

**SCHOOL DISTRICT OF THE  
TOWN OF GUTTENBERG  
COUNTY OF HUDSON, NEW JERSEY  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2013**

THIS PAGE INTENTIONALLY LEFT BLANK

**School District  
of**

# **Town of Guttenberg**

**TOWN OF GUTTENBERG BOARD OF EDUCATION  
Guttenberg, New Jersey**

**Comprehensive Annual Financial Report  
Year Ended June 30, 2013**

THIS PAGE INTENTIONALLY LEFT BLANK

# **Comprehensive Annual Financial Report**

**of the**

**TOWN OF GUTTENBERG  
BOARD OF EDUCATION  
Guttenberg, New Jersey**

**Year Ended June 30, 2013**

**Prepared by**

**Jolene Mantineo  
Board Secretary/Business Administrator**

THIS PAGE INTENTIONALLY LEFT BLANK

# OUTLINE OF CAFR

## INTRODUCTORY SECTION

Letter of Transmittal .....	1
Organizational Chart .....	4
Roster of Officials .....	5
Consultants and Advisors .....	6

## FINANCIAL SECTION

Independent Auditor's Report .....	7
Required Supplementary Information - Part I Management's Discussion and Analysis .....	11

### BASIC FINANCIAL STATEMENTS

#### A. District-wide Financial Statements:

A-1 Statement of Net Position .....	21
A-2 Statement of Activities .....	22

#### B. Fund Financial Statements:

##### Governmental Funds:

B-1 Balance Sheet .....	23
B-2 Statement of Revenues, Expenditures and Changes in Fund Balances .....	24
B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	25

##### Proprietary Funds:

B-4 Statement of Net Position .....	26
B-5 Statement of Revenues, Expenses and Changes in Fund Net Position .....	27
B-6 Statement of Cash Flows .....	28

##### Fiduciary Funds:

B-7 Statement of Fiduciary Net Position .....	29
B-8 Statement of Changes in Fiduciary Net Position .....	30

Notes to the Financial Statements .....	31
---	----

## OUTLINE OF CAFR

### Required Supplementary Information - Part II

#### C. Budgetary Comparison Schedules:

C-1	Budgetary Comparison Schedule - General Fund .....	54
C-1a	Not Applicable	
C-2	Budgetary Comparison Schedule - Special Revenue Fund .....	59

#### Notes to the Required Supplementary Information

C-3	Budgetary Comparison Schedule .....	60
-----	-------------------------------------	----

#### Other Supplementary Information

#### D. School Level Schedules:

Not Applicable

#### E. Special Revenue Fund:

E-1	Combining Schedule of Program Revenues and Expenditures - Budgetary Basis .....	61
E-1a	Combining Schedule of Program Revenues and Expenditures - Budgetary Basis .....	62
E-1b	Combining Schedule of Program Revenues and Expenditures - Budgetary Basis .....	63
E-1c	Combining Schedule of Program Revenues and Expenditures - Budgetary Basis .....	64
E-1d	Combining Schedule of Program Revenues and Expenditures - Budgetary Basis .....	N/A
E-2	Schedule of Preschool Education Aid - Budgetary Basis .....	65

#### F. Capital Projects Fund:

Not Applicable

#### G. Proprietary Funds:

##### Enterprise Fund:

G-1	Combining Statement of Net Position .....	66
G-2	Combining Statement of Revenues, Expenses and Changes in Fund Net Position - Enterprise Funds .....	67
G-3	Combining Statement of Cash Flows - Enterprise Funds .....	68

##### Internal Service Fund:

Not Applicable

## OUTLINE OF CAFR

### H. Fiduciary Funds:

H-1	Combining Statement of Fiduciary Net Position .....	69
H-2	Combining Statement of Changes in Fiduciary Net Position .....	70
H-3	Student Activity Agency Fund - Schedule of Receipts and Disbursements .....	71
H-4	Payroll Agency Fund - Schedule of Receipts and Disbursements .....	72

### I. Long-Term Debt:

I-1	Statement of Serial Bonds .....	73
I-3	Debt Service Fund - Budgetary Comparison Schedule .....	74

### J. Statistical Section (Unaudited)

#### Financial Trends

J-1	Net Position by Component .....	75
J-2	Changes in Net Position .....	76
J-3	Fund Balances - Governmental Funds .....	79
J-4	Changes in Fund Balances - Governmental Funds .....	80
J-5	General Fund Other Local Revenue by Source .....	82

#### Revenue Capacity

J-6	Assessed Value and Estimated Actual Value of Taxable Property .....	83
J-7	Direct and Overlapping Property Tax Rates .....	84
J-8	Principal Property Taxpayers .....	85
J-9	Property Tax Levies and Collections .....	86

#### Debt Capacity

J-10	Ratios of Outstanding Debt by Type .....	87
J-11	Ratios of General Bonded Debt Outstanding .....	88
J-12	Direct and Overlapping Governmental Activities Debt .....	89
J-13	Legal Debt Margin Information .....	90
J-14	Demographic and Economic Statistics .....	91
J-15	Principal Employers .....	92

## OUTLINE OF CAFR

### J. Statistical Section (Unaudited)

#### Operating Information

J-16	Full-time Equivalent District Employees by Function/Program .....	93
J-17	Operating Statistics .....	94
J-18	School Building Information .....	95
J-19	Schedule of Allowable Maintenance Expenditures by School Facility .....	96
J-20	Insurance Schedule .....	97

### K. SINGLE AUDIT SECTION

K-1	Independent Auditor's 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 .....	98
K-2	Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Federal and State Program and Internal Control Over Compliance in Accordance with OMB Circular A-133 and N.J. OMB Circular Letter 04-04 .....	100
K-3	Schedule of Expenditures of Federal Awards - Schedule A .....	104
K-4	Schedule of Expenditures of State Financial Assistance - Schedule B .....	106
K-5	Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance .....	107
K-6	Schedule of Findings and Questioned Costs .....	109
K-7	Summary Schedule of Prior Audit Findings .....	120

**INTRODUCTORY SECTION**

THIS PAGE INTENTIONALLY LEFT BLANK

# BOARD OF EDUCATION

ANNA L. KLEIN SCHOOL

301 - 69TH STREET  
GUTTENBERG, NEW JERSEY 07093

Office of the Business Administrator  
JOLENE MANTINEO

Telephone: (201) 861-3100  
Fax: (201) 861-7024

November 29, 2013

Honorable President and  
Members of the Board of Education  
Guttenberg Board of Education

Dear Board Members:

The comprehensive annual report of the Guttenberg Board of Education (Board) for the fiscal year ended June 30, 2013, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with management of the Board. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the Basic Financial Statements and results of operations of the Board. All disclosures necessary to enable the reader to gain an understanding of the Board's financial activities have been included.

The comprehensive annual report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the Board organizational chart and a list of principal officials. The financial section includes the independent auditor's report, management discussion and analysis, the Basic financial statements and schedules. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The Board is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, "Audits of State and Local Governments", and the State Treasury Circular Letter 04-04 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and finding and recommendations, are included in the single audit section of this report.

**REPORTING ENTITY AND ITS SERVICES:** The Guttenberg Board of Education is an independent reporting within the criteria adopted by GASB as established by NCGA Statement No. 3. All funds and account groups of the Board are included in this report. The Guttenberg Board of Education and its school constitute the Board's reporting entity. The Board provides a full range of educational services appropriate to grade levels K through 8. These include regular and special education for the handicapped youngsters. The Board completed the 2012-2013 fiscal year with an enrollment of 965 students, which are 15 below the previous year's enrollment. The following details the changes in the student enrollment of the District over the last five years.

<u>Fiscal Year</u>	<u>Enrollment Student Enrollment</u>	<u>Percentage Change</u>
2012-2013	965	1.5%
2011-2012	980	.72%
2010-2011	973	{.71%}
2009-2010	980	{.2 %}
2008-2009	982	2.4%
2007-2008	959	2.6%

**ECONOMIC CONDITION AND OUTLOOK:** The Town of Guttenberg area is experiencing an unstable economy, which is expected to improve or grow at a very slow pace. The job market and real estate industries are also at an all-time low.

**MAJOR INITIATIVES:** The variety of educational programs offered at the Anna L. Klein School focuses on strong preparation for a large high school. The programs in the school are comprehensively designed to meet the abilities and interest of all students, and include regular, enriched and remedial courses at all levels, and advanced placement courses for academically talented students in grades 3 through 8.

**INTERNAL ACCOUNTING CONTROLS:** Management of the Board is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Board 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 general 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 control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits require estimates and judgements made by management.

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

**BUDGETARY CONTROLS:** In addition to internal accounting controls, the Board maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied on the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general funds, 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 basis. Open encumbrances at year-end are either canceled or are included as reservations of fund balance in the subsequent year are reported as reservations of fund balance at June 30, 2012.

**CASH MANAGEMENT:** The investment policy of the Board is guided in large part by the state stature as detailed in "Notes to the Financial Statements", Note 2. The Board has adopted a cash management plan which requires it to deposit public funds in either public depositories protected from loss under the provisions of the Government Unit Deposit Protection Act ('GUDPA') or in the State of New Jersey cash management fund. GUDPA was enacted in 1970 to protect governmental units to deposit public funds in public depositories located in New Jersey, where the funds are secured in accordance with the Act. However, the State of New Jersey cash management fund is allowable by law for deposit of public funds.

**RISK MANAGEMENT:** The Board carries various forms of insurance, including but not limited to general liability, comprehensive automobile liability, hazard and theft insurance on property and contents, and Fidelity bonds.

**OTHER INFORMATION:**

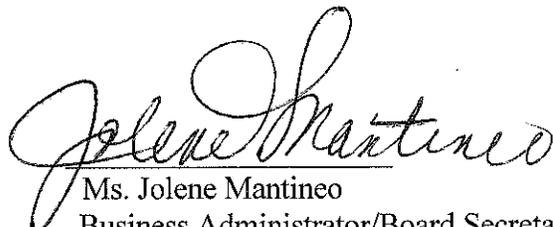
**Independent Audit-** State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Ferraioli, Wielkocz, Cerullo and Cuva, P.A., was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act Amendments of 1996 and the related OMB circular A-133 and State Office of management and Budget Circular Letter 04-04. The auditor's report on the Basic financial statements and specific required supplemental information is included in the financial section of this report. The auditors reports related specifically to the single audit are included in the single audit section of this report.

**ACKNOWLEDGEMENTS:**

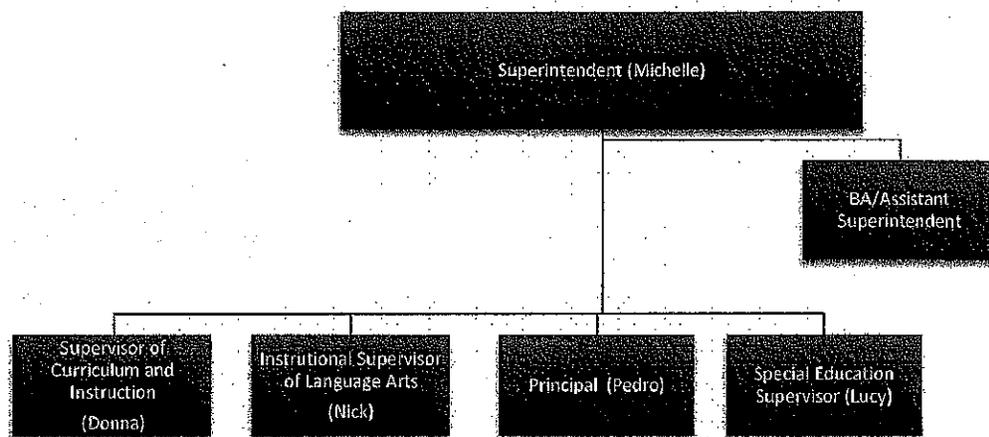
We would like to express our appreciation to the members of the Guttenberg Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation.

Respectfully submitted:

  
Ms. Michelle Rosenberg  
Superintendent

  
Ms. Jolene Mantineo  
Business Administrator/Board Secretary

**Administrative Structure**  
**Approved by BOE 12/12/12**



# BOARD OF EDUCATION

ANNA L. KLEIN SCHOOL

301 - 69TH STREET  
GUTTENBERG, NEW JERSEY 07093

Office of the Business Administrator  
JOLENE MANTINEO

Telephone: (201) 861-3100  
Fax: (201) 861-7024

BOARD OF EDUCATION  
GUTTENBERG, NEW JERSEY

ROSTER OF OFFICIALS  
January 9, 2013

<u>MEMBERS OF THE BOARD OF EDUCATION</u>	<u>TERMS EXPIRES</u>
Rebecca Vazquez-President	2016
Michael Baruch-Vice President	2014
Rocio Day	2016
Delores Loppe	2014
Gonzalo E. Perez	2014
Nadine Schneider	2013
Elsa Schwarz	2013
Sari F. Zukerman	2013
Jeanne Sorensen	2016

## OTHER OFFICIALS

Michelle Rosenberg	Superintendent
Jolene Mantineo	Business Administrator/Board Secretary
John L. Schettino, Esq.	Board Attorney

**GUTTENBERG BOARD OF EDUCATION**

**CONSULTANTS & ADVISORS**

**JUNE 30, 2013**

**Attorney**

JOHN SCETTINO  
Board Attorney  
800 Main Street  
Suite 101  
Hackensack, New Jersey 07601

**District Auditor**

STEVEN D. WIELKOTZ, C.P.A.  
Ferraioli, Wielkocz, Cerullo & Cuva P.A.  
401 Wanaque Avenue  
Pompton Lakes, New Jersey 07442

**Board Accountant**

WILLIAM KATCHEN  
William Katchen, CPA  
596 Anderson Avenue  
Suite 203  
Cliffside Park, NJ 07010

**FINANCIAL SECTION**

THIS PAGE INTENTIONALLY LEFT BLANK

# Ferraioli, Wielkotz, Cerullo & Cuva, P.A.

Charles J. Ferraioli, Jr., MBA, CPA, RMA  
Steven D. Wielkotz, CPA, RMA  
James J. Cerullo, CPA, RMA  
Paul J. Cuva, CPA, RMA  
Thomas M. Ferry, CPA, RMA

Certified Public Accountants  
401 Wanaque Avenue  
Pompton Lakes, New Jersey 07442  
973-835-7900  
Fax 973-835-6631

Newton Office  
100B Main Street  
Newton, N.J. 07860  
973-579-3212  
Fax 973-579-7128

## INDEPENDENT AUDITOR'S REPORT

Honorable President and  
Members of the Board of Education  
Town of Guttenberg School District  
County of Hudson, New Jersey

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Town of Guttenberg School District, in the County of Hudson, State of New Jersey, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town of Guttenberg Board of Education's management. Our responsibility is to express opinions on these financial statements based on our audit.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express an opinion 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 audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.



Honorable President and  
Members of the Board of Education  
Page 2.

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

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

#### **Basis for Qualified Opinion on Governmental and Business-Type Activities**

Management has not updated the fixed asset inventory for current year additions and therefore no depreciation has been taken on those additions. Accounting principles generally accepted in the United States of America require that all general fixed assets and improvements be capitalized and depreciated, which would increase the assets, net position and expenses of the governmental and business-type activities. The amount by which this departure would affect the assets, net position and expenses of the governmental and business-type activities has not been determined.

#### **Qualified Opinion**

In our opinion, except for the effects of the matter described in the "Basis for Qualified Opinion on Governmental and Business-Type Activities" paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the Town of Guttenberg Board of Education, in the County of Hudson, State of New Jersey, as of June 30, 2013 and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Unmodified Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the Town of Guttenberg Board of Education, in the County of Hudson, State of New Jersey, as of June 30, 2013 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.



Honorable President and  
Members of the Board of Education  
Page 3.

### *Other Matters*

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Budgetary Comparison Information on pages 11 - 20 54 - 60 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Guttenberg Board of Education's basic financial statements. The other supplementary information listed in the table of contents and schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the schedule of expenditures of state financial assistance as required by NJ OMB 04-04 and the introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplemental information listed in the table of contents and the schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, the schedule of expenditures of state financial assistance as required by NJ OMB 04-04 are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

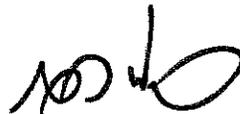
Honorable President and  
Members of the Board of Education  
Page 4.

In our opinion, the other supplemental information listed in the table of contents, schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the schedule of expenditures of state financial assistance as required by NJ OMB 04-04 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical data section has not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 29, 2013 on our consideration of the Town of Guttenberg Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Guttenberg Board of Education's internal control over financial reporting and compliance.



Steven D. Wielkocz, C.P.A.  
Licensed Public School Accountant  
No. 816



FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.  
Certified Public Accountants  
Pompton Lakes, New Jersey

November 29, 2013



**REQUIRED SUPPLEMENTARY  
INFORMATION - PART I**

THIS PAGE INTENTIONALLY LEFT BLANK

**TOWN OF GUTTENBERG BOARD OF EDUCATION  
GUTTENBERG, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
UNAUDITED**

The discussion and analysis of the Town of Guttenberg Board of Education's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2013. The intent of this discussion and analysis is to look at the District's financial performance as a whole and should not be interpreted as a replacement for the audit which consists of the financial statements and other supplemental information that presents all the District's revenues and expenditures by program for the General Fund, Special Revenue Fund, Debt Service and Enterprise Fund.

**FINANCIAL HIGHLIGHTS**

- In total, net position increased by \$1,192,837. Net position of governmental activities increased \$1,151,055 while net position of business-type activities increased by \$41,782.
- General revenues accounted for \$16,149,178 in revenue or 90 percent of all district revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$1,833,757 or 10 percent of total revenues of \$17,982,935.
- The School District had \$16,790,398 in expenses related to governmental and business-type activities; only \$1,833,757 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily grants, entitlements and property taxes) of \$16,149,178 were adequate to provide for these programs.

**USING THIS ANNUAL REPORT**

This annual report consists of a series of financial statements and notes to those statements. The statements are organized so the reader can understand the District as a whole (government-wide statements), and then proceed to provide an increasingly detailed look at specified financial activities.

**District-Wide Financial Statements**

The *statement of net position and statement of activities* reports information about the District as a whole and about its activities in a manner that helps answer the question, "Is the District better or worse off as a result of the year's activities?" These statements include all assets and liabilities of the District using the accrual basis of accounting, similar to the accounting used by private sector corporations. All of the current year's revenues and expenses are taken into consideration regardless of when cash is received or paid.

Both of the district-wide financial statements distinguish functions of the Town of Guttenberg Board of Education that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*).

**TOWN OF GUTTENBERG BOARD OF EDUCATION  
GUTTENBERG, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
UNAUDITED (CONTINUED)**

**USING THIS ANNUAL REPORT, (continued)**

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

- Governmental Activities – All of the school district's 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 and services basis to recover all the expenses of the goods or services provided. The Food Service and School Age Child Care Funds are reported as business activities.

The two statements report the District's net position and changes in them. The change in net position can be utilized by a reader to assist in determining whether the District's financial health is improving or deteriorating. However, the reader should also consider non-financial factors such as property tax base, current New Jersey laws restricting revenue growth, student enrollment growth, facility conditions, required educational programs and other factors in determining the District's overall financial health.

**Fund Financial Statements**

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Guttenberg Board of Education, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the district's funds can be divided into three categories: Governmental Funds, Proprietary Funds and Fiduciary Funds.

**Governmental Funds**

*Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the district-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on balances of *spendable resources* available at the end of the fiscal year. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can be readily converted to cash.

Because the focus of governmental funds is narrower than that of the district-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities* (reported in the Statement of Net Position and the Statement of Activities).

**TOWN OF GUTTENBERG BOARD OF EDUCATION  
GUTTENBERG, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
UNAUDITED (CONTINUED)**

**USING THIS ANNUAL REPORT, (continued)**

The Town of Guttenberg Board of Education maintains three individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures and changes in fund balances for the general, special revenue and debt service funds, which are both considered to be major funds.

The Town of Guttenberg Board of Education adopts annual appropriated budgets for its governmental funds. A budgetary comparison statement has been provided for the general fund, special revenue fund and debt service fund to demonstrate compliance with their budgets.

**Proprietary Funds**

Proprietary funds use the accrual basis of accounting, the same as on the district-wide statements, therefore the statements will essentially match the business-type activities portion of the district-wide statements. The Town of Guttenberg Board of Education uses proprietary funds to account for its food service and school age child care programs as well as its internal service fund.

**Fiduciary Funds**

Fiduciary funds are used to account for resources held for the benefit of parties outside the District. These activities are excluded from the District's other financial statements because the assets cannot be utilized by the District to finance its operations.

**Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning budgetary information for the District's major funds.

Our auditor has provided assurance in his independent auditor's report, located immediately preceding this Management's Discussion and Analysis, that the Basic Financial Statements are fairly stated. Varying degrees of assurance are being provided by the auditor regarding the Required Supplemental Information and the Supplemental Information identified above. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Financial Section.

**TOWN OF GUTTENBERG BOARD OF EDUCATION  
GUTTENBERG, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
UNAUDITED (CONTINUED)**

**DISTRICT-WIDE FINANCIAL ANALYSIS**

The Statement of Net Position provides the perspective of the District as a whole. Net position may, over time, serve as a useful indicator of a government's financial position.

The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets and the depreciation of capital assets.

The School District's net position's were \$4,088,873 at June 30, 2013 and \$2,896,036 at June 30, 2012. Restricted items of net position are reported separately to show legal constraints that limit the School District's ability to use those items of net position for day-to-day operations. Our analysis below focuses on the net position for 2013 compared to 2012 (Table 1) and change in net position (Table 2) of the School District.

