legal debt margin	\$ 5,326,603	\$ 6,179,853	\$ 7,482,979	\$ 9,271,879	\$ 11,623,507	\$ 14,195,022	\$ 21,881,957	\$ 25,567,135	\$ 28,757,516	\$ 30,199,367
Total net debt applicable to the limit as a percentage of debt limit	65.87%	61.77%	56.39%	50.20%	43.67%	39.56%	27.94%	23.87%	20.82%	19.04%

Average equalized valuation of taxable property	
Debt limit (4 % of average equalization value)	37,299,367 ^a
Total Net Debt Applicable to Limit	7,100,000
Legal debt margin	\$ 30,199,367

Equalized valuation basis	
2007	\$ 906,524,545
2008	953,661,260
2009	937,266,719
	<u>\$ 2,797,452,524</u>
	\$ 932,484,175

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

^a Limit set by NJSA 18A:24-19 for a K through 12 district; other % limits would be applicable for other district types.

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

<u>Year Ended December 31,</u>	<u>Unemployment Rate</u>	<u>Per Capita Income(1)</u>	<u>Borough Population</u>
2009	13.9%	N/A	7,917
2008	8.0%	\$ 67,696	7,887
2007	6.2%	67,113	7,907
2006	6.9%	63,021	7,938
2005	6.5%	56,963	8,015
2004	5.4%	54,669	8,094
2003	6.6%	51,291	8,125
2002	6.7%	51,931	8,169
2001	4.9%	52,102	8,206
2000	4.2%	51,467	8,244

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

(1) Bergen County per capita income

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

<u>Employer</u>	<u>2010</u>		<u>2001</u>	
	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>
		NOT AVAILABLE		NOT AVAILABLE

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

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

Source: Annual School Budget Statement

Note:

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

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

Fiscal Year	Enrollment ^a	Operating Expenditures ^b	Cost Per Pupil ^c	Percentage Change	Teaching Staff	Pupil/Teacher Ratio			Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	Senior High School				
2001	1,134	\$ 12,465,366	\$ 10,992	11.21%	110			1,134	1,087	-3.41%	95.86%	
2002	1,184	13,481,678	11,387	3.59%	110			1,184	1,127	4.41%	95.19%	
2003	1,151	13,850,258	12,033	5.68%	101			1,151	1,096	-2.79%	95.22%	
2004	1,027	13,677,877	13,318	10.68%	100			1,027	984	-10.77%	95.81%	
2005	1,025	15,093,141	14,725	10.56%	107			1,025	978	-0.19%	95.41%	
2006	1,140	15,910,663	13,957	-5.22%	110			1,140	1,093	11.22%	95.88%	
2007	1,188	16,733,039	14,085	0.92%	105	10:01	11.5:1	1,191	1,142	4.47%	95.89%	
2008	1,262	17,695,653	14,022	-0.45%	127			1,195	1,148	0.34%	96.07%	
2009	1,276	18,781,158	14,719	4.97%	121			1,199	1,151	0.33%	96.00%	
2010	1,201	20,034,671	16,682	13.34%	108	11:01	11:01	1,155	96	-3.67%	8.32%	

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)**

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
District Building										
Elementary										
E. Roy Bixby										
Square Feet	31,458	31,458	31,458	31,458	40,394	41,394	40,475	40,475	40,475	40,475
Capacity (students)						290	335	303	N/A	300
Enrollment										
Lillian M Steen										
Square Feet	23,393	23,393	23,393	23,393	61,368	61,368	47,456	47,456	47,456	47,456
Capacity (students)						521	274	306	N/A	321
Enrollment										
Jr./Sr. High School										
Square Feet						87,671	78,464	78,464	86,104	86,104
Capacity (students)						310	536	543	N/A	580
Enrollment										
Other										
Board of Education Offices										
Square Feet						1,500	1,500	1,500	1,500	1,500
Feigel Field House										
Square Feet						7,640	7,640	7,640	7,640	7,640
Number of Schools at June 30, 2010						2	2	2	2	2
Elementary =						1	1	1	1	1
Junior/Senior High School =										