**Table 1**

**Net Position  
June 30,**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
<b>Assets</b>						
Current and Other Assets	3,199,463	2,222,269	119,994	82,303	3,319,457	2,304,572
Capital Assets	<u>2,918,143</u>	<u>2,864,793</u>	<u>59,720</u>	<u>59,732</u>	<u>2,977,863</u>	<u>2,924,525</u>
Total Assets	<u>6,117,606</u>	<u>5,087,062</u>	<u>179,714</u>	<u>142,035</u>	<u>6,297,320</u>	<u>5,229,097</u>
<b>Liabilities</b>						
Other Liabilities	588,792	393,767	1,811	5,914	590,603	399,681
Noncurrent Liabilities	<u>1,617,844</u>	<u>1,933,380</u>	—	—	<u>1,617,844</u>	<u>1,933,380</u>
Total Liabilities	<u>2,206,636</u>	<u>2,327,147</u>	<u>1,811</u>	<u>5,914</u>	<u>2,208,447</u>	<u>2,333,061</u>
<b>Net Position</b>						
Invested in Capital Assets-						
Net of Related Debt	2,199,143	1,945,793	59,720	59,732	2,258,863	2,005,525
Restricted	2,764,389	1,864,012	32,055	32,055	2,796,444	1,896,067
Unrestricted	<u>(1,052,562)</u>	<u>(1,049,890)</u>	<u>86,128</u>	<u>44,334</u>	<u>(966,434)</u>	<u>(1,005,556)</u>
Total Net Position	<u>3,910,970</u>	<u>2,759,915</u>	<u>177,903</u>	<u>136,121</u>	<u>4,088,873</u>	<u>2,896,036</u>

**TOWN OF GUTTENBERG BOARD OF EDUCATION  
GUTTENBERG, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
UNAUDITED (CONTINUED)**

**DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)**

Table 2 below shows the changes in net position for fiscal year 2013.

**Table 2  
Changes in Net Position  
Year Ended June 30,**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
<b>Revenues</b>						
Program Revenues:						
Charges for Services and Sales			48,867	54,767	48,867	54,767
Operating Grants and Contributions	1,362,151	1,395,186	422,739	363,463	1,784,890	1,758,649
General Revenues:						
Taxes:						
Property taxes, levied for general purposes	10,254,523	9,930,572			10,254,523	9,930,572
Property taxes, levied for debt services	230,165	240,688			230,165	240,688
Federal and State Aid not Restricted	5,612,484	5,207,770			5,612,484	5,207,770
Federal and State Aid not Restricted-Capital Outlay	15,904	16,631			15,904	16,631
Miscellaneous Income	<u>36,402</u>	<u>116,960</u>			<u>36,402</u>	<u>116,960</u>
Total Revenues and Transfers	<u>17,511,629</u>	<u>16,907,807</u>	<u>471,606</u>	<u>418,230</u>	<u>17,983,235</u>	<u>17,326,037</u>

**TOWN OF GUTTENBERG BOARD OF EDUCATION  
GUTTENBERG, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
UNAUDITED (CONTINUED)**

**DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
<b>Functions/Program</b>						
Instruction:						
Regular	4,639,636	4,600,926			4,639,636	4,600,926
Special Education	695,252	454,719			695,252	454,719
Other Special Instruction	905,956	1,074,001			905,956	1,074,001
Other Instruction	47,221	90,344			47,221	90,344
Support Services:						
Tuition	4,498,710	4,601,239			4,498,710	4,601,239
Student & Instruction Related Services	1,879,036	1,519,420			1,879,036	1,519,420
School Administrative Services	408,945	340,190			408,945	340,190
General Administrative Services	342,949	452,274			342,949	452,274
Central Services	365,375	324,412			365,375	324,412
Administrative Information Technology	133,214	110,509			133,214	110,509
Plant Operations and Maintenance	816,015	747,347			816,015	747,347
Pupil Transportation	197,769	243,864			197,769	243,864
Unallocated Benefits	995,799	789,850			995,799	789,850
Non-depreciable Capital Outlay	134,792				134,792	
Food Service			426,396	464,166	426,396	464,166
Debt Services:						
Interest and Other Charges	40,444	51,871			40,444	51,871
Other Financing Uses:						
Repayment of NCLB Grant Monies	100,471				100,471	
Unallocated depreciation	<u>158,990</u>	<u>160,970</u>	<u>3,428</u>	<u>3,410</u>	<u>162,418</u>	<u>164,380</u>
Total Expenses and Transfers	<u>16,360,574</u>	<u>15,561,936</u>	<u>429,824</u>	<u>467,576</u>	<u>16,790,398</u>	<u>16,029,512</u>
Increase or (Decrease) in Net Position	<u>1,151,055</u>	<u>1,345,871</u>	<u>41,782</u>	<u>(49,346)</u>	<u>1,192,837</u>	<u>1,296,525</u>

**TOWN OF GUTTENBERG BOARD OF EDUCATION  
GUTTENBERG, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
UNAUDITED (CONTINUED)**

**DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)**

**Governmental and Business- Activities**

As reported in the Statement of Activities the cost of all of our governmental and business-type activities this year was \$16,689,927. However, the amount that our taxpayers ultimately financed for these activities through School District taxes was only \$10,484,688 because some of the cost was paid by those who benefitted from the programs \$48,867, by other governments and organizations who subsidized certain programs with grants and contributions \$7,412,842, and by miscellaneous sources \$36,402.

Revenues for the District's business-type activities (food service and school age child care programs) were comprised of charges for services and federal and state subsidy reimbursements. Significant financial results include the following:

- ✓ Food service revenues exceeded expenses by \$41,782.
- ✓ Charges for services provided totaled \$48,867. This represents amounts paid by consumers for daily food services.
- ✓ Federal and state reimbursement for meals served, including payments for free and reduced priced lunches, and donated commodities was \$422,739.

The following schedules present a summary of governmental fund revenues for the fiscal year ended June 30, 2013, and the amount and percentages of increases/(decreases) relative to the prior year:

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2012</u>	<u>Percent of Increase/ (Decrease)</u>	<u>Prior Year</u>
Local Source	\$10,520,422	60.1%	\$232,202	2.26%	\$10,288,220
State Source	5,757,126	32.9%	408,959	7.65%	5,348,167
Federal Source	<u>1,233,413</u>	<u>7.0%</u>	<u>(185,468)</u>	<u>(13.07)%</u>	<u>1,418,881</u>
	<u>\$17,510,961</u>	<u>100.0%</u>	<u>\$455,693</u>	<u>2.67%</u>	<u>\$17,055,268</u>

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2012</u>	<u>Percent of Increase/ (Decrease)</u>	<u>Prior Year</u>
Current Expenditures:					
Instruction	\$6,308,153	37.7%	\$88,163	1.42%	6,219,990
Undistributed	9,733,260	58.1%	456,723	4.92%	9,276,537
Debt Service	246,069	1.5%	(11,250)	(4.37)%	257,319
Capital Outlay	347,132	2.0%	209,235	151.73%	137,897
Other Financing Uses	<u>100,471</u>	<u>0.7%</u>	<u>100,471</u>	<u>100.00%</u>	<u>0</u>
	<u>\$16,735,085</u>	<u>100.0%</u>	<u>\$843,342</u>	<u>5.31%</u>	<u>\$15,891,743</u>

Changes in expenditures were the result of varying factors. Current expense undistributed increased due to significant health insurance cost increases combined with increased student special education enrollment.

**TOWN OF GUTTENBERG BOARD OF EDUCATION  
GUTTENBERG, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
UNAUDITED (CONTINUED)**

**MAJOR GOVERNMENTAL FUNDS BUDGETING AND OPERATING HIGHLIGHTS**

The School District's budgets are prepared according to New Jersey law, and are based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted funds are the general fund and the special revenue fund.

During the fiscal year ended June 30, 2013, the School District amended the budgets of these major governmental funds several times. Revisions in the budget were made to recognize revenues that were not anticipated and to prevent over-expenditures in specific line item accounts. Several of these revisions bear notation:

- TPAF, which is the state's contribution to the pension fund, is neither a revenue item nor an expenditure item to the district but is required to be reflected in the financial statements.
- The special revenue fund was increased by \$368,976 for increases in federal and state grant awards.

**General Fund**

The general fund actual revenue was \$15,939,236. That amount is \$1,064,479 above the final amended budget of \$14,874,757. The variance between the actual revenues and final budget was the result of non-budgeted on-behalf payments of \$992,445 for TPAF social security reimbursements and on-behalf pension payments and a \$72,034 excess in miscellaneous anticipated revenues and other state aids.

The actual expenditures of the general fund were \$15,027,228 including transfers which is \$707,690 less than the final amended budget of \$15,734,918. The variance between the actual expenditures and final budget was due to non-budgeted on-behalf TPAF social security and pension payments of \$992,445 and \$1,700,135 of unexpended budgeted funds.

**Special Revenue Fund**

The special revenue fund actual revenue was \$1,361,317. That amount is above the original budget estimate of \$1,080,870 and below the final amended budget of \$1,449,846. The \$368,976 variance between the original and final budget was due to additional federal and state grant monies awarded to the District after the original budget was approved. The \$88,529 variance between the final amended budget and the June 30, 2013 actual results was due to the deferral of Federal and State grants received in the current fiscal year to be spent in the next fiscal year.

The actual expenditures of the special education fund were \$1,361,317, which is above the original budget of \$1,090,870 and below the final amended budget of \$1,449,846. The \$368,976 variance between the original and final budget was due to additional expenditures related to the additional grants awarded to the District after the original budget was approved. The \$88,529 variance between the final amended budget and the June 30, 2013 actual results was due to the anticipation of fully expending federal and state grant programs. Expenditures will be incurred in the next fiscal year.

**TOWN OF GUTTENBERG BOARD OF EDUCATION  
GUTTENBERG, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
UNAUDITED (CONTINUED)**

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

At the end of fiscal year 2013 the School District had \$6,012,954 invested in sites, buildings, equipment and construction in progress. Of this amount, \$3,114,548 in depreciation has been taken over the years. We currently have a net book value of \$2,977,863. Total depreciable additions for the year were \$215,756, which consisted of various equipment purchases and site and building improvements. The District has also recorded construction-in-progress of \$69,500

**Table 3  
Capital Assets at June 30,  
(Net of Depreciation)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Land	9,957	9,957			9,957	9,957
Site Improvements	172,048	186,545			172,048	186,545
Buildings and Improvements	2,607,373	2,565,534			2,607,373	2,565,534
Machinery and Equipment	59,265	33,257	59,720	59,732	118,985	92,989
Construction-in-Progress	69,500	69,500			69,500	69,500
	<u>2,918,143</u>	<u>2,864,793</u>	<u>59,720</u>	<u>59,732</u>	<u>2,977,863</u>	<u>2,924,525</u>

**Debt Administration**

At June 30, 2013, the District had \$1,617,844 of long term debt. Of this amount, \$723,345 is for compensated absences; \$152,774 is for the unfunded pension liability; \$719,000 of serial bonds for school improvements; and \$22,725 is the deferral of the annual PERS contribution.

At June 30, 2013, the school district's overall legal debt margin was \$26,389,961. For more detailed information, please refer to the Notes to the Basic Financial Statements.

**Table 4  
Outstanding Serial Bonds at June 30,**

	<u>2013</u>	<u>2012</u>
1994 School Improvement Bonds	<u>\$719,000</u>	<u>\$919,000</u>

**TOWN OF GUTTENBERG BOARD OF EDUCATION  
GUTTENBERG, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
UNAUDITED (CONTINUED)**

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS**

The economy in the State of New Jersey is slowly improving. The current State of New Jersey revenue estimates have declined to the point that the legislature and governor have approved a State Aid funding bill for the 2013-2014 school year that is slightly above the funding level of the 2012-2013 school year.

These factors were considered in preparing the Town of Guttenberg Board of Education's budgets for the 2013-2014 fiscal year.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the Town of Guttenberg Board of Education's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

Jolene Mantineo  
School Business Administrator  
Town of Guttenberg Board of Education  
301 69<sup>th</sup> Street  
Guttenberg, New Jersey 07093

**BASIC FINANCIAL STATEMENTS**

THIS PAGE INTENTIONALLY LEFT BLANK

**DISTRICT-WIDE FINANCIAL STATEMENTS**

THIS PAGE INTENTIONALLY LEFT BLANK

**TOWN OF GUTTENBERG BOARD OF EDUCATION**  
**Statement of Net Position**  
**June 30, 2013**

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash, cash equivalents and investments	2,492,311	90,894	2,583,205
Receivables, net	705,339	25,961	731,300
Internal Balances	1,811	(1,811)	-
Inventory		3,139	3,139
Restricted assets:			
Maintenance reserve account - cash	1		1
Capital reserve account - cash	1		1
Capital assets:			
Land and construction in progress	79,457		79,457
Other capital assets, net	2,838,686	59,720	2,898,406
Total Assets	<u>6,117,606</u>	<u>177,903</u>	<u>6,295,509</u>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	536,333		536,333
Interfunds payable	22,757		22,757
Payable to state government	440		440
Unearned revenue	29,262		29,262
Noncurrent liabilities:			
Due within one year	241,391		241,391
Due beyond one year	1,376,453		1,376,453
Total liabilities	<u>2,206,636</u>	<u>-</u>	<u>2,206,636</u>
<b>NET POSITION</b>			
Net investment in capital assets	2,199,143	59,720	2,258,863
Restricted for:			
Debt Service	1		1
Capital Reserve	1		1
Other Purposes	2,764,387	32,055	2,796,442
Unrestricted (Deficit)	<u>(1,052,562)</u>	<u>86,128</u>	<u>(966,434)</u>
Total net position	<u>3,910,970</u>	<u>177,903</u>	<u>4,088,873</u>

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

TOWN OF GUTTENBERG BOARD OF EDUCATION  
Statement of Activities  
For the Fiscal Year Ended June 30, 2013

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:								
Instruction:								
Regular	3,495,357	1,144,279		719,107		(3,920,529)		(3,920,529)
Special education	460,138	235,114				(695,252)		(695,252)
Other special instruction	905,956					(905,956)		(905,956)
Other instruction	47,221					(47,221)		(47,221)
Support services:								
Tuition	4,498,710					(4,498,710)		(4,498,710)
Student & instruction related services	1,811,623	67,413		643,044		(1,235,992)		(1,235,992)
General administrative services	312,427	30,522				(342,949)		(342,949)
School administrative services	279,096	129,849				(408,945)		(408,945)
Central services	310,467	54,908				(365,375)		(365,375)
Administrative information technology	106,183	27,031				(133,214)		(133,214)
Plant operations and maintenance	742,405	73,610				(816,015)		(816,015)
Pupil transportation	197,769					(197,769)		(197,769)
Unallocated benefits	995,799					(995,799)		(995,799)
Non-depreciable capital outlay	134,792					(134,792)		(134,792)
Debt Services:								
Interest and Other Charges		40,444				(40,444)		(40,444)
Unallocated depreciation		158,990				(158,990)		(158,990)
Total governmental activities	14,297,943	1,962,160	-	1,362,151	-	(14,897,952)	-	(14,897,952)
Business-type activities:								
Food Service	429,824		48,867	422,739			41,782	41,782
Total business-type activities	429,824		48,867	422,739			41,782	41,782
Total primary government	14,727,767		48,867	1,784,890		(14,897,952)	41,782	(14,856,170)
General revenues:								
Taxes:								
Property taxes, levied for general purposes						10,254,523		10,254,523
Property taxes, levied for debt services						230,165		230,165
Federal and State aid not restricted - capital outlay						15,904		15,904
Federal and State aid not restricted						5,612,484		5,612,484
Miscellaneous Income						36,402		36,402
Extraordinary Items:								
Other Financing sources (uses)						(100,471)		(100,471)
Repayment of NCLB grant monies due to state audit						16,049,007		16,049,007
Total general revenues, special items, extraordinary items and transfers						1,151,055	41,782	1,192,837
Change in Net Position								
Net Position—beginning							136,121	2,896,036
Net Position—ending							177,903	4,088,873

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

**FUND FINANCIAL STATEMENTS**

THIS PAGE INTENTIONALLY LEFT BLANK

**TOWN OF GUTTENBERG BOARD OF EDUCATION**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2013**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash and cash equivalents	2,350,015		1	2,350,016
Interfund receivables	448,658			448,658
Receivables from other governments	43,489	656,935		700,424
Restricted cash and cash equivalents	2			2
Total assets	<u>2,842,164</u>	<u>656,935</u>	<u>1</u>	<u>3,499,100</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	330,810	185,301		516,111
Payable to state government		440		440
Interfund payables	22,757	441,932		464,689
Unearned revenue		29,262		29,262
Total liabilities	<u>353,567</u>	<u>656,935</u>	<u>-</u>	<u>1,010,502</u>
Fund Balances:				
Restricted for:				
Excess surplus - designated for subsequent year's expenditures	1,158,445			1,158,445
Excess surplus - current year	1,408,628			1,408,628
Maintenance reserve account	1			1
Capital reserve account	1			1
Committed to:				
Other Purposes	55,018			55,018
Unreserved, reported in:				
General fund	(133,496)			(133,496)
Debt service fund			1	1
Total Fund balances	<u>2,488,597</u>	<u>-</u>	<u>1</u>	<u>2,488,598</u>
Total liabilities and fund balances	<u>2,842,164</u>	<u>656,935</u>	<u>1</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$5,985,737 and the accumulated depreciation is \$3,067,594.	2,918,143
Accrued interest on serial bonds payable is not due and payable in the current period and is not reported as a liability in the funds	(20,222)
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 3)	(1,617,844)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of internal service funds are included in governmental activities in the statement of net assets	<u>142,295</u>
Net position of governmental activities	<u>3,910,970</u>

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

**TOWN OF GUTTENBERG BOARD OF EDUCATION**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2013**

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES</b>				
Local sources:				
Local tax levy	10,254,523		230,165	10,484,688
Miscellaneous	35,734			35,734
Total - Local Sources	10,290,257	-	230,165	10,520,422
State sources	5,587,620	153,602	15,904	5,757,126
Federal sources	24,864	1,208,549		1,233,413
Total revenues	15,902,741	1,362,151	246,069	17,510,961
<b>EXPENDITURES</b>				
Current:				
Regular instruction	3,941,451	718,273		4,659,724
Special education instruction	695,252			695,252
Other special instruction	905,956			905,956
Other instruction	47,221			47,221
Support services and undistributed costs:				
Tuition	4,498,710			4,498,710
Student & instruction related services	1,235,992	643,044		1,879,036
General administrative services	342,949			342,949
School administrative services	408,945			408,945
Central services	365,375			365,375
Administrative information technology	133,214			133,214
Plant operations and maintenance	816,015			816,015
Pupil transportation	197,769			197,769
Unallocated Benefits	98,802			98,802
On-behalf contributions	992,445			992,445
Capital Outlay	347,132			347,132
Debt Service:				
Principal			200,000	200,000
Interest and other Charges			46,069	46,069
Total expenditures	15,027,228	1,361,317	246,069	16,634,614
Excess (Deficiency) of revenues over expenditures	875,513	834	-	876,347
<b>OTHER FINANCING SOURCES (USES)</b>				
Repayment of NCLB grant monies due to State Audit	(100,471)			(100,471)
Total other financing sources and uses	(100,471)	-	-	(100,471)
Net change in fund balances	775,042	834	-	775,876
Fund balance—July 1	1,713,555	(834)	1	1,712,722
Fund balance—June 30	2,488,597	-	1	2,488,598

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

**TOWN OF GUTTENBERG BOARD OF EDUCATION**  
**Reconciliation of the Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances of Governmental Funds**  
**to the Statement of Activities**  
**For the Fiscal Year Ended June 30, 2013**

**Total net change in fund balances - governmental funds (from B-2)** 775,876

Amounts reported for governmental activities in the statement of activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

This is the amount by which capital outlays exceeded depreciation in the period.

	Depreciation expense	(158,990)	
	Depreciable Capital outlays	212,340	53,350

Repayment of long-term is an expenditure in the governmental funds, but the payment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities. In the current year, these amounts consist of:

Principal payment on serial bonds	200,000
Payment of unfunded pension liability	20,088
Payment of deferred PERS pension contribution	2,334

In the statement of activities, interest on long-term debt is accrued, regardless of when due.

In the governmental funds, interest is reported when due. The accrued interest is a subtraction in the reconciliation.(-)

5,625

In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).

Decrease in compensated absences payable	93,114
--	--------

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of the internal service fund is reported with governmental activities.