Source: Long Range Facilities Plan 2005-2010

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

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
UNDISTRIBUTED EXPENDITURES - REQUIRED MAINTENANCE FOR SCHOOL FACILITIES										
School Facilities										
Bixby Elementary School	\$ 107,720	\$ 101,951	\$ 68,525	\$ 48,316	\$ 52,698	\$ 55,634	\$ 55,588	\$ 62,693	\$ 65,340	\$ 69,298
Steen Elementary School	121,186	119,536	82,800	73,409	82,811	45,038	45,000	49,632	51,437	54,554
Bogota High School	219,930	216,885	134,194	114,012	115,433	180,065	164,116	145,648	161,263	171,034
Grand Total	\$ 448,836	\$ 438,372	\$ 285,519	\$ 235,737	\$ 250,942	\$ 280,737	\$ 264,704	\$ 257,973	\$ 278,040	\$ 294,886

Source: School District's Financial Statements

**BOGOTA BOARD OF EDUCATION
SCHEDULE OF INSURANCE
JUNE 30, 2010
(Unaudited)**

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

Source: School District's records

SINGLE AUDIT SECTION

LERCH, VINCI & HIGGINS, LLP

EXHIBIT K-1

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

17 - 17 ROUTE 208

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Bogota Board of Education as of and for the fiscal year ended June 30, 2010, which collectively comprise the Bogota Board of Education's basic financial statements and have issued our report thereon dated October 8, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Bogota Board of Education's financial statements will not be prevented, or detected and corrected on a timely basis.

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

Compliance and Other Matters

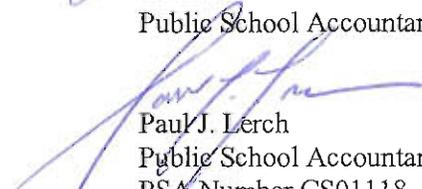
As part of obtaining reasonable assurance about whether the Bogota Board of Education's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey and which are described in the accompanying schedule of findings and questioned costs as item 2010-1.

We also noted certain matters that we have reported to management of the Bogota Board of Education in a separate report entitled, "Auditors' Management Report on Administrative Findings – Financial, Compliance and Performance" dated October 8, 2010.

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

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


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


 Paul J. Lerch
 Public School Accountant
 PSA Number CS01118

Fair Lawn, New Jersey
 October 8, 2010

LERCH, VINCI & HIGGINS, LLP

EXHIBIT K-2

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

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

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

Compliance

We have audited the Bogota Board of Education's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement and the New Jersey OMB Circular 04-04 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of Bogota Board of Education's major federal and state programs for the fiscal year ended June 30, 2010. Bogota Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirement of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the Bogota Board of Education's management. Our responsibility is to express an opinion on Bogota Board of Education's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey; OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and New Jersey OMB Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards and circulars require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about Bogota Board of Education's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Bogota Board of Education's compliance with those requirements.

In our opinion, Bogota Board of Education complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2010. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements which are required to be reported in accordance with OMB Circular A-133 and New Jersey OMB Circular 04-04 and which are described in the accompanying schedule of findings and questioned costs as item 2010-2.

Internal Control Over Compliance

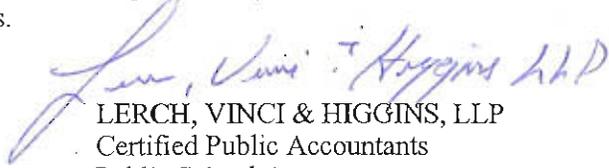
Management of Bogota Board of Education is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered Bogota Board of Education's internal control over compliance with requirements that could have a direct and material effect on a major federal or state program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and New Jersey OMB Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control over compliance.