668

**Change in net position of governmental activities** 1,151,055

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

**TOWN OF GUTTENBERG BOARD OF EDUCATION**  
**Combining Statement of Net Position**  
**Enterprise Funds**  
**June 30, 2013**

	Business-Type Activities - Enterprise Fund		Governmental Activities - Internal Service Fund	
	Food Service Program	School Age Child Care		Totals
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	107,695		107,695	142,295
Accounts receivable:				
State	836		836	
Federal	25,125		25,125	
Inventories	3,139		3,139	
Total current assets	<u>136,795</u>		<u>136,795</u>	<u>142,295</u>
Noncurrent assets:				
Capital assets:				
Equipment	106,674		106,674	
Less accumulated depreciation	<u>(46,954)</u>		<u>(46,954)</u>	
Total capital assets (net of accumulated depreciation)	<u>59,720</u>		<u>59,720</u>	
Total assets	<u><u>196,515</u></u>		<u><u>196,515</u></u>	<u><u>142,295</u></u>
<b>LIABILITIES</b>				
Current liabilities:				
Deficit in cash		16,801	16,801	
Interfund payable		<u>1,811</u>	<u>1,811</u>	
Total current liabilities		<u>18,612</u>	<u>18,612</u>	
Total liabilities		<u><u>18,612</u></u>	<u><u>18,612</u></u>	
<b>NET POSITION</b>				
Net investment in capital assets	59,720		59,720	
Restricted contributed capital	32,055		32,055	
Unrestricted	<u>104,740</u>	<u>(18,612)</u>	<u>86,128</u>	<u>142,295</u>
Total net assets	<u><u>196,515</u></u>	<u><u>(18,612)</u></u>	<u><u>177,903</u></u>	<u><u>142,295</u></u>

**TOWN OF GUTTENBERG BOARD OF EDUCATION**  
**Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets**  
**Enterprise Funds**  
**For the Fiscal Year Ended June 30, 2013**

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Food Service Program	School Age Child Care	Total Enterprise	
Operating revenues:				
Charges for services:				
Daily sales - reimbursable programs	48,867		48,867	
Total operating revenues	48,867	-	48,867	-
Operating expenses:				
Cost of sales	209,573		209,573	
Salaries	149,458		149,458	
Supplies and materials	7,004		7,004	
Cleaning, repair and maintenance	1,627		1,627	
Utilities	16,625		16,625	
Employee benefits	27,982		27,982	
Purchased property services	14,127		14,127	
Depreciation	3,428		3,428	
Total Operating Expenses	429,824	-	429,824	-
Operating income (loss)	(380,957)	-	(380,957)	-
Nonoperating revenues (expenses):				
State sources:				
State school lunch program	6,977		6,977	
Federal sources:				
National school lunch program	321,209		321,209	
National school breakfast program	14,679		14,679	
Food distribution program	31,150		31,150	
Fresh fruit and vegetable program	48,724		48,724	
Interest and investment revenue (expenses)	-		-	668
Total nonoperating revenues (expenses)	422,739	-	422,739	668
Income (loss) before contributions & transfers	41,782	-	41,782	668
Transfers in (out)				
Change in net position	41,782	-	41,782	668
Total net position—beginning	154,733	(18,612)	136,121	141,627
Total net position—ending	196,515	(18,612)	177,903	142,295

**TOWN OF GUTTENBERG BOARD OF EDUCATION**  
**Combining Statement of Cash Flows**  
**Enterprise Funds**  
**For the Fiscal Year Ended June 30, 2013**

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Food Service Program	School Age Child Care	Total Enterprise	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	48,867		48,867	
Payments to Outside Food Service Management Company	(337,623)		(337,623)	
Payments to employees	(36,417)		(36,417)	
Payments for utilities	(16,625)		(16,625)	
Payments for cleaning, repair and maintenance	(6,417)		(6,417)	
Payments for supplies	(3,014)		(3,014)	
Net cash provided by (used for) operating activities	<u>(351,229)</u>	<u>-</u>	<u>(351,229)</u>	<u>-</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
State Sources	6,485		6,485	
Federal Sources	375,975		375,975	
Net cash provided by (used for) non-capital financing activities	<u>382,460</u>	<u>-</u>	<u>382,460</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Purchases of capital assets	(3,416)		(3,416)	
Net cash provided by (used for) capital and related financing activities	<u>(3,416)</u>	<u>-</u>	<u>(3,416)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest and dividends (expenses)			-	668
Net cash provided by (used for) investing activities	-	-	-	668
Net increase (decrease) in cash and cash equivalents	27,815	-	27,815	668
Balances—beginning of year	79,880	(16,801)	63,079	141,627
Balances—end of year	<u>107,695</u>	<u>(16,801)</u>	<u>90,894</u>	<u>142,295</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>				
Operating income (loss) provided by:	(380,957)	-	(380,957)	-
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation and net amortization	3,428		3,428	
Food Distribution Program	31,150		31,150	
(Increase) decrease in inventories	(747)		(747)	
Increase (decrease) in accounts payable	(4,103)		(4,103)	
Total adjustments	<u>29,728</u>	<u>-</u>	<u>29,728</u>	<u>-</u>
Net cash provided by (used for) operating activities	<u>(351,229)</u>	<u>-</u>	<u>(351,229)</u>	<u>-</u>

**TOWN OF GUTTENBERG BOARD OF EDUCATION**  
**Combining Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2013**

	<b>Unemployment Compensation Trust Fund</b>	<b>Private Purpose Scholarship Fund</b>	<b>Agency Fund</b>
<b>ASSETS</b>			
Cash and cash equivalents	15,307	17,903	38,043
Interfund receivable			17,842
Deposits			7,688
Total assets	15,307	17,903	63,573
<b>LIABILITIES</b>			
Payable to student groups			8,829
Payroll deductions and withholdings			66,720
Flexible Spending Account			1,609
Net salaries and wages			(13,585)
Total liabilities			63,573
<b>NET POSITION</b>			
Held in trust for unemployment claims and other purposes	15,307		
Reserved for Scholarships		17,903	

**TOWN OF GUTTENBERG BOARD OF EDUCATION**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Fiscal Year Ended June 30, 2013**

	<u>Unemployment Compensation Trust Fund</u>	<u>Private Purpose Scholarship Fund</u>
<b>ADDITIONS</b>		
Contributions:		
Donations		
Total Contributions	<u>-</u>	<u>-</u>
<b>DEDUCTIONS</b>		
Scholarship payments		2,100
Total deductions	<u>-</u>	<u>2,100</u>
Change in net assets	<u>-</u>	<u>(2,100)</u>
Net position—beginning of the year	<u>15,307</u>	<u>20,003</u>
Net position—end of the year	<u><u>15,307</u></u>	<u><u>17,903</u></u>

**NOTES TO THE FINANCIAL STATEMENTS**

THIS PAGE INTENTIONALLY LEFT BLANK

**Town of Guttenberg School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2013**

**NOTE 1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY**

The Board of Education (“Board”) of the Town of Guttenberg School District (“District”) is an instrumentality of the State of New Jersey, established to function as an educational institution. The Town of Guttenberg School District is a Type II district located in the County of Hudson, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms. The purpose of the District is to educate students in grades K-8. 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 primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is whether:

- the organization is legally separate (can sue or be sued in their own name)
- the Board holds the corporate powers of the organization
- the Board appoints a voting majority of the organization’s board
- the Board is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the Board
- there is a fiscal dependency by the organization on the Board

Based on the aforementioned criteria, the Board has no component units. Furthermore, the Board is not includable in any other reporting entity on the basis of such criteria.

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Board of Education of the Town of Guttenberg School District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the board’s accounting policies are described below.

**Town of Guttenberg School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2013**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**A. Basis of Presentation:**

The Board's basic financial statements consist of District-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

**District-wide Financial Statements:**

The statement of net position and the statement of activities display information about the Board as a whole. These statements include the financial activities of the overall District, except for the fiduciary funds. The statements distinguish between those activities of the Board that are governmental and those that are considered business-type activities.

The statement of net position presents the financial condition of the governmental and business-type activities of the Board at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the governmental activities and for the business-type activities of the Board. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Board, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the Board.

**Fund Financial Statements:**

During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category - *governmental*, *proprietary*, and *fiduciary* - are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models. The various funds of the Board are grouped into the categories governmental, proprietary and fiduciary.

**Town of Guttenberg School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2013**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**GOVERNMENTAL FUNDS**

Governmental funds are those through which most governmental functions of the Board are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the Board's governmental funds:

**General Fund** - The General Fund is the general operating fund of the Board. It is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the Capital Outlay subfund.

As required by the New Jersey State Department of Education, the Board includes budgeted Capital Outlay in this fund. Accounting principles generally accepted in the United States of America as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, District taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

**Special Revenue Fund** - The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

**Capital Projects Fund** - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds). The financial resources are derived from sale of bonds, lease purchases and other revenues.

**Debt Service Fund** - The debt service fund is used to account for the accumulation of resources for and the payment of principal and interest on bonds issued to finance major property acquisition, construction and improvement programs.

**Town of Guttenberg School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2013**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**PROPRIETARY FUNDS**

The focus of Proprietary Fund measurement is upon determination of net income, changes in net position, financial position and cash flows. The accounting principles generally accepted in the United States of America applicable are those similar to businesses in the private sector. Proprietary funds are classified as enterprise or internal service. The following is a description of the Proprietary Funds of the Board:

**Enterprise Funds** - The Enterprise Funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises -- where the intent of the Board is that the costs (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or, where the Board has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The Board's Enterprise Fund is comprised of the Food Service and School Age Child Care Programs.

**Internal Service Fund** - The Internal Service Fund has been established to account for the income and related expenses associated with the lease of school owned property.

**FIDUCIARY FUNDS**

**Fiduciary Fund** - Fiduciary Fund reporting focuses on net position and changes in net position. The Fiduciary Funds are used to account for assets held by the Board on behalf of individuals, private organizations, other governments and/or other funds. Fiduciary Funds include Unemployment Compensation Insurance, the Private Purpose Scholarship Funds, Student Activities Fund, Payroll and Payroll Agency Fund.

**B. Measurement Focus:**

**District-wide Financial Statements**

The District-wide statements (i.e., the statement of net position and the statement of activities) are prepared using the economic resources measurements focus and the accrual basis of accounting. All assets and liabilities associated with the operation of the Board are included on the statement of net position, except for fiduciary funds.

**Town of Guttenberg School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2013**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**B. Measurement Focus: (continued)**

**Fund Financial Statements**

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the District-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the District-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the Board finances and meets the cash flow needs of its proprietary activities.

**C. Basis of Accounting:**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. The District-wide financial statements and the financial statements of the proprietary and fiduciary funds are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

**Revenues - Exchange and Non-exchange Transactions**

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year.

**Town of Guttenberg School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2013**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**C. Basis of Accounting: (continued)**

**Revenues - Exchange and Non-exchange Transactions, (continued)**

Nonexchange transactions, in which the Board receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the Board must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Board on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized. Under GAAP, in accordance with GASB No. 33, Accounting and Financial Reporting for Nonexchange Transactions, the last state aid payment is not considered revenue to the school district if the state has not recorded the corresponding expenditure, even though state law dictates recording the revenue.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: ad valorem property taxes, tuition, unrestricted grants and interest.

**Expenses/Expenditures**

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported in the operating statement as an expense with a like amount reported as donated commodities revenue.

The measurement of focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

**D. Budgets/Budgetary Control:**

Annual appropriated budgets are adopted in the spring of the preceding year for the general, and special revenue funds. The budgets are submitted to the county superintendents office for approval. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts 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. 6A:23-2(g)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year.

**Town of Guttenberg School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2013**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**D. Budgets/Budgetary Control: (continued)**

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 last state aid payment for budgetary purposes only and special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

The accounting records of the special revenue fund 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.

**E. Encumbrances:**

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.

Open encumbrances in the special revenue fund, for which the Board has received advances, are reflected in the balance sheet as unearned revenue at fiscal year end.

The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

**F. Cash, Cash Equivalents and Investments:**

Cash and cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. New Jersey statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

**Town of Guttenberg School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2013**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**F. Cash, Cash Equivalents and Investments: (continued)**

Additionally, the Board has adopted a cash management plan that 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.

N.J.S.A. 17:9-41 et. seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

**G. Tuition Payable:**

Tuition charges were established by the receiving district. The charges are subject to adjustment when the final costs have been determined.

**H. Inventories:**

On District-wide financial statements, inventories are presented at cost, which approximates market on a first-in, first-out basis and are expensed when used.

On fund financial statements inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Inventories of proprietary funds consist of food and goods held for resale, as well as supplies, and are expensed when used.

**I. Prepaid Items:**

Payments made to vendors for services that will benefit periods beyond June 30, 2013, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year in which services are consumed.

**J. Short-Term Interfund Receivables/Payables:**

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables." These amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances.

**Town of Guttenberg School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2013**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**K. Capital Assets:**

General capital assets are those assets not specifically related to activities reported in the enterprise fund. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the district -wide statement of net position but are not reported in the fund financial statements. Capital assets utilized by the enterprise fund are reported both in the business-type activity column of the District-wide statement of net position and in the fund.

All capital assets acquired or constructed during the year are recorded at actual cost. Donated fixed assets are valued at their estimated fair market value on the date received. The capital assets acquired or constructed prior to June 30, 1993 are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Donated capital assets are valued at their estimated fair market value on the date received. The Board maintains a capitalization threshold of \$2,000.00. The Board does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activity Estimated Lives</u>
Sites and Improvements	20 years	N/A
Buildings and Improvements	7-50 years	N/A
Furniture, Equipment and Vehicles	5-20 years	5-20 years

**L. Compensated Absences:**

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the Board and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the Board and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

For the District-wide Statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, for the governmental funds, in the Fund Financial Statements, all of the compensated absences are considered long-term and therefore, are not a fund liability and represents a reconciling item between the fund level and District-wide presentations.

**Town of Guttenberg School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2013**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**M. Unearned Revenue:**

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Unearned revenue in the special revenue fund represents cash that has been received but not yet earned. See Note 2(E) regarding the special revenue fund.

**N. Accrued Liabilities and Long-term Obligations:**

All payables, accrued liabilities and long-term obligations are reported in the District-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgements, compensated absences, special termination benefits and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment in the current year. Bonds, long-term obligations, and capital leases that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

**O. Fund Balances:**

Fund balance is divided into five classifications based primarily on the extent to which the Board is bound to observe constraints imposed upon the resources in the governmental funds. The classifications are as follows:

- **Nonspendable** fund balance includes amounts that are not in a spendable form (inventory, for example) or are required to be maintained intact (the principal of an endowment fund, for example).
- **Restricted** fund balance includes amounts that can be spent only for the specific purposes stipulated by external resource providers (for example, grant providers), constitutionally, or through enabling legislation (that is, legislation that creates a new revenue source and restricts its use). Effectively, restrictions may be changed or lifted only with the consent of resource providers.
- **Committed** fund balance includes amounts that can be used only for the specific purposes determined by a formal action of the Board's highest level of decision-making authority. Commitments may be changed or lifted only by the government taking the same formal action that imposed the constraint originally.

**Town of Guttenberg School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2013**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**O. Fund Balances: (continued)**

- **Assigned** fund balance comprises amounts *intended* to be used by the Board for specific purposes. Intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.
- **Unassigned** fund balance is the residual classification for the general fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose. If another governmental fund has a fund balance deficit, then it will be reported as a negative amount in the unassigned classification in that fund. Positive unassigned amounts will be reported only in the general fund.

**P. Net Position:**

Net position represent the difference between assets and liabilities. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Board or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The Board applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

**Q. Operating Revenues and Expenses:**

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the Board, these revenues are sales for food service and tuition for the School Age Child Care Program . Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund.

**R. Extraordinary and Special Items:**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board and that are either unusual in nature or infrequent in occurrence. The following extraordinary item occurred during the year ended June 30, 2013:

**Town of Guttenberg School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2013**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**R. Extraordinary and Special Items: (continued)**

The New Jersey Department of Education, Office of Fiscal Accountability and Compliance completed a fiscal audit of the No Child Left Behind (NCLB) Title I grant for the period of September 1, 2010 through August 31, 2011. As a result of that audit disallowed costs totaling \$100,471 was ordered to be repaid to the State of New Jersey. This amount was expensed in the current year as an other financing use.

**S. Allocation of Indirect Expenses:**

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation, and medical and dental benefits, were allocated based on salaries of that program. TPAF on-behalf contributions and changes in compensated absences have not been allocated and have been reported as unallocated benefits on the Statement of Activities. Depreciation expense, where practicable, is specifically identified by function and is included in the indirect expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities as unallocated depreciation. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

**T. Use of Estimates:**

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that effect certain reports, amounts and disclosures. Accordingly, actual results could differ from those estimates.

**U. Recent Accounting Pronouncements:**

In August 2011, the Governmental Accounting Standards Board (GASB) issued Statement No. 65 "Items Previously Reported as Assets and Liabilities". This statement, which is effective for fiscal periods beginning after December 15, 2012, is not anticipated to have any effect on the District's financial reporting.

In October 2011, the Governmental Accounting Standards Board (GASB) issued Statement No. 66 "Technical Corrections – 2012 – an amendment of GASB Statements No. 10 and No. 62". This statement, which is effective for fiscal periods beginning after December 15, 2012, amends and supersedes previously issued GASB statements to incorporate guidance that had been included in AICPA and FASB guidance. The statement will have a minimum, but undetermined impact on the proprietary fund financial statements of the District.

**Town of Guttenberg School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2013**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**U. Recent Accounting Pronouncements: (continued)**

In June 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 67, "Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25". This statement, which is effective for fiscal periods beginning after June 15, 2013, is not anticipated to have any impact on the District's financial reporting.

In June 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 68, "Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27". This statement, which is effective for fiscal periods beginning after June 15, 2014, is not anticipated to have any impact on the District's financial reporting.

**NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS**

**Cash**

**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 District's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 18A:20-37 that are treated as cash equivalents. As of June 30, 2013, \$-0- of the District's bank balance of \$4,081,004 was exposed to custodial credit risk.

**Investments**

**Investment Rate Risk**

The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statutes 18A:20-37 limits the length of time for most investments to 397 days.

**Credit Risk**

New Jersey Statutes 18A:20-37 limits school district investments to those specified in the Statutes. The type of allowance investments are Bonds of the United States of America, bonds or other obligations of the school districts or bonds or other obligations of the local unit or units within which the school district is located: obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

**Town of Guttenberg School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2013**

**NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS, (continued)**

**Concentration of Credit Risk**

The District places no limit on the amount the District may invest in any one issuer.

**NOTE 4. RECEIVABLES**

Receivables at June 30, 2013, consisted of accounts and intergovernmental. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	Governmental Fund Financial <u>Statements</u>	Enterprise Fund	District Wide Financial <u>Statements</u>
State Aid	\$43,489	\$836	\$44,325
Federal Aid	656,935	25,125	682,060
Due from Other Funds	<u>448,658</u>	<u>          </u>	<u>4,915</u>
Gross Receivables	1,149,082	25,961	731,300
Less: Allowance for Uncollectibles	<u>          </u>	<u>          </u>	<u>          </u>
Total Receivables, Net	<u>\$1,149,082</u>	<u>\$25,961</u>	<u>\$731,300</u>

**NOTE 5. INTERFUND BALANCES AND ACTIVITY**

Balances due to/from other funds at June 30, 2013, consisted of the following:

\$1,811	Due to the General Fund from School Age Child Care Fund to reimburse expenses paid.
441,932	Due to the General Fund from the Special Revenue for short-term loans.
<u>4,915</u>	Due to the General Fund from the Flexible Spending Account for reimbursement of expenses paid on employee's behalf.
<u>\$448,658</u>	

**Town of Guttenberg School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2013**

**NOTE 6. CAPITAL ASSETS**

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

	Balance <u>6/30/12</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>6/30/13</u>
<b>Governmental Activities</b>				
Capital Assets Not Being Depreciated				
Land	9,957			9,957
Construction in Progress	<u>69,500</u>			<u>69,500</u>
Total Capital Assets Not Being Depreciated	<u>79,457</u>			<u>79,457</u>
Capital Assets Being Depreciated				
Sites and Improvements	311,325			311,325
Buildings and Improvements	4,631,444	167,328		4,798,772
Machinery and Equipment	<u>751,171</u>	<u>45,012</u>		<u>796,183</u>
Total Capital Assets, Being Depreciated	<u>5,693,940</u>	<u>212,340</u>		<u>5,906,280</u>
Less Accumulated Depreciation:				
Sites and Improvements	(124,780)	(14,497)		(139,277)
Buildings and Improvements	(2,065,910)	(125,489)		(2,191,399)
Machinery and Equipment	<u>(717,914)</u>	<u>(19,004)</u>		<u>(736,918)</u>
Total Accumulated Depreciation	<u>(2,908,604)</u>	<u>(158,990)</u>		<u>(3,067,594)</u>
Total Capital Assets, Being Depreciated, Net of Accumulated Depreciation	<u>2,785,336</u>	<u>53,350</u>		<u>2,838,686</u>
Governmental Activities Capital Assets, Net	<u>2,864,793</u>	<u>53,350</u>		<u>2,918,143</u>
	Balance <u>6/30/12</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>6/30/13</u>
<b>Business-Type Activity</b>				
Furniture and Equipment	103,258	3,416		106,674
Less Accumulated Depreciation				
Furniture and Equipment	<u>(43,526)</u>	<u>(3,428)</u>		<u>(46,954)</u>
Business-Type Activity Capital Assets, Net	<u>59,732</u>	<u>(12)</u>		<u>59,720</u>

Depreciation expense was not allocated to governmental functions. It appears on the statement of activities as unallocated depreciation.

The District's appraisal company, Industrial Appraisal, conducted a full recount of the District's fixed assets at June 30, 2013; however, the report will not be available until January of 2014. A recap report, including updated depreciation, provided by the appraisal company was utilized in the preparation of the financial statements for the year ended June 30, 2013; however, that report does not contain any current year additions and/or deletions. A restatement of net position will be made in the June 30, 2014 report to properly reflect the recount.