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

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

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

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


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


 Paul J. Lerch
 Public School Accountant
 PSA Number CS01118

Fair Lawn, New Jersey
 October 8, 2010

**BOGOTA BOARD OF EDUCATION
SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

Federal CFDA Number	Federal/Grantor/Pass-Through Grantor/ Program Title	Grant Period	Award Amount	Balance, July 1, 2009	Carryover Amount	Cash Received	Budgetary Expenditures	Repayment Prior Year Balances	Adjustment	(Accounts Receivable)	Deferred Revenue	Balance June 30, 2010		
												Due to Grantor	Due to Grantor	
U.S. Department of Education														
General Fund														
84.394	ARRA - SFEF ESF (Educ. State Grants)	7/1/09-6/30/10	\$ 799,482		\$ 799,482	\$ 799,482								
84.397	ARRA - SFEF GSF (Govt. Services)	7/1/09-6/30/10	30,949		30,949	30,949								
93.778	Medicaid Assistance Program (Semi)	7/1/09-6/30/10	13,678		-	13,678				\$ (13,678)				
					830,431	844,109				(13,678)				
U.S. Department of Agriculture														
Passed-Through State Department of Education														
10.550	Food Distribution Program- Non Cash Assistance	7/1/09-6/30/10	30,313		30,313	27,559					\$ 2,754			
10.550	Food Distribution Program- Non Cash Assistance	7/1/08-6/30/09	25,174	\$ 2,888		2,888								
10.553	National School Breakfast Program	7/1/09-6/30/10	22,443		20,438	22,443				\$ (2,005)				
10.555	National School Lunch Program	7/1/08-6/30/09	187,292	(4,943)	4,943									
10.555	National School Lunch Program	7/1/09-6/30/10	156,777	(32,532)		187,292				(12,258)				
					263,260	240,182				(14,263)		2,754		
	Total U.S. Department of Agriculture													
U.S. Department of Education														
Passed-Through State Department of Education														
84.010.A	Title I	9/1/09-8/31/10	252,399	\$ 8,104	134,025	243,037				(118,374)	17,466			
84.010.A	Title I, Carryover	9/1/08-8/31/09	240,265	(73,169)	97,505	8,532						\$ 7,700	A	
84.389.A	ARRA- Title I	9/1/09-8/31/10	80,626		76,595	78,171				(4,031)	2,435			
84.367.A	Title II Part A	9/1/09-8/31/10	40,315		34,250	40,077				(6,065)	16,595			
84.367.A	Title II Part A, Carryover	9/1/08-8/31/09	39,923	(4,518)	20,875									
84.318.X	Title II Part D	9/1/09-8/31/10	2,514		-	816				(2,514)	1,891			
84.318.X	Title II Part D, Carryover	9/1/08-8/31/09	2,002	(111)	1,701	1,698				(301)	9,907			
84.365.A	Title III	9/1/09-8/31/10	17,739		16,800	17,739				(939)				
84.365.A	Title III, Carryover	9/1/08-8/31/09	20,895	2,683	6,930				\$ 294					
84.186.A	Title IV	9/1/09-8/31/10	4,813		4,412	4,428				(4,813)	5,134			
84.186.A	Title IV, Carryover	9/1/08-8/31/09	4,945	37		4			25	(279)				
84.298	Title V, Carryover	9/1/07-8/31/08	1,480	3,518							3,518			
84.027	I.D.E.A. Part B	9/1/09-8/31/10	302,045	1,396	292,849	302,045				(9,196)	1,396			
84.027	I.D.E.A. Part B, Carryover	9/1/08-8/31/09	308,849	1,396										
84.391	ARRA- I.D.E.A. Part B	9/1/09-8/31/10	332,387		124,188	289,166				(208,199)	43,221			
84.173	I.D.E.A. Preschool	9/1/079-8/31/10	7,584	1,042	1,042	7,168				(7,564)	1,438			
84.173	I.D.E.A. Preschool, Carryover	9/1/08-8/31/09	7,645	(1,042)					1,042					
84.392	ARRA- I.D.E.A. Preschool	9/1/09-8/31/10	11,985		7,166	11,354				(4,819)	631			
	Total U.S. Department of Education			(71,206)	818,338	1,004,235			1,361	(367,094)	103,652		7,700	
	Total			(105,793)	1,912,029	2,088,526			1,361	(395,035)	106,406		7,700	