**Town of Guttenberg School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2013**

**NOTE 7. LONG-TERM OBLIGATION ACTIVITY**

Changes in long-term obligations for the year ended June 30, 2013 were as follows:

	<u>Balance</u> <u>June 30, 2012</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance</u> <u>June 30, 2013</u>	<u>Amount</u> <u>Due Within</u> <u>One Year</u>
Unfunded Pension Liability	\$172,862		\$20,088	\$152,774	\$
Deferred PERS Pension Contribution	25,059	\$	2,334	22,725	1,391
Compensated Absences Payable	816,459	50,939	144,053	723,345	
Bonds Payable	<u>919,000</u>		<u>200,000</u>	<u>719,000</u>	<u>240,000</u>
Total	<u>\$1,933,380</u>	<u>\$50,939</u>	<u>\$366,475</u>	<u>\$1,617,844</u>	<u>\$241,391</u>

**A. Bonds Payable:**

Bonds are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligation bonds.

Outstanding bonds payable at June 30, 2013 consisted of the following:

<u>Issue</u>	<u>Issue</u> <u>Date</u>	<u>Interest</u> <u>Rates</u>	<u>Date of</u> <u>Maturity</u>	<u>Principal</u> <u>Balance</u> <u>June 30, 2013</u>
School Improvement Bonds	07/01/1994	5.625%	07/01/2015	<u>\$719,000</u>

Principal and interest due on serial bonds outstanding is as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$240,000	\$33,694	\$273,694
2015	240,000	20,193	260,193
2016	<u>239,000</u>	<u>6,722</u>	<u>245,722</u>
	<u>\$719,000</u>	<u>\$60,609</u>	<u>\$779,609</u>

**B. Bonds Authorized But Not Issued:**

As of June 30, 2013 the Board has no authorized but not issued bonds.

**C. Capital Leases**

The District had no capital leases outstanding at June 30, 2013.

**Town of Guttenberg School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2013**

**NOTE 8. OPERATING LEASES**

The District has entered an operating lease for copying equipment which expires in February of 2015. Total operating lease payments made during the year ended June 30, 2013 were \$48,253. Future minimum lease payments are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2014	\$60,257
2015	48,889
2016	<u>7,980</u>
	<u>\$117,126</u>

**NOTE 9. PENSION PLANS**

**Description of Plans** - All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625 or reports can be accessed on the internet at: [http://www.state.nj.us/treasury/pensions/annrpts\\_archive.htm](http://www.state.nj.us/treasury/pensions/annrpts_archive.htm).

**Teachers' Pension and Annuity Fund (TPAF)** - The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

**Public Employees' Retirement System (PERS)** - The Public Employees' Retirement System (PERS) was established as of January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

**Town of Guttenberg School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2013**

**NOTE 9. PENSION PLANS, (continued)**

**Defined Contribution Retirement Program (DCRP)** - The Defined Contribution Retirement Program (DCRP) was established as of July 1, 2008 under the provisions of Chapter 92, P.L. 2008 and Chapter 103, P.L. 2008 (NJSA 43:15C-1 et seq). The DCRP is a cost-sharing multiple-employer defined contribution pension fund. The DCRP provides eligible members, and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by NJSA 43:15C-1 et seq.

**Contribution Requirements** - The contribution policy is set by laws of the State of New Jersey and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The pension funds provide for employee contributions based on 5.5% for PERS and 5.5% for TPAF of the employee's annual compensation. Pursuant to the provisions of Chapter 78, P.L. 2011, this amount will increase to 6.5% plus an additional 1% phased in over 7 years beginning in the first year. For fiscal year 2012, the member rate will increase in October 2011. The phase in will take place on July 1 of each subsequent fiscal year. Employers are required to contribute at an actuarially determined rate in all Funds except the SACT. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PERS and TPAF. In the PERS and TPAF, the employer contribution includes funding for post-retirement medical premiums.

During the year ended June 30, 2013 for TPAF, which is a cost sharing plan with special funding situations, annual pension cost equals annual required contribution. For PERS, which is a cost sharing multi-employer defined benefit pension plan, the annual pension cost differs from the annual required contribution due to the enactment of Chapter 114, P.L. 1997. 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.

The Board's contribution to PERS, equal to the required contributions for each year, were as follows:

Year <u>Ending</u>	
6/30/13	\$98,802
6/30/12	114,906
6/30/11	90,889

**Town of Guttenberg School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2013**

**NOTE 9. PENSION PLANS, (continued)**

The State of New Jersey contribution to TPAF (paid on-behalf of the District) for normal and post retirement benefits and NCGI Premium were as follows:

<u>Year</u> <u>Ending</u>	<u>Pension</u> <u>Contributions</u>	<u>Post-Retirement</u> <u>Medical</u> <u>Contributions</u>	<u>NCGI</u> <u>Premium</u>
6/30/13	\$281,349	\$334,872	\$14,803
6/30/12	147,461	328,247	15,825
6/30/11	-0-	300,891	14,166

During the year ended June 30, 2013, the State of New Jersey contributed \$631,024 to the TPAF for NCGI Premium contributions and post-retirement medical benefits on behalf of the Board. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$361,421 during the year ended June 30, 2013 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. These amounts have been included in the district-wide financial statements, and the fund-based statements as revenues and expenditures in accordance with GASB 24.

**NOTE 10. POST-RETIREMENT BENEFITS**

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required Teachers' Pension and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2012, there were 97,661 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994 Chapter 62. Funding of post-retirement medical premiums changed from a prefunding 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 Chapter 126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. In fiscal year 2012, the State paid \$146.6 million toward Chapter 126 benefits for 16,618 eligible retired members.

**Town of Guttenberg School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2013**

**NOTE 11. DEFERRED COMPENSATION**

The Board offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows:

Metropolitan Life Insurance Co.  
AXA Equitable

**NOTE 12. RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

**Property and Liability Insurance** - The District maintains commercial insurance coverage for property, liability, student accident and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

There has been no significant reduction in insurance coverage from the previous year nor have there been any settlements in excess of insurance coverages.

**New Jersey Unemployment Compensation Insurance** - The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Contributory Method". Under this method, the District remits all contributions directly to the State of New Jersey Unemployment Trust Fund.

**NOTE 13. INVENTORY**

Inventory in the Food Service Fund at June 30, 2013 consisted of the following:

Food	\$2,158
Supplies	<u>981</u>
	<u>\$3,139</u>

The United States Department of Agriculture (USDA) commodity portion of the Food Service Fund inventory consists of food donated by USDA. It is valued at estimated market prices by USDA. The amount of unused commodities at year end is reported on Schedule A as deferred revenue.

**Town of Guttenberg School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2013**

**NOTE 14. CAPITAL RESERVE ACCOUNT**

A capital reserve account was established by the Town of Guttenberg Board of Education by inclusion of \$1 on October 4, 2000 for the accumulation of funds for use as 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) and updated annually in the Quality Assurance Annual Report (QAAR). 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. 6A: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 account for the July 1, 2012 to June 30, 2013 fiscal year is as follows:

Beginning Balance, July 1, 2012	<u>\$1.00</u>
Ending Balance, June 30, 2013	<u>\$1.00</u>

**NOTE 15. MAINTENANCE RESERVE ACCOUNT**

A maintenance reserve account was established by the Board of Education in FY 2005. The account is maintained in the General Fund. The maintenance reserve account is used to accumulate funds for the required maintenance of a facility in accordance with the EFCRA (N.J.A.A. 18A:7G-9). EFCFA requires that upon district completion of a school facilities project, the district must submit a plan for the maintenance of that facility. All such plans must include a provision for a maintenance reserve fund.

The activity of the maintenance reserve account for the July 1, 2012 to June 30, 2013 fiscal year is as follows:

Beginning Balance, July 1, 2012	<u>\$1.00</u>
Ending Balance, June 30, 2013	<u>\$1.00</u>

**Town of Guttenberg School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2013**

**NOTE 16. FUND BALANCE APPROPRIATED**

**General Fund [Exhibit B-1]** - Of the \$2,488,597 General Fund fund balance at June 30, 2013, \$55,018 is reserved for encumbrances; \$2,567,073 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7 \$1,158,445 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2014); \$1 has been reserved in the Capital Reserve Account; \$1 has been reserved in the Maintenance Reserve Account; \$(133,496) is unreserved and undesignated.

**NOTE 17. 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 at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2013 is \$2,567,912. Of this amount, \$1,408,628 is the result of current year's operations.

**NOTE 18. CONTINGENT LIABILITIES**

**Grant Programs** - The school district participates in federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The school district is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs. Management is aware of the following material items of noncompliance which would result in the disallowance of program expenditures.

The Office of Fiscal Accountability and Compliance of the State Department of Education performed an audit of the No Child Left Behind (NCLB) fiscal year 2011 Title I entitlement during the 2012-2013 fiscal year. As a result of that audit, the District was required to refund the State of New Jersey \$100,471 for unallowed costs. During the course of our fiscal year 2012-2013 audit, we determined that the same unallowable costs had occurred against the FY2013 Title I entitlement in an amount equal to \$75,335. It is anticipated that this liability will be settled against the District's fiscal year 2014 NCLB entitlement when the final close out numbers are submitted review. At that time, the expense will be reallocated to the District's general fund.

The District has had difficulty over the past several years in property submitting expenditures through the Electronic Web-Enabled Grant System to obtain reimbursement from various federal grant programs resulting in an estimated uncollectible federal grant receivable of \$339,508. It was determined through conversations with the State of New Jersey Department of Education, Office of Grants Management that any receivable outstanding prior to the 2013 entitlement year would need to be cancelled as those prior grant periods have been finalized and closed at the federal level. This adjustment will also take place within the 2014 fiscal year when the final grant expenditures are submitted to the State prior to June 30. Funding to realize this receivable will be reallocated from the General Fund.

**Town of Guttenberg School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2013**

**NOTE 18. CONTINGENT LIABILITIES, (continued)**

**Litigation** - 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.

**NOTE 19. RELATED PARTY TRANSACTION**

The District entered into an agreement to rent office space from a family member of the Business Administrator. This agreement was dated May 8, 2013 for a two-year period beginning June 1, 2013 through May 31, 2015. Yearly rental costs are \$17,600 for the first year and \$19,007.88 for the second year.

**NOTE 20. SUBSEQUENT EVENTS**

The Board has evaluated subsequent events through November 29, 2013, the date which the financial statements were available to be issued and no other items were noted for disclosure.

THIS PAGE INTENTIONALLY LEFT BLANK

**REQUIRED SUPPLEMENTARY  
INFORMATION - PART II**

THIS PAGE INTENTIONALLY LEFT BLANK

**BUDGETARY COMPARISON SCHEDULES**

THIS PAGE INTENTIONALLY LEFT BLANK

**GUTTENBERG BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Fiscal Year Ended June 30, 2013**

	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	10,254,523	-	10,254,523	10,254,523	-
Miscellaneous				35,734	35,734
<b>Total - Local Sources</b>	<u>10,254,523</u>	<u>-</u>	<u>10,254,523</u>	<u>10,290,257</u>	<u>35,734</u>
State Sources:					
Special Education Aid	811,359	-	811,359	811,359	-
Equalization Aid	3,584,375	-	3,584,375	3,584,375	-
Security Aid	201,271	-	201,271	201,271	-
Transportation Aid	9,637	-	9,637	9,637	-
Extraordinary Aid				25,028	25,028
TPAF Pension and Postretirement Medical Contributions (On-Behalf - Non Budgeted)				616,221	616,221
TPAF Non-Contributory Insurance (On-Behalf - Non Budgeted)				14,803	14,803
TPAF Social Security (Reimbursed - Non-Budgeted)				361,421	361,421
<b>Total - State Sources</b>	<u>4,606,642</u>	<u>-</u>	<u>4,606,642</u>	<u>5,624,115</u>	<u>1,017,473</u>
Federal Sources:					
Medical Assistance Program (SEMI)	13,592	-	13,592	24,864	11,272
<b>Total - Federal Sources</b>	<u>13,592</u>	<u>-</u>	<u>13,592</u>	<u>24,864</u>	<u>11,272</u>
<b>TOTAL REVENUES</b>	<u>14,874,757</u>	<u>-</u>	<u>14,874,757</u>	<u>15,939,236</u>	<u>1,064,479</u>
<b>EXPENDITURES:</b>					
<b>Current Expense:</b>					
<b>Regular Programs - Instruction</b>					
<b>Salaries of Teachers:</b>					
Kindergarten - Salaries of Teachers	207,532	31,089	238,621	234,935	3,686
Grades 1-5 - Salaries of Teachers	1,286,694	82,840	1,369,534	1,369,534	-
Grades 6-8 - Salaries of Teachers	662,441	41,843	704,284	704,284	-
<b>Regular Programs - Home Instruction:</b>					
Salaries of Teachers	10,000	(10,000)	-	-	-
Other Purchased Services (400-500 series)	3,500	(3,500)	-	-	-
<b>Regular Programs - Undistributed Instruction</b>					
Other Salaries for Instruction	48,241	20,478	68,719	67,954	765
Other Purchased Services (400-500 series)	15,000	13,487	28,487	28,487	-
General Supplies	219,938	38,400	258,338	240,560	17,778
Textbooks	175,000	(15,400)	159,600	151,418	8,182
<b>TOTAL REGULAR PROGRAMS - INSTRUCTION</b>	<u>2,628,346</u>	<u>199,237</u>	<u>2,827,583</u>	<u>2,797,172</u>	<u>30,411</u>
<b>SPECIAL EDUCATION - INSTRUCTION</b>					
<b>Learning and/or Language Disabilities:</b>					
Salaries of Teachers	196,144	-	196,144	196,144	-
<b>Total Learning and/or Language Disabilities</b>	<u>196,144</u>	<u>-</u>	<u>196,144</u>	<u>196,144</u>	<u>-</u>
<b>Multiple Disabilities</b>					
Salaries of Teachers	51,612	-	51,612	51,164	448
<b>Total Multiple Disabilities</b>	<u>51,612</u>	<u>-</u>	<u>51,612</u>	<u>51,164</u>	<u>448</u>
<b>Resource Room/Resource Center:</b>					
Salaries of Teachers	205,850	6,980	212,830	212,830	-
<b>Total Resource Room/Resource Center</b>	<u>205,850</u>	<u>6,980</u>	<u>212,830</u>	<u>212,830</u>	<u>-</u>
<b>TOTAL SPECIAL EDUCATION - INSTRUCTION</b>	<u>453,606</u>	<u>6,980</u>	<u>460,586</u>	<u>460,138</u>	<u>448</u>
<b>Basic Skills/Remedial-Instruction</b>					
Salaries of Teachers	171,863	19,571	191,434	191,434	-
General Supplies	103,409	-	103,409	103,409	-
<b>Total Basic Skills/Remedial-Instruction</b>	<u>275,272</u>	<u>19,571</u>	<u>294,843</u>	<u>294,843</u>	<u>-</u>
<b>Bilingual Education - Instruction</b>					
Salaries of Teachers	399,885	-	399,885	369,022	30,863
General Supplies	88,089	(874)	87,215	84,407	2,808
Textbooks	1,500	874	2,374	2,330	44
<b>Total Bilingual Education - Instruction</b>	<u>489,474</u>	<u>-</u>	<u>489,474</u>	<u>455,759</u>	<u>33,715</u>
<b>School-Sponsored Cocurricular Activities - Instruction</b>					
Salaries	10,000	8,692	18,692	18,692	-
Other Purchased Services (400-500 series)	28,000	(1,236)	26,764	24,987	1,777
<b>Total School-Sponsored Cocurricular Activities - Instruction</b>	<u>38,000</u>	<u>7,456</u>	<u>45,456</u>	<u>43,679</u>	<u>1,777</u>
<b>School-Sponsored Athletics - Instruction</b>					

GUTTENBERG BOARD OF EDUCATION  
 Budgetary Comparison Schedule  
 General Fund  
 Fiscal Year Ended June 30, 2013

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final To Actual
Salaries	7,000	-	7,000	3,367	3,633
Purchased Services - (300-500 series)	7,000	-	7,000	175	6,825
<b>Total School-Sponsored Athletics - Instruction</b>	<b>14,000</b>	<b>-</b>	<b>14,000</b>	<b>3,542</b>	<b>10,458</b>
<b>Other Instructional Programs - Instruction</b>					
Purchased Services - (300-500 series)	2,000	-	2,000	675	1,325
Supplies and Materials	500	-	500	358	142
<b>Total Other Instructional Programs - Instruction</b>	<b>2,500</b>	<b>-</b>	<b>2,500</b>	<b>1,033</b>	<b>1,467</b>
<b>Other Supplemental / At-Risk Programs - Instruction</b>					
Salaries of Reading Specialists	180,486	(18,049)	162,437	151,617	10,820
Purchased Services - (300-500 series)	8,000	-	8,000	2,704	5,296
<b>Total Other Instructional Programs - Instruction</b>	<b>188,486</b>	<b>(18,049)</b>	<b>170,437</b>	<b>154,321</b>	<b>16,116</b>
<b>TOTAL INSTRUCTION</b>	<b>4,089,684</b>	<b>215,195</b>	<b>4,304,879</b>	<b>4,210,487</b>	<b>94,392</b>
<b>Undistributed Expenditures - Instruction</b>					
Tuition to other LEAs within the state - regular	3,795,000	(222,258)	3,572,742	3,557,218	15,524
Tuition to other LEAs within the state - Special	463,070	(55,396)	407,674	407,673	1
Tuition to CSSD & Regular Day Schools	451,300	-	451,300	228,344	222,956
Tuition to Priv.Sch. For the Disabled W/I State	503,079	(32,062)	471,017	296,182	174,835
Tuition to State Facilities	-	-	-	-	-
Tuition to Charter Schools	-	16,000	16,000	9,293	6,707
<b>Total Undistributed Expenditures - Instruction</b>	<b>5,212,449</b>	<b>(293,716)</b>	<b>4,918,733</b>	<b>4,498,710</b>	<b>420,023</b>
<b>Undist. Expend. - Health Services</b>					
Salaries	75,456	1,380	76,836	76,836	-
Purchased Professional and Technical Services	8,000	-	8,000	8,000	-
Supplies and Materials	3,500	1,768	5,268	5,268	-
<b>Total Undistributed Expenditures - Health Services</b>	<b>86,956</b>	<b>3,148</b>	<b>90,104</b>	<b>90,104</b>	<b>-</b>
<b>Undist. Expenditures - Speech, OT, PT &amp; Related Serv.</b>					
Salaries	168,664	6,759	175,423	175,423	-
Purchased Professional - Educational Services	350,000	(13,740)	336,260	149,578	186,682
<b>Total Undist. Expend. - Speech, OT, PT &amp; Related Serv.</b>	<b>518,664</b>	<b>(6,981)</b>	<b>511,683</b>	<b>325,001</b>	<b>186,682</b>
<b>Undist. Expend. - Guidance</b>					
Salaries of Other Professional Staff	91,488	1,230	92,718	92,718	-
Salaries of Secretarial and Clerical Assistants	34,761	9,760	44,521	44,521	-
Purchased Professional - Educational Services	2,500	-	2,500	2,500	-
Supplies and Materials	18,703	(15,740)	2,963	2,663	300
<b>Total Undist. Expend. - Guidance</b>	<b>147,452</b>	<b>(4,750)</b>	<b>142,702</b>	<b>142,402</b>	<b>300</b>
<b>Undist. Expend. - Child Study Team</b>					
Salaries of Other Professional Staff	97,645	4,620	102,265	102,265	-
Salaries of Secretarial and Clerical Assistants	23,000	739	23,739	23,739	-
Other Salaries	271,921	28,109	300,030	300,030	-
Purchased Professional - Educational Services	-	10,000	10,000	-	10,000
Supplies and Materials	12,812	(4,764)	8,048	7,505	543
<b>Total Undist. Expend. - Child Study Team</b>	<b>405,378</b>	<b>38,704</b>	<b>444,082</b>	<b>433,539</b>	<b>10,543</b>
<b>Undist. Expend. - Improvement of Instructional Services</b>					
Salaries of Supervisor of Instruction	-	26,271	26,271	26,271	-
Salaries of Other Professional Staff	70,000	16,029	86,029	80,206	5,823
Other Salaries	5,000	(5,000)	-	-	-
Salaries of Facilitators, Math & Literacy Coaches	60,956	-	60,956	60,956	-
<b>Total Undist. Expend. - Improvement of Instructional Services</b>	<b>135,956</b>	<b>37,300</b>	<b>173,256</b>	<b>167,433</b>	<b>5,823</b>
<b>Undist. Expend. - Instructional Staff Training Services</b>					
Purchased Professional - Educational Services	10,000	100	10,100	10,100	-
<b>Total Undist. Expend. - Instructional Staff Training Services</b>	<b>10,000</b>	<b>100</b>	<b>10,100</b>	<b>10,100</b>	<b>-</b>