A- Audit Recovery

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

BOGOTA BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2010

State Grant/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2009		Carryover Amount	Cash Received	Budgetary Expenditures	Adjustment	Repayment of Prior Years' Balances	Balance, June 30, 2010		MEMO	
				(Accounts Receivable)	Deferred Revenue						(Accounts Receivable)	Deferred Revenue	GAAP Receivable	Cumulative Expenditures
State Department of Education														
General Fund														
09-100-034-5120-473		7/1/08-6/30/09	\$ 99,181	\$ (99,181)		\$ 99,181	\$ 141,777			\$ (141,777)		\$ 141,777		
10-100-034-5120-473		7/1/09-6/30/10	141,777	(401,788)		401,788	3,746,305			(379,731)		3,746,305		
09-495-034-5120-078		7/1/08-6/30/09	4,380,276	(9,921)		3,366,574	3,746,305							
09-495-034-5120-078		7/1/09-6/30/10	3,746,305	121,713		9,921								
09-495-034-5120-014		7/1/08-6/30/09	140,395	(19,841)		125,600	140,395			(14,795)		140,395		
10-495-034-5120-014		7/1/09-6/30/10	140,395	208,912		19,841								
09-495-034-5120-084		7/1/08-6/30/09	239,594	(64,485)		214,936	239,594			(24,658)		239,594		
10-495-034-5120-084		7/1/09-6/30/10	714,258			64,485								
09-495-034-5120-089		7/1/08-6/30/09	723,900			649,927	723,900			(73,973)		723,900		
10-495-034-5120-089		7/1/09-6/30/10												
Normal Costs		7/1/09-6/30/10	25,406			25,406	25,406					25,406		
Post Retirement Medical Contribution		7/1/09-6/30/10	477,161	(29,241)		477,161	477,161					477,161		
TPAF-Social Security Aid		7/1/08-6/30/09	586,539			29,241								
TPAF-Social Security Aid		7/1/09-6/30/10	608,431			578,255	608,431			(30,176)		608,431		
				(624,457)		6,062,316	6,102,969			(665,110)		6,102,969		
Special Revenue Fund														
New Jersey Nonpublic Aid:														
Textbook Aid		7/1/09-6/30/10	11,067			11,067	11,048				\$ 19	11,048		
Nursing Services		7/1/09-6/30/10	13,124			13,124	13,124					13,124		
Technology Grant		7/1/08-6/30/09	6,640		\$ 6				\$ 6					
Auxiliary Services:														
Compensatory Education		7/1/08-6/30/09	43,183			65,340	61,808		3,682			61,808		
Compensatory Education		7/1/09-6/30/10	63,340		3,682						1,532			
English as a Second Language		7/1/08-6/30/09	6,801			7,830	3,045		4,365			3,045		
English as a Second Language		7/1/09-6/30/10	7,830								4,785			
Handicapped Services:														
Examination & Classification		7/1/08-6/30/09	44,561			18,583			18,583					
Examination & Classification		7/1/09-6/30/10	24,497			24,497	21,994				2,503	21,994		
Supplemental Instruction		7/1/08-6/30/09	19,246			6,773	16,603		6,773			16,603		
Supplemental Instruction		7/1/09-6/30/10	19,911			19,911	16,603				3,508	16,603		
Corrective Speech		7/1/08-6/30/09	13,020			4,557	10,230		4,557			10,230		
Corrective Speech		7/1/09-6/30/10	15,244			15,244	10,230				5,014	10,230		
						155,013	137,852		37,966			137,852		

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, 2010**

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balances, July 1, 2009		Cash Received	Budgetary Expenditures	Adjustment	Repayment of		MEMO			
				(Accounts Receivable)	Deferred Revenue				Prior Years' Balances	(Accounts Receivable)	Deferred Revenue	Due to Grantor	GAAP Receivable	Cumulative Expenditures
State Department of Education Debt Service Fund Debt Service State Support	10-495-034-5120-017	7/1/09-6/30/10	\$ 14,438	-	-	\$ 14,438	\$ 14,438	-	-	-	-	\$ 14,438		
State Economic Development Authority Educational Facilities Construction and Financing Act Capital Projects Fund	0440-020-02-0092		68,108	(68,108)										
Economic Development Authority	0440-020-02-0092		1,369,435	(61,625)										
High School Egress Door Replacement	0440-020-02-0217		2,252,426	(101,359)										
E. Roy Bixby Elementary School	0440-020-02-0218		418,881											
Lillian M. Stern Elementary School	0440-020-02-0001													
Jr/High School Roof Replacement														
				(231,092)		566,124	418,881					\$ (83,849)	418,881	
State Department of Agriculture Enterprise Fund	09-106-010-3350-023	7/1/08-6/30/09	7,983	(1,625)		1,625								
State School Lunch Program	08-106-010-3350-023	7/1/09-6/30/10	8,569		8,007	8,569						(562)	8,569	
State School Breakfast Program	09-106-010-3350-021	7/1/08-6/30/09	1,890	(415)	415									
State School Breakfast Program	08-106-010-3350-021	7/1/09-6/30/10	1,675		1,526	1,675							(149)	1,675
				(2,040)		11,573	10,244						(711)	10,244
Grand Total				\$ (857,389)	\$ -	\$ 6,809,464	\$ 6,684,384	\$ -	\$ 37,966	\$ (749,670)	\$ -	\$ 17,161	\$ (114,756)	\$ 6,684,384
Less On-Behalf TPAF Pension and Annuity Aid and SDA Grant Reimbursement														
TPAF- Pension Aid	10-495-034-5095-006	7/1/09-6/30/10	25,406		25,406	25,406								25,406
TPAF Post Retirement Medical	10-495-034-5095-001	7/1/09-6/30/10	477,161		477,161	477,161								477,161
						502,567	502,567							502,567
Total for State Financial Assistance Determination				\$ (857,589)	\$ -	\$ 6,306,897	\$ 6,181,817	\$ -	\$ 37,966	\$ (749,670)	\$ -	\$ 17,161	\$ (114,756)	\$ 6,181,817

**BOGOTA BOARD OF EDUCATION
 NOTES TO THE SCHEDULES OF EXPENDITURES OF
 FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

NOTE 1 GENERAL

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

NOTE 2 BASIS OF ACCOUNTING

The accompanying schedules are presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes 1(C) to the Board's basic financial statements.