**GUTTENBERG BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Fiscal Year Ended June 30, 2013**

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final To Actual
<b>Undist. Expend. - Support Serv. - General Administration</b>					
Salaries	185,800	(945)	184,855	125,069	59,786
Salaries of Attorneys	51,000	-	51,000	51,000	-
Audit Fees	30,000	-	30,000	27,500	2,500
Expenditure & Internal Control Audit Fees	20,000	-	20,000	20,000	-
Purchased Technical Services	5,000	-	5,000	5,000	-
Communications/telephone	45,000	-	45,000	40,154	4,846
BOE Other Purchased Services	10,000	-	10,000	10,000	-
Misc. Purchased Services (400-500 series)	30,000	(7,124)	22,876	5,141	17,735
General Supplies	13,919	8,070	21,989	21,739	250
BOE In-House Training/Meeting Supplies	5,000	-	5,000	-	5,000
Miscellaneous expenditures	4,000	(4,000)	-	-	-
BOE Membership Dues and Fees	6,824	-	6,824	6,824	-
<b>Total Undist. Expend. - Supp. Serv. - General Administration</b>	<b>406,543</b>	<b>(3,999)</b>	<b>402,544</b>	<b>312,427</b>	<b>90,117</b>
<b>Undist. Expend. - Support Serv. - School Administration</b>					
Salaries of Principals/Assistant Principals	254,548	29,100	283,648	196,089	87,559
Salaries of Secretarial and Clerical assistants	49,353	9,736	59,089	59,089	-
Purchased Professional and Technical Services	5,000	(3,736)	1,264	1,264	-
Other Purchased Services	-	15,525	15,525	14,183	1,342
Supplies and materials	10,623	(2,000)	8,623	8,471	152
<b>Total Undist. Expend. - Support Serv. - School Administration</b>	<b>319,524</b>	<b>48,625</b>	<b>368,149</b>	<b>279,096</b>	<b>89,053</b>
<b>Undistributed Expenditures - Central Services</b>					
Salaries	235,988	4,043	240,031	240,031	-
Purchased Technical Services	18,000	-	18,000	16,726	1,274
Misc. Purchased Services (400-500 series)	5,000	-	5,000	1,283	3,717
Supplies and Materials	10,000	-	10,000	10,000	-
Miscellaneous expenditures	1,050	-	1,050	42,427	(41,377)
<b>Total Undists Expend. - Central Services</b>	<b>270,038</b>	<b>4,043</b>	<b>274,081</b>	<b>310,467</b>	<b>(36,386)</b>
<b>Undist. Expend. - Admin. Info. Tech.</b>					
Salaries	65,000	-	65,000	65,000	-
Purchased Technical Services	15,000	11,931	26,931	26,931	-
Supplies and Materials	15,000	-	15,000	14,252	748
<b>Total Undist. Expend. - Admin. Info. Technology</b>	<b>95,000</b>	<b>11,931</b>	<b>106,931</b>	<b>106,183</b>	<b>748</b>
<b>Undist. Expend. - Required Maint. for School Facilities</b>					
Salaries	84,973	1	84,974	84,974	-
Cleaning, Repair and Maintenance Services	99,184	(40,960)	58,224	52,296	5,928
<b>Total Undist. Expend. - Required Maint. for School Facilities</b>	<b>184,157</b>	<b>(40,959)</b>	<b>143,198</b>	<b>137,270</b>	<b>5,928</b>
<b>Undist. Expend. - Custodial Services</b>					
Salaries	145,794	6,948	152,742	152,742	-
Salaries of Non-Instructional Aides	70,821	(21,576)	49,245	41,101	8,144
Rental of Land & Bldg. Oth. Than Lease Purch Agreement	-	4,400	4,400	4,400	-
Other Purchased Property Services	19,000	3,609	22,609	22,609	-
Insurance	120,000	-	120,000	119,212	788
Miscellaneous Purchased Services	6,000	(2,272)	3,728	3,728	-
General Supplies	50,000	76,823	126,823	125,872	951
Energy (Electricity)	130,000	(21,405)	108,595	88,518	20,077
Energy (Natural Gas)	52,000	(18,972)	33,028	24,076	8,952
<b>Total Undist. Expend. - Other Oper. &amp; Maint. of Plant Svcs.</b>	<b>593,615</b>	<b>27,555</b>	<b>621,170</b>	<b>582,258</b>	<b>38,912</b>
<b>Undist. Expend. - Security</b>					
Salaries	20,000	(8,000)	12,000	6,220	5,780
Cleaning, Repair and Maintenance Services	-	16,027	16,027	11,574	4,453
General Supplies	-	5,377	5,377	5,083	294
<b>Total Undist. Expend. - Security</b>	<b>20,000</b>	<b>13,404</b>	<b>33,404</b>	<b>22,877</b>	<b>10,527</b>
<b>Total Undistributed Expend.-Oper &amp; Maint of Plant Svcs.</b>	<b>797,772</b>	<b>-</b>	<b>797,772</b>	<b>742,405</b>	<b>44,840</b>
<b>Undist. Expend. - Student transportation services:</b>					
Contract Serv. (Sp Ed Stds) - Joint Agrmnts	351,560	-	351,560	197,769	153,791
<b>Total Undist. Expend. - Student Transportation Services</b>	<b>351,560</b>	<b>-</b>	<b>351,560</b>	<b>197,769</b>	<b>153,791</b>
<b>ALLOCATED BENEFITS</b>					
<b>Regular Programs - Instruction - Employee Benefits</b>					
Social Security Contributions	110,000	-	110,000	97,731	12,269
T.P.A.F. Contributions - ERIP	55,000	-	55,000	20,088	34,912
Unemployment Compensation	40,000	-	40,000	28,802	11,198
Health Benefits	1,088,851	-	1,088,851	991,092	97,759
Tuition Reimbursement	8,000	-	8,000	4,566	3,434
Other Employee Benefits	2,000	-	2,000	2,000	-
<b>Total Regular Programs - Instruction</b>	<b>1,303,851</b>	<b>-</b>	<b>1,303,851</b>	<b>1,144,279</b>	<b>159,572</b>

**GUTTENBERG BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Fiscal Year Ended June 30, 2013**

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final To Actual
<b>Special Programs - Instruction - Employee Benefits</b>					
Health Benefits	384,542	(104,861)	279,681	234,114	45,567
Other Employee Benefits	1,000	-	1,000	1,000	-
<b>Total Special Programs - Instruction - Employee Benefits</b>	<u>385,542</u>	<u>(104,861)</u>	<u>280,681</u>	<u>235,114</u>	<u>45,567</u>
<b>Other Instructional Programs - Employee Benefits</b>					
Health Benefits	62,331	-	62,331	-	62,331
Other Employee Benefits	1,200	-	1,200	-	1,200
<b>Total Special Programs - Instruction - Employee Benefits</b>	<u>63,531</u>	<u>-</u>	<u>63,531</u>	<u>-</u>	<u>63,531</u>
<b>Health Services - Employee Benefits</b>					
Health Benefits	32,818	-	32,818	22,209	10,609
Other Employee Benefits	400	-	400	-	400
<b>Total Health Services - Employee Benefits</b>	<u>33,218</u>	<u>-</u>	<u>33,218</u>	<u>22,209</u>	<u>11,009</u>
<b>Other Support Serv. - Speech, OT, PT, &amp; Rel. Svc - Employee Benefits</b>					
Health Benefits	21,444	-	21,444	-	21,444
Other Employee Benefits	400	-	400	200	200
<b>Total Other Support Services- Employee Benefits</b>	<u>21,844</u>	<u>-</u>	<u>21,844</u>	<u>200</u>	<u>21,644</u>
<b>Other Support Services - Guidance - Employee Benefits:</b>					
Health Benefits	40,457	-	40,457	29,502	10,955
<b>Total Other Support Services - Guidance - Employee Benefits</b>	<u>40,457</u>	<u>-</u>	<u>40,457</u>	<u>29,502</u>	<u>10,955</u>
<b>Other Support Services - Child Study Team - Employee Benefits</b>					
Health Benefits	150,902	(6,260)	144,642	15,102	129,540
Other Employee Benefits	800	-	800	400	400
<b>Total Other Support Svcs - Child Study Team - Employee Benefits</b>	<u>151,702</u>	<u>(6,260)</u>	<u>145,442</u>	<u>15,502</u>	<u>129,940</u>
<b>Support Services - General Admin - Employee Benefits</b>					
Social Security Contributions	25,000	-	25,000	2,749	22,251
Health Benefits	60,017	-	60,017	27,482	32,535
Other Employee Benefits	800	-	800	291	509
<b>Total Support Services - General Admin - Employee Benefits</b>	<u>85,817</u>	<u>-</u>	<u>85,817</u>	<u>30,522</u>	<u>55,295</u>
<b>Support Services - School Admin - Employee Benefits</b>					
Social Security Contributions	7,400	-	7,400	4,426	2,974
Health Benefits	62,323	62,500	124,823	124,823	-
Other Employee Benefits	600	-	600	600	-
<b>Total Support Services - School Admin - Employee Benefits</b>	<u>70,323</u>	<u>62,500</u>	<u>132,823</u>	<u>129,849</u>	<u>2,974</u>
<b>Support Services - Central Services - Employee Benefits</b>					
Social Security Contributions	9,800	256	10,056	10,056	-
Health Benefits	44,852	-	44,852	44,852	-
<b>Total Support Services - Central Services - Employee Benefits</b>	<u>54,652</u>	<u>256</u>	<u>54,908</u>	<u>54,908</u>	<u>-</u>
<b>Support Services - Admin. Info. Tech. - Employee Benefits</b>					
Social Security Contributions	3,300	791	4,091	4,091	-
Health Benefits	22,940	-	22,940	22,940	-
<b>Total Support Services - Admin. Info. Tech. - Employee Benefits</b>	<u>26,240</u>	<u>791</u>	<u>27,031</u>	<u>27,031</u>	<u>-</u>
<b>Operation and Maintenance of Plant Svcs - Employee Benefits</b>					
Social Security Contributions	18,000	(100)	17,900	9,910	7,990
Health Benefits	95,954	-	95,954	63,700	32,254
<b>Total Operation and Maintenance of Plant Svcs - Employee Benefits</b>	<u>113,954</u>	<u>(100)</u>	<u>113,854</u>	<u>73,610</u>	<u>40,244</u>
<b>TOTAL ALLOCATED BENEFITS</b>	<u>2,351,131</u>	<u>(47,674)</u>	<u>2,303,457</u>	<u>1,762,726</u>	<u>540,731</u>
<b>UNALLOCATED BENEFITS</b>					
<b>Unallocated Benefits - Employee Benefits</b>					
Other Retirement Contributions - PERS	90,000	8,802	98,802	98,802	-
<b>Total Unallocated Benefits - Employee Benefits</b>	<u>90,000</u>	<u>8,802</u>	<u>98,802</u>	<u>98,802</u>	<u>-</u>
<b>Total Personal Services - Employee Benefits</b>	<u>2,441,131</u>	<u>(38,872)</u>	<u>2,402,259</u>	<u>1,861,528</u>	<u>540,731</u>
<b>On-behalf TPAF Pension and Post Retirement</b>					
Medical Contributions (non-budgeted)				616,221	(616,221)
On-behalf TPAF Non-Contributory Insurance (non-budgeted)				14,803	(14,803)
Reimbursed TPAF Social Security Contributions (non-budgeted)				361,421	(361,421)
<b>TOTAL ON-BEHALF CONTRIBUTIONS</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>992,445</u>	<u>(992,445)</u>
<b>TOTAL UNDISTRIBUTED EXPENDITURES</b>	<u>11,198,423</u>	<u>(204,467)</u>	<u>10,993,956</u>	<u>10,469,609</u>	<u>524,347</u>
<b>TOTAL GENERAL CURRENT EXPENSE</b>	<u>15,288,107</u>	<u>10,728</u>	<u>15,298,835</u>	<u>14,680,096</u>	<u>618,739</u>

**GUTTENBERG BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Fiscal Year Ended June 30, 2013**

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final To Actual
<b>CAPITAL OUTLAY</b>					
<b>Equipment:</b>					
Preschool	7,000	7,353	14,353	-	14,353
Grades 1-5	7,000	-	7,000	7,000	-
Grades 6-8	79,487	14,958	94,445	94,445	-
<b>Equipment - Undistributed:</b>					
Supp Serv. - Related & Extra.	7,500	(2,781)	4,719	4,719	-
School Administration	6,000	700	6,700	6,700	-
Admin Info Tech.	22,840	19,050	41,890	41,028	862
<b>Total Equipment</b>	<u>129,827</u>	<u>39,280</u>	<u>169,107</u>	<u>153,892</u>	<u>15,215</u>
<b>Undist. Expenditures - Facilities Acquisition and Construction Services:</b>					
Construction Services	300,984	(34,008)	266,976	193,240	73,736
<b>Total Facilities Acquisition and Construction Services</b>	<u>300,984</u>	<u>(34,008)</u>	<u>266,976</u>	<u>193,240</u>	<u>73,736</u>
<b>TOTAL CAPITAL OUTLAY</b>	<u>430,811</u>	<u>5,272</u>	<u>436,083</u>	<u>347,132</u>	<u>88,951</u>
<b>GENERAL FUND</b>					
Transfer of funds to charter schools	16,000	(16,000)	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>15,734,918</u>	<u>-</u>	<u>15,734,918</u>	<u>15,027,228</u>	<u>707,690</u>
<b>Excess (Deficiency) of Revenues</b>					
<b>Over (Under) Expenditures</b>	<u>(860,161)</u>	<u>-</u>	<u>(860,161)</u>	<u>912,008</u>	<u>1,772,169</u>
<b>Other Financing Sources/(Uses):</b>					
Repayment of NCLB Grant monies due to State Audit	-	-	-	100,471	(100,471)
<b>Total Other Financing Sources/(Uses):</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>100,471</u>	<u>(100,471)</u>
<b>Excess (Deficiency) of Revenues and Other Financing Sources</b>					
<b>Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<u>(860,161)</u>	<u>-</u>	<u>(860,161)</u>	<u>811,537</u>	<u>1,671,698</u>
<b>Fund Balance, July 1</b>	<u>2,116,280</u>	<u>-</u>	<u>2,116,280</u>	<u>2,116,280</u>	<u>-</u>
<b>Fund Balance, June 30</b>	<u>1,256,119</u>	<u>-</u>	<u>1,256,119</u>	<u>2,927,817</u>	<u>1,671,698</u>
<b>Recapitulation of excess (deficiency) of revenues under expenditures</b>					
Adjustment for Prior Year Encumbrances	(334,701)	-	(334,701)	(334,701)	-
<b>Budgeted Fund Balance</b>	<u>(525,460)</u>	<u>-</u>	<u>(525,460)</u>	<u>1,146,238</u>	<u>1,671,698</u>
	<u>(860,161)</u>	<u>-</u>	<u>(860,161)</u>	<u>811,537</u>	<u>1,671,698</u>
<b>Recapitulation</b>					
<b>Restricted Fund Balance:</b>					
Capital Reserve				1	
Maintenance Reserve				1	
Excess Surplus - Designated for Subsequent					
Year's Expenditures				1,158,445	
Excess Surplus - Current Year				1,408,628	
<b>Committed Fund Balance:</b>					
Year-End Encumbrances				55,018	
<b>Unassigned Fund Balance</b>				<u>305,724</u>	
<b>Reconciliation to Governmental Funds Statement (GAAP):</b>					
				2,927,817	
<b>Less: Last State Aid Payment not recognized, GAAP Basis</b>				<u>(439,220)</u>	
<b>Fund Balance per Governmental Funds (GAAP)</b>				<u>2,488,597</u>	

**TOWN OF GUTTENBERG BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2013**

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
State Sources	154,598	874	155,472	152,768	(2,704)
Federal Sources	926,272	368,102	1,294,374	1,208,549	(85,825)
<b>Total Revenues</b>	<b>1,080,870</b>	<b>368,976</b>	<b>1,449,846</b>	<b>1,361,317</b>	<b>(88,529)</b>
<b>EXPENDITURES:</b>					
<b>Instruction:</b>					
Salaries of Teachers	1,035,326	(490,429)	544,897	529,957	14,940
Other Salaries for Instruction		144,953	144,953	144,689	264
General Supplies		43,801	43,801	43,310	491
Textbooks		317	317	317	
<b>Total instruction</b>	<b>1,035,326</b>	<b>(301,358)</b>	<b>733,968</b>	<b>718,273</b>	<b>15,695</b>
<b>Support services:</b>					
Salaries of Supervisors of Instruction		1,575	1,575	1,575	-
Salaries of Program Directors		3,500	3,500	1,575	1,925
Salaries of Other Professional Staff		127,030	127,030	127,030	-
Personal Services - Employee Benefits	45,544	221,270	266,814	266,814	-
Other Purchased Professional & Technical Services		288,074	288,074	220,180	67,894
Other Purchased Services		10,699	10,699	8,294	2,405
Supplies and Materials		18,186	18,186	17,576	610
<b>Total support services</b>	<b>45,544</b>	<b>670,334</b>	<b>715,878</b>	<b>643,044</b>	<b>72,834</b>
<b>Total Expenditures</b>	<b>1,080,870</b>	<b>368,976</b>	<b>1,449,846</b>	<b>1,361,317</b>	<b>88,529</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>					

**TOWN OF GUTTENBERG BOARD OF EDUCATION**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**Note to Required Supplementary Information**  
**For the Fiscal Year Ended June 30, 2013**

**Note A - Explanation of Differences between Budgetary Inflows and Outflows and  
GAAP Revenues and Expenditures**

		General Fund	Special Revenue Fund
<b>Sources/inflows of resources</b>			
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1],[C-2]	15,939,236	1,361,317
Difference - budget to GAAP:			
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		402,725	16,294
The last state aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33).		(439,220)	(15,460)
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	15,902,741	1,362,151
<b>Uses/outflows of resources</b>			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1],[C-2]	15,027,228	1,361,317
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	15,027,228	1,361,317

THIS PAGE INTENTIONALLY LEFT BLANK

**SPECIAL REVENUE FUND**

**TOWN OF GUTTENBERG BOARD OF EDUCATION**  
 Special Revenue Fund  
**Combining Schedule of Program Revenues and Expenditures - Budgetary Basis**  
 For the Fiscal Year Ended June 30, 2013

	Total Brought Forward (Ex. E-1a)	Title I Improving Basic Programs	Title I Improving Basic Programs Carryover	Preschool Education Aid	Totals 2013
<b>REVENUES</b>					
State Sources	434			152,334	152,768
Federal Sources	408,788	670,015	129,746		1,208,549
<b>Total Revenues</b>	<b>409,222</b>	<b>670,015</b>	<b>129,746</b>	<b>152,334</b>	<b>1,361,317</b>
<b>EXPENDITURES:</b>					
<b>Instruction:</b>					
Salaries of Teachers	111,580	291,023	14,459	112,895	529,957
Other Salaries for Instruction	15,737	123,742	5,210		144,689
General Supplies	22,759	1,276	19,275		43,310
Textbooks	317				317
<b>Total instruction</b>	<b>150,393</b>	<b>416,041</b>	<b>38,944</b>	<b>112,895</b>	<b>718,273</b>
<b>Support Services:</b>					
Salaries of Supervisors of Instruction	-			1,575	1,575
Salaries of Program Directors	-	1,575			1,575
Salaries of Other Professional Staff	127,030				127,030
Personal Services - Employee Benefits	90,633	138,317		37,864	266,814
Purchased Professional & Technical Services	18,296	114,082	87,802		220,180
Other Purchased Services	5,294		3,000		8,294
Supplies and Materials	17,576				17,576
<b>Total support services</b>	<b>258,829</b>	<b>253,974</b>	<b>90,802</b>	<b>39,439</b>	<b>643,044</b>
<b>Total Expenditures</b>	<b>409,222</b>	<b>670,015</b>	<b>129,746</b>	<b>152,334</b>	<b>1,361,317</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

TOWN OF GUTTENBERG BOARD OF EDUCATION

Special Revenue Fund

Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
For the Fiscal Year Ended June 30, 2013

	Total Brought Forward (Ex. E-1b)	Title II, Part A Teacher & Principal Training & Recruiting	Title II, Part A Teacher & Principal Training & Recruiting Carryover	Title III Immigrant	Total Carried Forward
<b>REVENUES</b>					
State Sources	434				434
Federal Sources	323,703	55,000	18,296	11,789	408,788
<b>Total Revenues</b>	<b>324,137</b>	<b>55,000</b>	<b>18,296</b>	<b>11,789</b>	<b>409,222</b>
<b>EXPENDITURES:</b>					
<b>Instruction:</b>					
Salaries of Teachers	63,960	40,846		6,774	111,580
Other Salaries for Instruction	12,204	2,366		1,167	15,737
General Supplies	22,759				22,759
Textbooks	317				317
<b>Total instruction</b>	<b>99,240</b>	<b>43,212</b>	<b>-</b>	<b>7,941</b>	<b>150,393</b>
<b>Support services:</b>					
Salaries of Supervisors of Instruction	-				-
Salaries of Program Directors	-				-
Salaries of Other Professional Staff	127,030				127,030
Personal Services - Employee Benefits	74,997	11,788		3,848	90,633
Purchased Professional & Technical Services	-		18,296		18,296
Other Purchased Services	5,294				5,294
Supplies and Materials	17,576				17,576
<b>Total support services</b>	<b>224,897</b>	<b>11,788</b>	<b>18,296</b>	<b>3,848</b>	<b>258,829</b>
<b>Total Expenditures</b>	<b>324,137</b>	<b>55,000</b>	<b>18,296</b>	<b>11,789</b>	<b>409,222</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**TOWN OF GUTTENBERG BOARD OF EDUCATION**

**Special Revenue Fund**

**Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
For the Fiscal Year Ended June 30, 2013**

	Total Brought Forward (Ex. E-1c)	Title III, English Language Acq. and Language Enhancement	Title III, English Language Acq. and Language Enhancement Carryover	IDEA Part B, Basic	Total Carried Forward
<b>REVENUES</b>					
State Sources	434				434
Federal Sources	16,952	29,741	16,844	260,166	323,703
<b>Total Revenues</b>	<b>17,386</b>	<b>29,741</b>	<b>16,844</b>	<b>260,166</b>	<b>324,137</b>
<b>EXPENDITURES:</b>					
<b>Instruction:</b>					
Salaries of Teachers	-	3,922		60,038	63,960
Other Salaries for Instruction	-	12,204			12,204
General Supplies	5,117	7,752		9,890	22,759
Textbooks	317				317
<b>Total instruction</b>	<b>5,434</b>	<b>23,878</b>	<b>-</b>	<b>69,928</b>	<b>99,240</b>
<b>Support services:</b>					
Salaries of Supervisors of Instruction	-				-
Salaries of Program Directors	-				-
Salaries of Other Professional Staff	-			127,030	127,030
Personal Services - Employee Benefits	11,522	5,863	2,841	54,771	74,997
Purchased Professional & Technical Services	-				-
Other Purchased Services	-			5,294	5,294
Supplies and Materials	430		14,003	3,143	17,576
<b>Total support services</b>	<b>11,952</b>	<b>5,863</b>	<b>16,844</b>	<b>190,238</b>	<b>224,897</b>
<b>Total Expenditures</b>	<b>17,386</b>	<b>29,741</b>	<b>16,844</b>	<b>260,166</b>	<b>324,137</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

TOWN OF GUTTENBERG BOARD OF EDUCATION

Special Revenue Fund

Combining Schedule of Program Revenues and Expenditures - Budgetary Basis

For the Fiscal Year Ended June 30, 2013

	IDEA Part B, Basic Carryover	I.D.E.A. Preschool	Non-Public Technology	Non-Public Textbooks	Total Carried Forward
<b>REVENUES</b>					
State Sources	11,522		117	317	434
Federal Sources		5,430			16,952
<b>Total Revenues</b>	<b>11,522</b>	<b>5,430</b>	<b>117</b>	<b>317</b>	<b>17,386</b>
<b>EXPENDITURES:</b>					
Instruction:					
Salaries of Teachers					-
Other Salaries for Instruction					-
General Supplies		5,000	117	317	5,117
Textbooks				317	317
<b>Total instruction</b>	<b>0</b>	<b>5,000</b>	<b>117</b>	<b>317</b>	<b>5,434</b>
<b>Support services:</b>					
Salaries of Supervisors of Instruction					-
Salaries of Program Directors					-
Salaries of Other Professional Staff					-
Personal Services - Employee Benefits	11,522				11,522
Purchased Professional & Technical Services					-
Other Purchased Services		430			430
Supplies and Materials					-
<b>Total support services</b>	<b>11,522</b>	<b>430</b>	<b>-</b>	<b>-</b>	<b>11,952</b>
<b>Total Expenditures</b>	<b>11,522</b>	<b>5,430</b>	<b>117</b>	<b>317</b>	<b>17,386</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**TOWN OF GUTTENBERG BOARD OF EDUCATION**  
**Special Revenue Fund**  
**Schedule of Preschool Education Aid**  
**Budgetary Basis**  
**For the Fiscal Year ended June 30, 2013**

	Total		Variance
	Budget	Actual	
<b>EXPENDITURES:</b>			
Instruction:			
Salaries of teachers	\$ 115,159	112,895	2,264
<b>Total instruction</b>	<u>115,159</u>	<u>112,895</u>	<u>2,264</u>
<b>SUPPORT SERVICES:</b>			
Salaries of Supervisors of Instruction	1,575	1,575	
Personal services - employee benefits	37,864	37,864	
<b>Total support services</b>	<u>39,439</u>	<u>39,439</u>	
<b>Total expenditures</b>	<u>\$ 154,598</u>	<u>152,334</u>	<u>2,264</u>

**Calculation of Budget and Carryover**

Total Revised 2012-13 Preschool Education Aid Allocation	\$ 154,598
Add: Actual ECPA/PEA Carryover (June 30, 2012)	42,458
Add: Budgeted transfer from General Fund 2012-2013	
Total Preschool Education Aid Funds Available for 2012-2013 Budget	<u>197,056</u>
Less: 2012-13 Budgeted Preschool Education Aid (Including prior year budgeted carryover)	<u>154,598</u>
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2013	42,458
Add: June 30, 2013 Unexpended Preschool Education Aid	2,264
2012-13 Carryover - Preschool Education Aid Programs	<u>\$ 44,722</u>
2012-13 Preschool Education Aid Carryover Budgeted for Preschool Programs 2013-14	<u>\$</u>

THIS PAGE INTENTIONALLY LEFT BLANK

**PROPRIETARY FUNDS**

THIS PAGE INTENTIONALLY LEFT BLANK

**TOWN OF GUTTENBERG BOARD OF EDUCATION**  
**Combining Statement of Net Position**  
**Enterprise Funds**  
**June 30, 2013**

	<u>Enterprise Fund</u>		<u>Internal Service Fund</u>	<u>Totals</u>
	<u>Food Service Program</u>	<u>School Age Child Care</u>	<u>Building Maintenance</u>	
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	107,695		142,295	249,990
Accounts receivable:				
State	836			836
Federal	25,125			25,125
Inventories	3,139			3,139
Total current assets	<u>136,795</u>		<u>142,295</u>	<u>279,090</u>
Noncurrent assets:				
Capital assets:				
Equipment	106,674			106,674
Less accumulated depreciation	<u>(46,954)</u>			<u>(46,954)</u>
Total capital assets (net of accumulated depreciation)	<u>59,720</u>			<u>59,720</u>
Total assets	<u>196,515</u>		<u>142,295</u>	<u>338,810</u>
<b>LIABILITIES</b>				
Current liabilities:				
Cash deficit		16,801		16,801
Accounts payable				
Interfund payable		1,811		1,811
Total current liabilities		<u>18,612</u>		<u>18,612</u>
Total liabilities		<u>18,612</u>		<u>18,612</u>
<b>NET POSITION</b>				
Net investment in capital assets	59,720			59,720
Restricted contributed capital	32,055			32,055
Unrestricted	104,740	(18,612)	142,295	228,423
Total net position	<u>196,515</u>	<u>(18,612)</u>	<u>142,295</u>	<u>320,198</u>

**TOWN OF GUTTENBERG BOARD OF EDUCATION**  
**Combining Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Enterprise Funds**  
**For the Fiscal Year Ended June 30, 2013**

	Enterprise Funds		Internal Service Fund	Totals
	Food Service Program	School Age Child Care	Building Maintenance	
Operating revenues:				
Charges for services:				
Daily sales - reimbursable programs	48,867			48,867
Total operating revenues	48,867	-	-	48,867
Operating expenses:				
Cost of sales	209,573			209,573
Salaries	149,458			149,458
Supplies and materials	7,004			7,004
Cleaning, repair and maintenance	1,627			1,627
Utilities	16,625			16,625
Employee benefits	27,982			27,982
Purchased property services	14,127			14,127
Depreciation	3,428			3,428
Total Operating Expenses	429,824	-	-	429,824
Operating income (loss)	(380,957)	-	-	(380,957)
Nonoperating revenues (expenses):				
State sources:				
State school lunch program	6,977			6,977
Federal sources:				
National school lunch program	321,209			321,209
National school breakfast program	14,679			14,679
Food distribution program	31,150			31,150
Fresh Fruit and Vegetable Program	48,724			48,724
Interest and investment revenue (expense)			668	668
Total nonoperating revenues (expenses)	422,739	-	668	423,407
Income (loss) before contributions & transfers	41,782	-	668	42,450
Transfers in (out)				-
Change in net position	41,782	-	668	42,450
Total net position—beginning	154,733	(18,612)	141,627	277,748
Total net position—ending	196,515	(18,612)	142,295	320,198

**TOWN OF GUTTENBERG BOARD OF EDUCATION**  
**Combining Statement of Cash Flows**  
**Enterprise Funds**  
**For the Fiscal Year Ended June 30, 2013**

	Enterprise Funds		Internal Service Funds	Totals
	Food Service Program	School Age Child Care	Building Maintenance	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	48,867			48,867
Payments to Outside Food Service Management Company	(337,623)			(337,623)
Payments to employees	(36,417)			(36,417)
Payments for utilities	(16,625)			(16,625)
Payments for cleaning, repair and maintenance	(6,417)			(6,417)
Payments for supplies	(3,014)			(3,014)
Net cash provided by (used for) operating activities	<u>(351,229)</u>	<u>-</u>	<u>-</u>	<u>(351,229)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
State Sources	6,485			6,485
Federal Sources	375,975			375,975
Net cash provided by (used for) non-capital financing activities	<u>382,460</u>	<u>-</u>	<u>-</u>	<u>382,460</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Purchases of capital assets	(3,416)			(3,416)
Net cash provided by (used for) capital and related financing activities	<u>(3,416)</u>	<u>-</u>	<u>-</u>	<u>(3,416)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest and dividends			668	668
Net cash provided by (used for) investing activities	<u>-</u>	<u>-</u>	<u>668</u>	<u>668</u>
Net increase (decrease) in cash and cash equivalents	27,815	-	668	28,483
Balances—beginning of year	79,880	(16,801)	141,627	204,706
Balances—end of year	<u>107,695</u>	<u>(16,801)</u>	<u>142,295</u>	<u>233,189</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>				
Operating income (loss) provided by:	(380,957)	-	-	(380,957)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation and net amortization	3,428			3,428
Food Distribution Program	31,150			31,150
(Increase) decrease in inventories	(747)			(747)
Increase (decrease) in accounts payable	(4,103)			(4,103)
Total adjustments	<u>29,728</u>	<u>-</u>	<u>-</u>	<u>29,728</u>
Net cash provided by (used for) operating activities	<u>(351,229)</u>	<u>-</u>	<u>-</u>	<u>(351,229)</u>

THIS PAGE INTENTIONALLY LEFT BLANK

**FIDUCIARY FUND**

THIS PAGE INTENTIONALLY LEFT BLANK

**GUTTENBERG BOARD OF EDUCATION**  
**Combining Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2013**

	<u>Unemployment Compensation Trust Fund</u>	<u>Private Purpose Scholarship Fund</u>	<u>Agency Fund</u>
<b>ASSETS</b>			
Cash and cash equivalents	15,307	17,903	38,043
Interfund receivable			17,842
Deposits			7,688
Total assets	<u>15,307</u>	<u>17,903</u>	<u>63,573</u>
<b>LIABILITIES</b>			
Payable to student groups			8,829
Payroll deductions and withholdings			66,720
Flexible spending account			1,609
Net salaries and wages			(13,585)
Total liabilities			<u>63,573</u>
<b>NET POSITION</b>			
Held in trust for unemployment claims and other purposes	<u>15,307</u>		
Reserved for Scholarships		<u>17,903</u>	

**GUTTENBERG BOARD OF EDUCATION**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Fiscal Year Ended June 30, 2013**

	<u>Unemployment Compensation Trust Fund</u>	<u>Private Purpose Scholarship Fund</u>
<b>ADDITIONS</b>		
Contributions:		
Donations		
Total Contributions	-	-
<b>DEDUCTIONS</b>		
Scholarship payments		2,100
Total deductions	-	2,100
Change in net position	-	(2,100)
Net position—beginning of the year	15,307	20,003
Net position—end of the year	<u>15,307</u>	<u>17,903</u>

**GUTTENBERG BOARD OF EDUCATION**  
**Student Activity Agency Fund**  
**Schedule of Receipts and Disbursements**  
**for the Fiscal Year ended June 30, 2013**

	Balance July 1, 2012	Cash Receipts	Cash Disbursed	Balance June 30, 2013
Anna L. Klein School:				
Anna L. Klein School Funds	4,315	150	350	4,115
Anna L. Klein Student Activity	1,009	7,706	6,622	2,093
Graduating Class Fund	1,471	9,994	9,489	1,976
Student Council Account	864	1	250	615
Anna L. Klein Yearbook Account	122	3,885	3,977	30
	<u>7,781</u>	<u>21,736</u>	<u>20,688</u>	<u>8,829</u>

**GUTTENBERG BOARD OF EDUCATION  
Payroll Agency Fund  
Schedule of Receipts and Disbursements  
for the Fiscal Year ended June 30, 2013**

	Balance July 1, 2012	Cash Receipts	Cash Disbursed	Balance June 30, 2013
Net Payroll	(9,538)	4,490,026	4,494,073	(13,585)
Flexible Spending Account		6,640	5,031	1,609
Payroll Deductions and Withholdings	62,291	2,818,167	2,813,738	66,720
	<u>52,753</u>	<u>7,314,833</u>	<u>7,312,842</u>	<u>54,744</u>

**LONG-TERM DEBT**

THIS PAGE INTENTIONALLY LEFT BLANK

**TOWN OF GUTTENBERG BOARD OF EDUCATION**  
**General Long Term Debt Account Group**  
**Statement of Serial Bonds**  
**June 30, 2013**

ISSUE	Date of Issue	Amount of Issue	Annual Maturities Date	Annual Maturities Amount	Interest Rate	Balance July 1, 2012	Retired	Balance June 30, 2013
School Improvement Bonds, Repair to Boiler and Removal of Asbestos at the Anna L. Klein School	7/1/1994	3,399,000	7/1/13-14 7/1/2015	240,000 239,000	5.625%	919,000	200,000	719,000
						<u>919,000</u>	<u>200,000</u>	<u>719,000</u>

**TOWN OF GUTTENBERG BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**Debt Service Fund**  
**For the Fiscal Year Ended June 30, 2013**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	230,165		230,165	230,165	
State Sources:					
Debt Service Aid Type II	15,904		15,904	15,904	
Total - State Sources	15,904		15,904	15,904	
<b>Total Revenues</b>	<b>246,069</b>		<b>246,069</b>	<b>246,069</b>	
<b>EXPENDITURES:</b>					
Regular Debt Service:					
Interest	46,069		46,069	46,069	
Redemption of Principal	200,000		200,000	200,000	
Total Regular Debt Service	246,069		246,069	246,069	
<b>Total expenditures</b>	<b>246,069</b>		<b>246,069</b>	<b>246,069</b>	
Excess (Deficiency) of Revenues Over (Under) Expenditures					
Fund Balance, July 1	1		1	1	
Fund Balance, June 30	1		1	1	
<b>Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures</b>					
Budgeted Fund Balance					

**STATISTICAL SECTION**

THIS PAGE INTENTIONALLY LEFT BLANK

## STATISTICAL SECTION (UNAUDITED)

### Introduction to the Statistical Section

### Financial Trends

- J-1 Net Assets/Position by Component
- J-2 Changes in Net Assets/Position
- J-3 Fund Balances - Governmental Funds
- J-4 Changes in Fund Balances - Governmental Funds
- J-5 General Fund Other Local Revenue by Source

### Revenue Capacity

- J-6 Assessed Value and Estimated Actual Value of Taxable Property
- J-7 Direct and Overlapping Property Tax Rates
- J-8 Principal Property Taxpayers
- J-9 Property Tax Levies and Collections

### Debt Capacity

- J-10 Ratios of Outstanding Debt by Type
- J-11 Ratios of General Bonded Debt Outstanding
- J-12 Direct and Overlapping Governmental Activities Debt
- J-13 Legal Debt Margin Information

### Demographic and Economic Information

- J-14 Demographic and Economic Statistics
- J-15 Principal Employers

### Operating Information

- J-16 Full-time Equivalent District Employees by Function/Program
- J-17 Operating Statistics
- J-18 School Building Information\*
- J-19 Schedule of Allowable Maintenance Expenditures by School Facility
- J-20 Insurance Schedule

## STATISTICAL SECTION (UNAUDITED) - INTRODUCTION

### J SERIES

<u>Contents</u>	<u>Page</u>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the district's financial performance and well-being have changes over time.	<b>J-1 to J-5</b>
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the district's most significant local revenue sources, the property tax.	<b>J-6 to J-9</b>
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.	<b>J-10 to J-13</b>
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	<b>J-14 to J-15</b>
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	<b>J-16 to J-20</b>

**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year. The district implemented GASB Statement 34 in the fiscal year ending June 30, 2003; schedules presenting district-wide information include information beginning in that year.

**Guttenberg Board of Education**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
*Guttenberg Board of Education*

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Governmental activities</b>										
Net investment in capital assets	\$ 310,425	\$ 369,644	\$ 412,692	\$ 669,146	\$ 811,156	\$ 1,766,011	\$ 1,832,059	\$ 1,898,763	\$ 1,945,793	\$ 2,199,143
Restricted	171,212	209,977	1,243,578	2,067,515	2,647,751	2,032,942	366,442	685,195	1,864,012	2,764,389
Unrestricted	(380,355)	(691,986)	(897,173)	(872,488)	(650,857)	(1,209,549)	(1,265,856)	(1,169,914)	(1,049,890)	(1,052,562)
Total governmental activities net position	\$ 101,282	\$ (112,365)	\$ 759,097	\$ 1,864,173	\$ 2,808,050	\$ 2,589,404	\$ 932,645	\$ 1,414,044	\$ 2,759,915	\$ 3,910,970
<b>Business-type activities</b>										
Net investment in capital assets	32,055	8,788	18,259	15,150	13,793	48,541	45,418	47,171	59,732	59,720
Restricted		32,055	32,055	32,055	32,055	32,055	32,055	32,055	32,055	32,055
Unrestricted		297,123	96,898	123,246	149,915	182,632	178,068	106,241	44,334	86,128
Total business-type activities net position	\$ 32,055	\$ 337,966	\$ 147,212	\$ 170,451	\$ 195,763	\$ 263,228	\$ 255,541	\$ 185,467	\$ 136,121	\$ 177,903
<b>District-wide</b>										
Net investment in capital assets	\$ 310,425	\$ 378,432	\$ 430,951	\$ 684,296	\$ 824,949	\$ 1,814,552	\$ 1,877,477	\$ 1,945,934	\$ 2,005,525	\$ 2,258,863
Restricted	205,267	242,032	1,275,633	2,099,570	2,679,806	2,064,997	398,497	717,250	1,896,067	2,796,444
Unrestricted	(380,355)	(394,863)	(800,275)	(749,242)	(500,942)	(1,026,917)	(1,087,788)	(1,063,673)	(1,005,556)	(966,434)
Total district net position	\$ 133,337	\$ 225,601	\$ 906,309	\$ 2,034,624	\$ 3,003,813	\$ 2,852,632	\$ 1,188,186	\$ 1,599,511	\$ 2,896,036	\$ 4,088,873

Source: CAFR Schedule A-1

Note: GASB requires that ten years of statistical data be presented. However, since fiscal year 2003 was the first year of GASB 34 implementation, ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

Guttenberg Board of Education  
Changes in Net Position, Last Ten Fiscal Years

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Expenses</b>										
<b>Governmental activities</b>										
<b>Instruction</b>										
Regular	\$ 3,988,152	\$ 3,949,708	\$ 4,193,069	\$ 3,337,367	\$ 3,664,023	\$ 5,657,989	\$ 4,963,409	\$ 4,325,879	\$ 4,600,926	\$ 4,639,636
Special education	146,064	203,995	208,407	253,558	233,348	314,041	812,324	426,616	454,719	695,252
Other special education	232,931	231,755	234,861	239,112	319,123	346,089	959,974	511,494	1,074,001	905,956
Other instruction	60,748	35,101	900	-	-	-	-	14,403	90,344	47,221
<b>Support Services:</b>										
Tuition	3,380,717	3,854,474	3,334,832	4,511,287	4,343,405	4,157,153	4,953,575	5,657,035	4,601,239	4,498,710
Student & instruction related services	1,141,947	1,149,447	1,401,793	1,366,602	1,443,084	2,025,191	1,996,616	1,756,452	1,519,420	1,879,036
General administrative services	437,421	413,920	392,392	433,121	509,133	468,842	476,171	487,660	452,274	342,949
School administrative services	438,961	365,054	359,521	378,524	420,927	428,315	393,283	446,212	340,190	408,945
Central Services	-	253,896	239,808	255,022	306,517	293,891	276,933	282,501	324,412	365,375
Business administrative services	257,182	-	12,612	24,983	-	-	-	-	-	-
Administrative Information Technology	-	63,566	67,162	81,554	123,062	102,974	151,511	66,802	110,509	133,214
Plant operations and maintenance	710,138	411,264	444,423	625,195	721,227	701,187	741,515	541,852	747,347	816,015
Pupil transportation	344,574	422,072	362,164	314,737	303,173	319,188	365,479	356,367	243,864	197,769
Business and other support services	-	-	-	-	48,910	-	-	-	-	-
Unallocated Benefits	485,712	373,319	455,933	755,989	828,046	753,592	642,428	879,746	789,850	995,799
Special Schools	3,211	3,192	2,828	3,105	2,733	3,791	4,000	-	-	-
Charter Schools	36,017	1,962	-	37,079	-	-	-	-	-	-
Debt Service:										
Interest and other charges	206,333	124,818	114,694	104,568	94,444	84,318	74,195	62,944	51,871	40,444
Unallocated depreciation	134,390	120,781	116,461	104,746	96,063	121,763	148,131	157,242	160,970	158,990
Capital Outlay - nondepreciable	-	8,251	1,809	7,205	7,984	142,407	30,305	-	-	134,792
<b>Total governmental activities expenses</b>	<b>12,004,518</b>	<b>11,986,575</b>	<b>11,943,689</b>	<b>12,832,854</b>	<b>13,483,202</b>	<b>15,920,731</b>	<b>16,994,849</b>	<b>15,973,205</b>	<b>15,561,936</b>	<b>16,260,103</b>