NOTE 3 RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(39,718) for the general fund and \$(39,322) for the special revenue fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 844,109	\$ 6,063,251	\$ 6,907,360
Special Revenue Fund	987,145	136,236	1,123,381
Capital Projects Fund		418,881	418,881
Food Service Fund	240,182	10,244	250,426
Debt Service Fund	-	14,438	14,438
	<hr/>	<hr/>	<hr/>
Total Financial Assistance	<u>\$ 2,071,436</u>	<u>\$ 6,643,050</u>	<u>\$ 8,714,486</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, 2010**

NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules may not necessarily agree with the amounts reported in the related federal and state financial reports due to timing differences between the District's fiscal year and grant program years.

NOTE 5 OTHER INFORMATION

Revenues and expenditures reported under the National School Lunch Program as non-cash assistance represent current year value received and current year distributions, respectively of the Federal Food Distribution Program. TPAF Social Security contributions in the amount of \$608,431 represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the year ended June 30, 2010. The amount reported as TPAF Pension System Contributions in the amount of \$25,406 and TPAF Post-Retirement Medical Benefits Contributions in the amount of \$477,161 represents the amount paid by the State on behalf of the District for the year ended June 30, 2010. .

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

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

**BOGOTA BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

Part I – Summary of Auditor’s Results

Financial Statement Section

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

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

2) Were significant deficiencies identified that were not considered to be material weaknesses? _____ yes X no

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

Federal Awards Section

Internal Control over compliance:

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

2) Were significant deficiencies identified that were not considered to be material weaknesses? _____ yes X no

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

Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133 (section.510(a))? _____ yes X no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>84.027/84.173</u>	<u>IDEA Part B/Preschool</u>
<u>84.391/84.392</u>	<u>ARRA IDEA Part B/Preschool</u>
<u>84.010A</u>	<u>NCLB Title I</u>
<u>84.389</u>	<u>ARRA- Title I</u>
<u>84.394</u>	<u>ARRA-Educational Stabilization Fund</u>
<u>84.397</u>	<u>ARRA-Government Services Fund</u>

Dollar threshold used to determine Type A Programs \$300,000

Auditee qualified as low-risk auditee? _____ yes X no

**BOGOTA BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

Part 2 – Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with Chapter 5.18 of *Government Auditing Standards*.

Finding 2010-1:

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

Criteria or specific requirement:

The Uniform Minimum Chart of Accounts for New Jersey Public Schools, 2008 Edition

Condition:

The Technology Coordinator's salary was incorrectly reported as other operation and maintenance of plant services – salaries.

Questioned Costs:

None

Context:

See Finding.

Effect:

The expenditure and related appropriation in the amount of \$54,636 were incorrectly classified on the district's financial statements. The financial statements have been adjusted to accurately reflect the correct budget account.

Cause:

Technology Coordinator's salary was not being charged to the correct budget accounts in accordance with the Uniform Minimum Chart of Accounts.

Recommendation:

The District should reference "The Uniform Minimum Chart of Accounts for New Jersey Public Schools, 2008 Edition" and other available reference materials, such as the Budget Guidelines for the proper classifications required to be in compliance with N.J.A.C. 6A:23-2.2(f).

View of Responsible Officials and Planned Corrective Action

Management has reviewed this finding and is taking appropriate measures to correct in 2010/2011.

**BOGOTA BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

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

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

CURRENT YEAR FEDERAL AWARDS

There are none.

**BOGOTA BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

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

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

CURRENT YEAR STATE AWARDS

Finding 2010-2:

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

Information of the State Program

State Aid- Public	Special Education Aid	495-034-5120-089
	Equalization Aid	495-034-5120-078
	Security Aid	495-034-5120-084

Criteria or specific requirement:

N.J. Department of Education- Specific Grant Compliance for State Aid- Public
The Uniform Minimum Chart of Accounts for New Jersey Public Schools, 2008 Edition.

Condition:

The Technology Coordinator's salary was incorrectly reported as Other Operation and Maintenance of Plant Services – salaries.