Guttenberg Board of Education  
Changes in Net Position, Last Ten Fiscal Years

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Business-type activities:</b>										
Food service	187,400	427,322	455,909	213,181	241,264	290,486	374,780	439,701	467,576	429,824
Child Care	46,743	46,467	47,026	49,584	50,633	40,803	15,535	-	-	-
Total business-type activities expense	234,143	473,789	502,935	262,765	291,897	331,289	388,315	439,701	467,576	429,824
Total district expenses	\$ 12,238,661	\$ 12,460,364	\$ 12,446,624	\$ 13,095,619	\$ 13,777,099	\$ 15,252,020	\$ 17,383,164	\$ 16,412,906	\$ 16,029,512	\$ 16,689,927
<b>Program Revenues</b>										
<b>Governmental activities:</b>										
Charges for services:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Instruction (tuition)	72,271	67,261	60,042	9,036	543	-	-	-	-	-
Plant operations and maintenance	2,292,827	2,142,826	2,238,361	2,185,420	2,149,863	1,904,460	1,759,823	1,913,398	1,395,186	1,362,151
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions	2,365,098	2,210,087	2,298,403	2,194,456	2,150,406	1,904,460	1,759,823	1,913,398	1,395,186	1,362,151
Total governmental activities program revenues	\$ 2,738,196	\$ 2,417,174	\$ 2,596,806	\$ 2,383,912	\$ 2,300,752	\$ 1,904,460	\$ 1,759,823	\$ 1,913,398	\$ 1,395,186	\$ 1,362,151
<b>Business-type activities:</b>										
Charges for services:										
Food service	30,372	33,789	27,475	29,834	24,153	29,539	39,492	27,499	54,767	48,867
Child care	45,843	52,257	46,817	36,290	38,759	27,700	9,235	-	-	-
Operating grants and contributions	217,412	216,745	226,186	219,880	250,091	341,515	331,901	342,128	363,463	422,739
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business type activities program revenues	\$ 293,627	\$ 302,791	\$ 300,478	\$ 286,004	\$ 313,003	\$ 398,754	\$ 380,628	\$ 369,627	\$ 418,230	\$ 471,606
Total district program revenues	\$ 2,658,725	\$ 2,512,378	\$ 2,598,881	\$ 2,480,460	\$ 2,463,409	\$ 2,303,214	\$ 2,140,451	\$ 2,283,025	\$ 1,813,416	\$ 1,833,757
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (9,639,420)	\$ (9,776,488)	\$ (9,645,286)	\$ (10,638,398)	\$ (11,334,796)	\$ (14,016,271)	\$ (15,235,026)	\$ (14,059,807)	\$ (14,166,750)	\$ (14,897,952)
Business-type activities	59,484	(171,498)	(202,457)	23,239	21,106	67,465	(7,687)	(70,074)	(49,346)	41,782
Total district-wide net expense	\$ (9,579,936)	\$ (9,947,986)	\$ (9,847,743)	\$ (10,615,159)	\$ (11,313,690)	\$ (13,948,806)	\$ (15,242,713)	\$ (14,129,881)	\$ (14,216,096)	\$ (14,856,170)
<b>General Revenues and Other Changes in Net Position.</b>										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 6,083,639	\$ 6,428,245	\$ 7,320,154	\$ 8,191,499	\$ 8,519,159	\$ 8,519,159	\$ 8,702,159	\$ 9,351,794	\$ 9,930,572	\$ 10,254,523
Taxes levied for debt service	257,676	286,318	276,963	267,607	258,252	248,899	239,544	251,211	240,688	230,165
Unrestricted grants and contributions	2,530,788	2,803,914	2,878,017	3,151,124	3,361,901	4,939,293	4,616,634	4,914,341	5,224,401	5,628,388
Investment earnings	46	86	4,360	6,765	4,022	2,268	232	29	-	-
Miscellaneous income	40,472	44,278	57,745	126,479	135,339	88,006	19,698	23,831	116,960	36,402
Other Financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Total governmental activities	\$ 8,912,621	\$ 9,562,841	\$ 10,537,239	\$ 11,743,474	\$ 12,278,673	\$ 13,797,625	\$ 13,578,267	\$ 14,541,206	\$ 15,512,621	\$ 16,049,007

Guttenberg Board of Education  
Changes in Net Position, Last Ten Fiscal Years

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Business-type activities:</b>										
Miscellaneous Income	-	-	-	-	4,206	-	-	-	-	-
<b>Total business-type activities</b>	<b>\$ 8,912,621</b>	<b>\$ 9,562,841</b>	<b>\$ 10,537,239</b>	<b>\$ 11,743,474</b>	<b>\$ 12,282,879</b>	<b>\$ 13,797,625</b>	<b>\$ 13,578,267</b>	<b>\$ 14,541,206</b>	<b>\$ 15,512,621</b>	<b>\$ 16,049,007</b>
<b>Total district-wide</b>										
<b>Change in Net Position</b>										
Governmental activities	\$ (726,799)	\$ (213,647)	\$ 891,953	\$ 1,105,076	\$ 943,877	\$ (218,646)	\$ (1,656,739)	\$ 481,399	\$ 1,345,871	\$ 1,151,055
Business-type activities	59,484	(171,498)	(202,457)	23,239	23,312	67,465	(7,687)	(70,074)	(49,346)	41,782
<b>Total district</b>	<b>\$ (667,315)</b>	<b>\$ (385,145)</b>	<b>\$ 689,496</b>	<b>\$ 1,128,315</b>	<b>\$ 969,189</b>	<b>\$ (151,181)</b>	<b>\$ (1,664,446)</b>	<b>\$ 411,325</b>	<b>\$ 1,296,525</b>	<b>\$ 1,192,837</b>

Source: CAFR Schedule A-2

Note: GASB requires that ten years of statistical data be presented. However, since fiscal year 2003 was the first year of GASB 34 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

Guttenberg Board of Education  
Fund Balances, Governmental Funds,  
Last Ten Fiscal Years

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Fund										
Reserved	\$ 110,085	\$ 105,683	\$ 1,092,072	\$ 1,919,325	\$ 2,647,751	\$ 1,937,973	\$ 224,666			
Unreserved										
Restricted	706,674	363,854	143,365	179,615	205,499	(115,896)	(151,653)	360,985	1,450,393	2,567,075
Committed								20,353	334,701	55,018
Assigned										
Unassigned								10,210	(71,539)	(133,496)
Total general fund	\$ 816,759	\$ 469,537	\$ 1,235,437	\$ 2,098,940	\$ 2,853,250	\$ 1,822,077	\$ 73,013	\$ 553,600	\$ 1,713,555	\$ 2,488,597
All Other Governmental Funds										
Reserved										
Unreserved, reported in:										
Special revenue fund	(1,998)		(2,342)					(4,404)	(834)	
Capital projects fund										
Debt service fund	2	2	2	1			1	1	1	1
Permanent fund										
Total all other governmental funds	\$ (1,996)	\$ 2	\$ (2,340)	\$ 1	\$ -	\$ -	\$ 1	\$ (4,403)	\$ (833)	\$ 1

Source: CAFR Schedule B-1

Note: GASB requires that ten years of statistical data be presented. However, since fiscal year 2003 was the first year of CASE 34 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

Guttenberg Board of Education  
Changes in Fund Balances, Governmental Funds,  
Last Ten Fiscal Years

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Revenues</b>										
Tax levy	\$ 6,341,315	\$ 6,714,563	\$ 7,597,117	\$ 8,459,106	\$ 8,777,411	\$ 8,768,058	\$ 8,941,703	\$ 9,603,005	\$ 10,171,260	\$ 10,484,688
Interest earnings	5,750	10,255								
Miscellaneous	34,722	34,023	57,745	126,479	135,339	89,671	19,698	23,831	116,960	35,734
State sources	3,761,708	3,928,123	4,065,477	4,334,335	4,786,899	5,370,519	4,136,944	5,118,772	5,348,167	5,757,126
Federal sources	1,061,907	1,018,617	1,050,901	1,002,209	724,865	1,473,234	2,239,513	1,708,967	1,418,881	1,233,413
Total revenue	11,205,402	11,705,581	12,771,240	13,922,129	14,424,514	15,701,482	15,337,858	16,454,575	17,055,268	17,510,961
<b>Expenditures</b>										
Instruction										
Regular Instruction	4,009,191	3,970,747	4,213,458	3,337,367	3,705,254	5,657,989	4,963,409	4,325,879	4,600,926	4,659,724
Special education instruction	146,064	203,995	208,407	253,558	253,348	314,041	812,324	426,616	454,719	695,252
Other special instruction	232,931	231,755	234,861	239,112	319,123	346,089	959,974	511,494	1,074,001	905,956
Other instruction	60,748	35,101	900					14,403	90,344	47,221
Support Services:										
Tuition	3,380,717	3,854,474	3,334,832	4,511,287	4,343,405	4,157,153	4,955,575	5,657,035	4,601,239	4,498,710
Health Services										
Student & instruction related services	1,145,232	1,149,447	1,401,793	1,366,602	1,443,084	2,025,191	1,999,616	1,756,452	1,519,420	1,879,036
General administrative services	438,564	413,920	392,392	433,121	509,133	468,842	476,171	487,660	340,190	342,949
School Administrative services	438,961	365,054	359,521	378,524	420,937	428,315	393,283	446,212	452,274	408,945
Business and other support services	260,182		12,612	24,083	48,910	20,389				
Central administrative services		253,896	239,808	255,022	306,517	293,891	276,933	282,501	324,412	365,375
Administrative Information Technology		63,566	67,162	81,554	123,062	102,974	151,511	66,802	110,509	133,214
Plant operations and maintenance	656,613	387,084	427,233	606,079	717,927	692,799	741,389	541,852	747,347	816,015
Pupil transportation	344,574	422,072	362,164	314,737	303,173	319,188	365,479	356,367	243,864	197,769
Unallocated employee benefits								160,278	118,261	98,802
Allocated Benefits										
On-behalf contributions	357,445	376,408	448,146	737,019	828,046	593,597	663,516	652,326	819,021	992,445
Special Schools	3,211	3,192	2,828	3,105	2,733	3,791	4,060			
Charter Schools	36,017	1,962		37,079						
Capital outlay	5,011	8,251	1,809	188,405	66,057	1,039,025	64,484	23,946	137,897	347,132
Debt service:										
Principal	140,000	180,000	180,000	180,000	180,000	180,000	180,000	200,000	200,000	200,000
Interest and other charges	138,881	129,881	119,756	109,631	99,506	89,381	79,257	68,569	57,319	46,069
Total expenditures	11,794,342	12,030,805	12,007,682	13,056,285	13,670,205	16,732,655	17,086,921	15,978,392	15,891,743	16,634,614
Excess (Deficiency) of revenues over (under) expenditures	(588,940)	(345,224)	763,558	865,844	754,309	(1,031,173)	(1,749,063)	476,183	1,163,525	876,347

**Guttenberg Board of Education  
Changes in Fund Balances, Governmental Funds,  
Last Ten Fiscal Years**

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Guttenberg Board of Education</b>										
<b>Other Financing sources (uses)</b>										(100,471)
Repayment of NCLB grant monies										(100,471)
<b>Total other financing sources (uses)</b>										
<b>Net change in fund balances</b>	\$ (588,940)	\$ (345,224)	\$ 763,558	\$ 865,844	\$ 754,309	\$ (1,031,173)	\$ (1,749,063)	\$ 476,183	\$ 1,163,525	\$ 775,876
<b>Debt service as a percentage of noncapital expenditures</b>	2.4%	2.6%	2.5%	2.3%	2.1%	1.7%	1.5%	1.7%	1.6%	1.5%

NOTE: Capital Projects Fund is not included as these expenditures vary substantially from year to year. The financial data presented would not be as meaningful for comparative purposes if these were included.

Source: CAFR Schedule B-2

**Guttenberg Board of Education  
General Fund Other Local Revenue by Source  
Last Ten Fiscal Years  
Guttenberg Board of Education**

Fiscal Year Ended June 30,	Interest on Investments	Tuition Refunds	Insurance Dividends	Refunds	Reimbursement	P/Y Payables		Misc.	Total
						Cancelled/ Void Checks			
2004	5,750	9,112	1,946		21,079			2,585	40,472
2005	10,255	9,216		6,418	483		13,089	4,817	44,278
2006	37,989	7,095					2,484	10,177	57,745
2007	57,484	21,516	13,966	7,681	4,167			21,665	126,479
2008	80,299				11,414		33,328	10,298	135,339
2009	1,665						60,555	27,451	89,671
2010		11,252						8,446	19,698
2011				7,908	6,712			9,211	23,831
2012	3,494			8,976				104,490	116,960
2013	2,526			9,723				23,485	35,734

Source: District Records

**Guttenberg Board of Education**  
**Assessed Value and Actual Value of Taxable Property**  
**Last Ten Fiscal Years**

Guttenberg Board of Education

Year Ended Dec. 31,	Assessed Value					Less: Tax-Exempt Property	Public Utilities <sup>a</sup>	Net Valuation Taxable	Total Direct School Tax Rate <sup>b</sup>	Estimated Actual (County Equalized Value)	Assessed to Full Cash Valuation
	Vacant Land	Residential	Qfarm	Commercial	Industrial						
2001	\$ 3,257,300	\$ 285,056,200		\$ 59,877,600	\$ 17,494,400	\$ 22,177,000	\$ 301,841	\$ 378,651,141	1.450	\$ 561,984,293	67.38%
2002	\$ 1,313,700	\$ 311,418,900		\$ 59,554,400	\$ 16,892,500	\$ 22,177,000	\$ 278,207	\$ 401,999,507	1.560	\$ 649,262,537	61.92%
2003	\$ 1,638,700	\$ 312,420,100		\$ 59,490,600	\$ 16,428,000	\$ 22,437,000	\$ 266,650	\$ 402,265,850	1.600	\$ 716,204,673	56.17%
2004	\$ 1,610,100	\$ 314,446,100		\$ 59,503,600	\$ 15,750,500	\$ 22,437,000	\$ 231,803	\$ 403,813,503	1.620	\$ 767,351,552	52.62%
2005	\$ 1,703,600	\$ 316,786,500		\$ 59,048,100	\$ 15,033,500	\$ 22,064,900	\$ 204,584	\$ 405,269,784	1.760	\$ 869,256,719	46.62%
2006	\$ 1,908,100	\$ 317,730,700		\$ 59,357,100	\$ 13,844,800	\$ 22,069,900	\$ 165,175	\$ 405,683,675	1.980	\$ 1,061,731,929	38.21%
2007	\$ 3,218,800	\$ 319,510,000		\$ 37,033,600	\$ 13,082,300	\$ 22,430,100	\$ 135,014	\$ 385,297,314	2.114	\$ 1,149,766,996	33.51%
2008	\$ 3,772,700	\$ 315,777,100		\$ 35,359,800	\$ 12,337,300	\$ 22,088,400	\$ 129,833	\$ 379,956,033	2.142	\$ 1,148,280,253	33.09%
2009	\$ 3,607,400	\$ 316,015,400		\$ 35,711,800	\$ 11,886,500	\$ 22,343,400	\$ 134,945	\$ 379,630,345	2.307	\$ 1,122,174,533	33.83%
2010	\$ 3,607,400	\$ 316,015,400		\$ 35,711,800	\$ 11,886,500	\$ 22,343,400	\$ 134,945	\$ 379,630,345	2.307	\$ 1,015,905,420	37.37%
2011*	\$ 1,448,600	\$ 604,155,600		\$ 82,134,100	\$ 24,697,500	\$ 50,671,500	\$ 678,118	\$ 751,424,418	1.233	\$ 933,101,387	80.53%
2012	\$ 1,828,600	\$ 604,283,300		\$ 82,503,700	\$ 24,010,300	\$ 50,856,600	\$ 282,432	\$ 749,523,068	1.289	\$ 901,534,092	83.14%
2013	\$ 2,023,700	\$ 601,790,100		\$ 81,764,300	\$ 21,413,100	\$ 51,089,100	\$ 466,808	\$ 746,986,492	1.307	\$ 876,260,572	85.25%

Source: Municipal Tax Assessor

NOTE: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.

\* - Revaluation conducted

Reassessment occurs when ordered by the County Board of Taxation

a Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

b Tax rates are per \$100

**Guttenberg Board of Education**  
**Direct and Overlapping Property Tax Rates**  
**Last Ten Fiscal Years**  
*Guttenberg Board of Education*

Fiscal Year Ended June 30,	Guttenberg Board of Education General			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	Obligation Debt Service <sup>b</sup>		Town of Guttenberg	Hudson County	REAP Deduction	
		Total Direct					
2004	1.578	0.042	1.620	1.830	1.080	(0.250)	4.280
2005	1.721	0.039	1.760	1.920	0.990	(0.250)	4.420
2006	1.946	0.034	1.980	2.120	1.000	(0.250)	4.850
2007	1.949	0.032	1.981	2.124	0.996	(0.250)	4.851
2008	2.049	0.065	2.114	2.197	1.083	(0.183)	5.211
2009	2.078	0.064	2.142	2.570	1.088	(0.133)	5.667
2010	2.245	0.062	2.307	2.703	1.142	0.000	6.152
2011	1.193	0.040	1.233	1.524	0.522	0.000	3.279
2012	1.260	0.029	1.289	1.553	0.606	0.000	3.448
2013	1.285	0.022	1.307	1.561	0.615	0.000	3.483

Source: District Records and Municipal Tax Collector

**Note:** NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy. The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculation

**a** The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net valuation taxable.

**b** Rates for debt service are based on each year's requirements.

**Guttenberg Board of Education  
Principal Property Taxpayers  
Current Year and Nine Years Ago**

Taxpayer	2013			2004		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Summit House	\$ 25,400,000	1	3.39%	\$ 10,968,000	1	2.73%
Palisades Operations LLC	5,445,800	2	0.73%	2,866,200	3	0.71%
422-30 68th Street	4,840,000	3	0.65%			
6803 Boulevard East LLC	4,068,900	4	0.54%	1,818,800	4	0.45%
AM 68th Street, LLC	2,690,500	5	0.36%			
Guttenberg Savings and Loan	2,177,000	6	0.29%	1,087,500	5	0.27%
6909 Blvd E. Inc.	2,138,600	7	0.29%	979,100	6	0.24%
63-67 69th St. Assoc. LLC	1,884,500	8	0.25%	850,000	8	0.21%
Lagattuta Partners, L.P.	1,614,400	9	0.22%	752,000	9	0.19%
7000 Corp, NJ Corporation	1,543,200	10	0.21%			
The Mall at the Galaxy				6,250,000	2	1.55%
Transcl Gas Pipe Line Corp				733,100	10	0.18%
J and N Kinkella				863,400	7	0.21%
<b>Total</b>	<b>\$ 53,362,900</b>		<b>7.12%</b>	<b>\$ 27,168,100</b>		<b>6.75%</b>

Net Assessed Valuation: 749,523,068

402,265,850

Source: Municipal Tax Assessor.

**Guttenberg Board of Education  
Property Tax Levies and Collections  
Last Ten Fiscal Years**

Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2004	\$6,341,315	\$ 6,341,315	100.00%	
2005	\$6,714,563	\$ 6,714,563	100.00%	
2006	\$7,597,117	\$ 7,597,117	100.00%	
2007	\$8,459,106	\$ 8,459,106	100.00%	
2008	\$8,777,411	\$ 8,777,411	100.00%	
2009	\$8,768,058	\$ 8,768,058	100.00%	
2010	\$9,272,354	\$ 9,190,207	99.11%	\$ 82,147
2011	\$9,603,005	\$ 9,566,608	99.62%	\$ 36,397
2012	\$10,171,259	\$ 10,171,259	100.00%	
2013	\$10,484,688	\$ 10,484,688	100.00%	

Source: Municipal Tax Collector

**Guttenberg Board of Education  
Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years**

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Total District	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds <sup>b</sup>	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Income <sup>a</sup>			
2004	2,735,624	-	-	-	2,735,624	0.80%	87	
2005	2,534,585	-	-	-	2,534,585	0.72%	78	
2006	2,334,196	-	-	-	2,334,196	0.64%	68	
2007	2,133,807	-	-	-	2,133,807	0.55%	58	
2008	1,933,418	-	-	-	1,933,418	0.47%	49	
2009	1,733,029	-	-	-	1,733,029	0.38%	40	
2010	1,553,029	-	-	-	1,553,029	0.32%	36	
2011	1,312,251	-	-	-	1,312,251	0.26%	29	
2012	1,091,862	-	-	-	1,091,862	0.20%	23	
2013	871,774	-	-	-	871,774	Not Available	Not Available	

Source: District CAFR Schedules I-1, I-2

**Note:** Details regarding the district's outstanding debt can be found in the notes to the financial statements.

**a** See Exhibit NJ J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

**b** Includes Early Retirement Incentive Plan (ERIP) refunding

Exhibit J-11

Guttenberg Board of Education  
 Ratios of Net General Bonded Debt Outstanding  
 Last Ten Fiscal Years

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2004	2,429,000	-	\$ 2,429,000	0.60%	87
2005	2,239,000	-	\$ 2,239,000	0.55%	78
2006	2,039,000	-	\$ 2,039,000	0.50%	68
2007	1,859,000	-	\$ 1,859,000	0.48%	58
2008	1,679,000	-	\$ 1,679,000	0.44%	49
2009	1,499,000	-	\$ 1,499,000	0.39%	40
2010	1,319,000	-	\$ 1,319,000	0.35%	36
2011	1,119,000	-	\$ 1,119,000	0.15%	29
2012	919,000	-	\$ 919,000	0.12%	23
2013	719,000	-	\$ 719,000	0.10%	Not Available

**Note:** Details regarding the district's outstanding debt can be found in the notes to the financial statements.

**a** See Exhibit J-6 for property tax data.

**b** Population data can be found in Exhibit J-13.

**Guttenberg Board of Education  
Ratios of Overlapping Governmental Activities Debt  
As of June 30, 2013**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Share of Overlapping Debt</u>
<b>Direct Debt of School District as of June 30, 2013</b>	\$	719,000
<b>Net overlapping debt of School District:</b>		
Guttenberg Town	\$ 23,101,055	
County of Hudson (3.630% of net debt)	\$ 18,115,620	
<b>Subtotal, overlapping debt</b>	<u>\$ 41,216,675</u>	
<b>Total direct and overlapping debt</b>	<u>\$ 41,935,675</u>	

**Sources:** Town of Guttenberg Administrator / Hudson County Treasurer's Office

**Note:** Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Guttenberg. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the district's boundaries and dividing it by each unit's total taxable value.