Questioned Costs:

None.

Context:

See Finding.

Effect:

The expenditure and related appropriation in the amount of \$54,636 were incorrectly classified on the district's financial statements. The financial statements have been adjusted to accurately reflect the correct budget account.

Cause:

Technology Coordinator's salary was not being charged to correct budget accounts in accordance with the Uniform Minimum Chart of Accounts.

**BOGOTA BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

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

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

CURRENT YEAR STATE AWARDS

Finding 2010-2: (Continued)

Recommendation:

The District should reference "The Uniform Minimum Chart of Accounts for New Jersey Public Schools, 2008 Edition" and other available reference materials, such as the Budget Guidelines for the proper classifications required to be in compliance with N.J.A.C. 6A:23-2.2(f).

View of Responsible Officials and Planned Corrective Action:

Management has reviewed this finding and is taking appropriate measures to correct in 2010/2011.

**BOGOTA BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, U.S. OMB Circular A-133 (section .315(a)(b) and New Jersey OMB's Circular 04-04.

STATUS OF PRIOR YEAR FINDINGS

Finding 2009-1

Condition

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

Current Status

See Finding 2010-1.

Finding 2009-2

Our audit of the District's travel reimbursement revealed that the district did not establish a maximum travel reimbursement for the year and did not account for travel reimbursement separately utilizing object code "580"-travel.

Current Status

Corrective action has been taken.

Finding 2009-3

The district did not perform year end close-out procedures of the financial reports as of June 30th 2009 and did not generate a detailed open encumbrance report and a detailed accounts payable report as of June 30th, 2009.

Current Status

Corrective action has been taken.

**BOGOTA BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, U.S. OMB Circular A-133 (section .315(a)(b) and New Jersey OMB's Circular 04-04.

STATUS OF PRIOR YEAR FINDINGS (Continued)

Finding 2009-4

Condition

Our review of the general ledger for the governmental funds revealed the following:

- There were certain journal entries made in the general ledger that did not have an explanation (description as to why the entry was made).
- There were certain journal entries made directly to the control accounts for revenues and appropriations; therefore causing the subsidiary ledger for revenues and appropriations to be out of balance with the control accounts in the general ledger.
- The district issued a temporary note for cash flow purposes due to the delayed June state aid payments; however the note payable was incorrectly recorded on the district's financial records as a reduction of the district's state aid receivable. The note payable should have been recorded for the full amount and the receivable should have been recorded for the full amount due from the state.

Current Status

Corrective action has been taken.

PRIOR YEAR FEDERAL AWARDS

Finding 2009-5:

Our audit of the federal grant program revealed that appointments of Title I personnel, including their related salary and funding percentages were not recorded in the board of education meeting minutes. Split funding personnel did not prepare time and activity reports to demonstrate the percentage of their time chargeable to the Title I program.

Current Status

Corrective action has been taken.

**BOGOTA BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, U.S. OMB Circular A-133 (section .315(a)(b)) and New Jersey OMB's Circular 04-04.

STATUS OF PRIOR YEAR FINDINGS (Continued)

PRIOR YEAR STATE AWARDS

Finding 2009-6:

Our audit of the District's travel reimbursement revealed that the district did not establish a maximum travel reimbursement for the year and did not account for travel reimbursement separately utilizing object code "580"-travel.

Current Status

Corrective action has been taken.

Finding 2009-7:

The district did not perform year end close-out procedures of the financial reports as of June 30th 2009 and did not generate a detailed open encumbrance report and a detailed accounts payable report as of June 30th, 2009.

Current Status

Corrective action has been taken.

**BOGOTA BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, U.S. OMB Circular A-133 (section .315(a)(b) and New Jersey OMB's Circular 04-04.

STATUS OF PRIOR YEAR FINDINGS (Continued)

PRIOR YEAR STATE AWARDS (Continued)

Finding 2009-8:

Our review of the general ledger for the governmental funds revealed the following:

- There were certain journal entries made in the general ledger that did not have an explanation (description as to why the entry was made).
- There were certain journal entries made directly to the control accounts for revenues and appropriations; therefore causing the subsidiary ledger for revenues and appropriations to be out of balance with the control accounts in the general ledger.
- The district issued a temporary note for cash flow purposes due to the delayed June state aid payments; however the note payable was incorrectly recorded on the district's financial records as a reduction of the district's state aid receivable. The note payable should have been recorded for the full amount and the receivable should have been recorded for the full amount due from the state.

Current Status

• Corrective action has been taken.