Guttenberg Board of Education  
 Legal Debt Margin Information  
 Last Ten Fiscal Years

Legal Debt Margin Calculation for Fiscal Year 2013

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Debt limit	\$ 19,266,048	\$ 21,322,739	\$ 23,528,129	\$ 23,523,175	\$ 30,803,859	\$ 33,596,140	\$ 34,202,218	\$ 30,709,115	\$ 28,504,060	\$ 27,108,961
Total net debt applicable to limit	2,399,000	2,219,000	2,039,000	1,859,000	1,679,000	1,499,000	1,319,000	1,119,000	919,000	719,000
Legal debt margin	\$ 16,867,048	\$ 19,103,739	\$ 21,489,129	\$ 21,664,175	\$ 29,124,859	\$ 32,097,140	\$ 32,883,218	\$ 29,590,115	\$ 27,585,060	\$ 26,389,961
Total net debt applicable to the limit as a percentage of debt limit	12.45%	10.41%	8.67%	7.90%	5.45%	4.46%	3.86%	3.64%	3.22%	2.65%

Equalized valuation basis	
2013	\$ 876,260,572
2012	\$ 901,534,092
2011	\$ 933,101,387
[A]	\$ 2,710,896,051
[A/3]	\$ 903,632,017
[B]	27,108,961 a
[C]	719,000
[B-C]	\$ 26,389,961

Average equalized valuation of taxable property [A/3] \$ 903,632,017  
 Debt limit (3 % of average equalization value) [B] 27,108,961 a  
 Net bonded school debt [C] 719,000  
 Legal debt margin [B-C] \$ 26,389,961

Source: Abstract of Rates and District Records CAFR Schedule J-7

a Limit set by NJSIA 18A:24-19 for a K through 12 district; other % limits would be applicable for other districts

**Guttenberg Board of Education  
Demographic and Economic Statistics  
Last Ten Fiscal Years**

Year	Population <sup>a</sup>	Personal Income (thousands of dollars)	Per Capita Personal Income <sup>c</sup>	Unemployment Rate <sup>d</sup>
2004	10,889	340,836,589	31,301	3.10%
2005	10,750	349,665,250	32,527	4.20%
2006	10,551	363,081,012	34,412	4.60%
2007	10,440	386,029,440	36,976	4.00%
2008	10,464	412,773,408	39,447	5.40%
2009	10,600	454,570,400	42,884	9.70%
2010	11,189	479,157,736	42,824	9.90%
2011	11,299	507,618,874	44,926	10.10%
2012	11,356	538,013,212	47,377	10.50%
2013	Not Available	Not Available	Not Available	Not Available

**Source:**

<sup>a</sup> Population information provided by the NJ Dept of Labor and Workforce Development

<sup>b</sup> Personal income - Hudson County - provided by NJ Dept of Labor and Workforce Development

<sup>c</sup> Per Capita Personal Income - Hudson County - provided by NJ Dept of Labor and Workforce Development

<sup>d</sup> Unemployment data provided by the NJ Dept of Labor and Workforce Development

Exhibit J-15

Guttenberg Board of Education  
Principal Employers  
Current Year and Nine Years Ago

Employer	2013		2004		Percentage of Total Employment	Rank (Optional)	Percentage of Total Employment
	Employees	Percentage of Total Employment	Employees	Rank (Optional)			
	-	0.00%	-				0.00%

THE NEW JERSEY DEPARTMENT OF LABOR AND AREA EMPLOYERS REFUSED TO  
RELEASE INFORMATION NEEDED TO COMPLETE THIS SCHEDULE DUE TO  
PRIVACY CONCERNS.

Source: Town of Guttenberg

Guttenberg Board of Education  
 Full-time Equivalent District Employees by Function/Program,  
 Last Ten Fiscal Years

Function/Program	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Instruction										
Regular	28.0	34.0	34.0	34.0	35.0	35.0	53.0	*	*	59.0
Special education	7.0	8.0	8.0	8.0	8.0	8.0	10.0	*	*	10.0
Other special education										
Vocational										
Other instruction	5.0	2.0	2.0	2.0	2.0	6.0	9.0	*	*	10.0
Nonpublic school programs										
Adult/continuing education programs										
Support Services:										
Tuition										
Student & instruction related services	6.5	6.5	6.5	6.5	7.0	8.5	12.0	*	*	17.0
General administrative services	2.0	2.0	1.5	1.5	2.0	2.0	3.0	*	*	3.0
School administrative services	4.0	4.0	3.5	3.5	4.0	3.5	4.0	*	*	4.0
Business administrative services	3.0	3.0	3.0	3.0	3.0	3.0	5.0	*	*	3.0
Plant operations and maintenance	5.0	5.0	5.0	5.0	6.0	6.0	6.0	*	*	6.0
Pupil transportation										
Special Schools										
Food Service										
Child Care										
<b>Total</b>	<b>60.5</b>	<b>64.5</b>	<b>63.5</b>	<b>63.5</b>	<b>67.0</b>	<b>72.0</b>	<b>102.0</b>	<b>0.0</b>	<b>0.0</b>	<b>112.0</b>

\* Information Not Provided by District

Source: District Personnel Records

Guttenberg Board of Education  
Operating Statistics  
Last Ten Fiscal Years

Pupil/Teacher Ratio

Fiscal Year	Pupil/Teacher Ratio											
	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Teaching Staff <sup>b</sup>	Elementary	Middle School	High School	Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
2004	950.0	11,510,450	12,116	2.78%	76	1:13			972	923	7.52%	94.96%
2005	937.0	11,732,673	12,522	3.34%	76	1:10			937	877	-3.60%	93.60%
2006	927.0	11,706,117	12,628	0.85%	76	1:10			924	870	-1.39%	94.16%
2007	942.0	12,578,249	13,353	5.74%	76	1:10			937	891	1.41%	95.09%
2008	959.0	13,333,215	13,903	4.12%	73	1:13			955	910	1.92%	95.29%
2009	909.0	15,424,249	16,968	22.05%	73	1:12			984	925	3.04%	94.00%
2010	980.0	16,763,180	17,105	0.81%	75	1:13			1022.5	965.5	3.91%	94.43%
2011	1,022.0	15,685,877	15,348	-10.27%	*	*			*	*	*	*
2012	1,031.0	15,496,527	15,031	-2.07%	*	*			*	*	*	*
2013	1,010.0	16,041,413	15,883	5.67%	*	*			*	*	*	*

Sources: District records, ASSA and Schedules J-12, J-14

\* - Information not provided by District

- a Operating expenditures equal total general fund and special revenue fund expenditures less debt service and capital outlay; Schedule J-4
- b Teaching staff includes only full-time equivalents of certificated staff
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

Guttenberg Board of Education  
 School Building Information  
 Last Ten Fiscal Years

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<u>District Buildings</u>										
<u>Elementary</u>										
Anna L. Klein School	86,087	86,087	86,087	86,087	86,087	90,087	90,487	90,487	90,487	90,487
Square Feet	772	772	772	772	772	872	872	872	872	872
Capacity (students)	937	927	942	942	959	945	982	1,022	1,031	1,010
Enrollment										

Number of Schools at June 30, 2013  
 Elementary = 1

Source: District records, ASSA

Note: Enrollment is based on students' enrolled within the District -- out of district students have not been included

Guttenberg Board of Education  
 General Fund  
 Last Ten Fiscal Years  
 Unaudited

UNDISTRIBUTED EXPENDITURES - REQUIRED MAINTENANCE FOR SCHOOL FACILITIES  
 11-000-261-XXX

School Facilities	Project # (\$)	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Anna L. Klein School	N/A	137,270	217,797	104,122	133,114	140,003	156,886	136,310	95,016	66,784	150,629
Total School Facilities		137,270	217,797	104,122	133,114	140,003	156,886	136,310	95,016	66,784	150,629
Other Facilities											
Grand Total		\$ 137,270	\$ 217,797	\$ 104,122	\$ 133,114	\$ 140,003	\$ 156,886	\$ 136,310	\$ 95,016	\$ 66,784	\$ 150,629

Note: GASB requires that ten years of statistical data be presented. However, since fiscal year 2003 was the first year of GASB 34 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

**Guttenberg Board of Education  
Insurance Schedule  
June 30, 2013**

Type of Coverage	Coverage	Deductible
School Package Policy (1)		
Building and Contents (All Locations)	250,000,000	\$ 1,000
General Liability	5,000,000	
Automobile Liability	5,000,000	1,000
School Board Legal Liability	5,000,000	5,000
Employers Liability	5,000,000	
Workers' Compensation	5,000,000	
National Union Fire Insurance Co. of Pittsburgh, PA (1)		
Employee Theft	500,000	1,000
ACE Scholastic Advantage (1)		
Educators Legal Liability Policy	5,000,000	
Pollution Liability Insurance Policy	1,000,000	
Student Accident Insurance (2)	1,000,000	
Surety Bonds (3)		
Board Secretary/Business Administrator	250,000	N/A
Interim Superintendent	100,000	N/A

(1) School Alliance Insurance Fund

(2) Bollinger

(3) Western Surety Company

THIS PAGE INTENTIONALLY LEFT BLANK

**SINGLE AUDIT SECTION**

THIS PAGE INTENTIONALLY LEFT BLANK

# Ferraioli, Wielkocz, Cerullo & Cuva, P.A.

Charles J. Ferraioli, Jr., MBA, CPA, RMA  
Steven D. Wielkocz, CPA, RMA  
James J. Cerullo, CPA, RMA  
Paul J. Cuva, CPA, RMA  
Thomas M. Ferry, CPA, RMA

Certified Public Accountants  
401 Wanaque Avenue  
Pompton Lakes, New Jersey 07442  
973-835-7900  
Fax 973-835-6631

Newton Office  
100B Main Street  
Newton, N.J. 07860  
973-579-3212  
Fax 973-579-7128

K-1

Page 1 of 2

## INDEPENDENT AUDITOR'S 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 Education  
Town of Guttenberg School District  
County of Hudson, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities and each major fund and the aggregate remaining fund information of the Board of Education of the Town of Guttenberg School District, in the County of Hudson, New Jersey, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 29, 2013.

### *Internal Control Over Financial Reporting*

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

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



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

***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Town of Guttenberg 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 no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards or the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

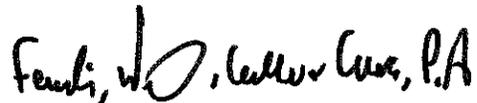
We noted certain matters that were required to be reported to the Board of Education of the Town of Guttenberg School District in the separate Auditors' Management Report on Administrative Findings - Financial, Compliance and Performance dated November 29, 2013.

***Purpose of this Report***

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



Steven D. Wielkocz, C.P.A.  
Licensed Public School Accountant  
No. 816



FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.  
Certified Public Accountants  
Pompton Lakes, New Jersey

November 29, 2013



# Ferraioli, Wielkottz, Cerullo & Cuva, P.A.

Charles J. Ferraioli, Jr., MBA, CPA, RMA  
Steven D. Wielkottz, CPA, RMA  
James J. Cerullo, CPA, RMA  
Paul J. Cuva, CPA, RMA  
Thomas M. Ferry, CPA, RMA

Certified Public Accountants  
401 Wanaque Avenue  
Pompton Lakes, New Jersey 07442  
973-835-7900  
Fax 973-835-6631

Newton Office  
100B Main Street  
Newton, N.J. 07860  
973-579-3212  
Fax 973-579-7128

K-2

Page 1 of 4

## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND N.J. OMB CIRCULAR 04-04

Honorable President and  
Members of the Board of Education  
Town of Guttenberg School District  
County of Hudson, New Jersey

### **Report on Compliance for Each Major Federal and State Program**

We have audited the Board of Education of the Town of Guttenberg School District in the County of Hudson, New Jersey, compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplements* and the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Town of Guttenberg Board of Education's major federal and state programs for the year ended June 30, 2013. The Town of Guttenberg Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### **Management's Responsibility**

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

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the Town of Guttenberg Board of Education's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards, OMB Circular A-133 and N.J. OMB Circular 04-04 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 and state program occurred. An audit includes examining, on a test basis, evidence about the Town of Guttenberg Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

***Basis for Qualified Opinion on Title I, Part A Federal Grant***

As described in the accompanying schedule of findings and questioned costs, the Town of Guttenberg Board of Education did not comply with requirements of the Title I grant compliance supplement as described in finding numbers 2013-2 through 2013-6 for Allowable Costs/Cost Principles, Reporting and Special Tests and Provisions. Compliance with such requirements is necessary, in our opinion, for the Town of Guttenberg Board of Education to comply with the requirements applicable to that program.

***Qualified Opinion on Title I, Part A Federal Grant***

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, the Town of Guttenberg Board of Education complied, in all material respects with the types of compliance requirements referred to above that could have a direct and material effect on the Title I program for the year end June 30, 2013.

***Basis for Qualified Opinion on State Aid Public Cluster***

As described in the accompanying schedule of findings and questioned costs, the Town of Guttenberg Board of Education did not comply with requirements of the State Aid Public Cluster 495-034-5120-078, 089, and 084 as described in finding numbers 2013-7 through 2013-11 Special Tests and Provisions and Procurement. Compliance with such requirements is necessary, in our opinion, for the Town of Guttenberg Board of Education to comply with the requirements applicable to that program.

***Qualified Opinion on State Aid Public Cluster***

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, the Town of Guttenberg Board of Education complied, in all material respects with the types of compliance requirements referred to above that could have a direct and material effect on the State Aid Public Cluster for the year end June 30, 2013.

***Unmodified Opinion on Each of the Other Major Federal and State Program***

In our opinion, the Town of Guttenberg Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal and state programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2013.

**Report on Internal Control Over Compliance**

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

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

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

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

**District's Responses to Findings**

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

**Report on Schedule of Expenditures of Federal and State Awards Required by OMB Circular A-133 and N.J. OMB 04-04**

We have audited the financial statements of governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of the Town of Guttenberg Board of Education as of and for the year ended June 30, 2013, and have issued our report thereon dated November 29, 2013, which contained a qualified opinion on the financial statements of governmental activities and business-type activities and an unmodified opinion on the financial position of each major fund and the aggregate remaining fund information.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by OMB Circular A-133 and N.J. OMB Circular 04-04 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal and state awards is fairly stated in all material respects in relation to the financial statements as a whole.



Steven D. Wielkocz, C.P.A.  
Licensed Public School Accountant  
No. 816



FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.  
Certified Public Accountants  
Pompton Lakes, New Jersey

November 29, 2013



TOWN OF GUTTENBERG  
BOARD OF EDUCATION

Schedule of Expenditures of Federal Awards

Year ended June 30, 2013

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2012	Carryover/(Walkover) Amount	Cash Received	Budgetary Expenditures	Prior Year Payables Cancelled/Adjustment	Cancellation of Prior Year A/R	(Accounts Receivable) at June 30, 2013	Deferred Revenue at June 30, 2013
U.S. Department of Agriculture												
Passed-through State Department of Education:												
Enterprise Fund:												
USDA Commodities Program	10.550		7/1/12-6/30/13	\$ 31,150			31,150	31,150				
National School Lunch Program	10.555		7/1/11-6/30/12	312,313	(15,842)		15,842					
National School Lunch Program	10.555		7/1/12-6/30/13	321,209			301,415	321,209			(19,794)	
National School Breakfast Program	10.553		7/1/11-6/30/12	12,169	(646)		646					
National School Breakfast Program	10.553		7/1/13-6/30/13	14,679			13,757	14,679			(922)	
Fresh Fruit and Vegetable Program	10.582		7/1/13-6/30/13	48,724			44,315	48,724			(4,409)	
Total Enterprise Fund				48,724	(16,488)		407,125	415,762			(25,125)	
U.S. Department of Education												
General Fund:												
Education Jobs Fund	84.410		7/1/11-6/30/12	162,787	(162,787)		162,787					
U.S. Department of Health and Human Services												
General Fund:												
Medical Assistance Program (SEMI)	93.778		7/1/12-6/30/13	24,864			24,864	24,864				
Medical Assistance Program (SEMI)	93.778		7/1/11-6/30/12	17,774	(17,774)		16,458			1,316		
Total General Fund				204,109	(180,561)		204,109	24,864		1,316		
U.S. Department of Education												
Passed-through State Department of Education:												
Special Revenue Fund:												
Title I, Improving Basic Programs	84.010A	NCLB185013	9/1/12-8/31/13	756,012		(723,791)	1,037,036	799,761			(486,516)	
Title I, Improving Basic Programs	84.010A	NCLB185012	9/1/11-8/31/12	761,800	(723,791)		723,791					
ARRA - Title I, S/A Part A - School Improvement Accountability	84.589	ARRA185010	9/1/09-8/31/10	39,580	15				(15)			
Title II, Part A - Teacher/Principal Training and Recruiting	84.567	NCLB185013	9/1/12-8/31/13	63,316		(64,901)	96,026	73,296			(32,963)	
Title II, Part A - Teacher/Principal Training and Recruiting	84.567	NCLB185012	9/1/11-8/31/12	79,179	(64,901)		64,901					
Title II, Part D - Enhancing Education Through Education	84.318	NCLB185011	9/1/10-8/31/11	1,487	300				(300)			
Title III - English Language Acquisition and Language Enhancement	84.365	NCLB185013	9/1/12-8/31/13	29,765		(15,128)	26,746	46,585			(35,139)	

TOWN OF GUTTENBERG  
BOARD OF EDUCATION

Schedule of Expenditures of Federal Awards

Year ended June 30, 2013

Federal CFDA Number	Federal Grantor/Pass-through Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2012	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Prior Year Payables Cancelled/ Adjustment	Cancellation of Prior Year A/R	(Accounts Receivable) at June 30, 2013	Deferred Revenue at June 30, 2013
	Title III - English Language Acquisition and Language Enhancement											
84.365		NCLB185012	9/1/11-8/31/12	37,368	(15,128)	15,128						
84.365		NCLB185013	9/1/12-8/31/13	16,148				11,789	(562)		(11,789)	
84.365		NCLB185009	9/1/08-8/31/09	13,190	562				(268)			
84.186		NCLB185010	9/1/09-8/31/10	11,156	268				(4,942)			
84.186		NCLB185007	9/1/06-8/31/07		4,942				(14)			
84.298		NCLB185008	9/1/07-8/31/08	2,689	14				(9,103)		(85,098)	
84.027A		IDEA185013	9/1/12-8/31/13	262,606	(70,062)	(70,047)	265,740	271,688				
84.027A		IDEA185012	9/1/10-8/31/12	274,189	15	70,062						
84.027A		IDEA185010	9/1/10-8/31/11	275,411	40	(15)			(40)			
84.391		ARRA185010	9/1/09-8/31/10	347,882			3,570	5,430	(510)		(5,430)	
84.173		IDEA185013	9/1/12-8/31/13	9,677	(3,060)	(3,060)						
84.173		IDEA185012	9/1/11-8/31/12	9,494	(3,060)	3,060						
	Total Special Revenue Fund				(870,786)		1,429,118	1,208,549	(6,718)	1,316	(656,935)	
	Total Federal Financial Assistance				(1,067,835)		2,040,352	1,649,175	(6,718)	1,316	(682,060)	

See accompanying notes to schedules of expenditures of federal and state awards.



THIS PAGE INTENTIONALLY LEFT BLANK

**NOTE 1. GENERAL**

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance include the activity of all federal and state award programs of the Board of Education, Town of Guttenberg School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal and state awards passed through other government agencies is included on the Schedules of Expenditures of Federal Awards and State Financial Assistance.

**NOTE 2. BASIS OF ACCOUNTING**

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance are presented on 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 2(C) and 2(D) to the Board's basic financial statements. The information in these schedules is presented in accordance with the requirements of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." Therefore, some amounts presented in this schedule may differ in amounts presented in or used in the preparation of the basic financial statements.

**NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

The basic financial statements present the general fund and the 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 the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes, that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment 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, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid payment in the current budget year, consistent with N.J.S.A. 18A:22-44.2.

**NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS, (continued)**

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(36,495) for the general fund and \$834 for the special revenue fund. See Notes to Required Supplemental Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$24,864	\$5,587,620	\$5,612,484
Special Revenue Fund	1,208,549	153,602	1,362,151
Debt Service Fund		15,904	15,904
Food Service Fund	<u>415,762</u>	<u>6,977</u>	<u>422,739</u>
Total Awards and Financial	<u>\$1,649,175</u>	<u>\$5,764,103</u>	<u>\$7,413,278</u>

**NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

**NOTE 5. OTHER**

Revenues and expenditures reported under the U.S.D.A. Commodities Program represent current year value received and current year distributions respectively.

The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2013. The amount reported as TPAF Social Security Contributions 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, 2013.

**TOWN OF GUTTENBERG SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

*Section I - Summary of Auditor's Results*

**Financial Statements**

Type of auditor's report issued: modified

Internal control over financial reporting:

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

2. Significant deficiencies identified that are not considered to be material weaknesses?                               yes                      X   none reported

Noncompliance material to basic financial statements noted?                      X   yes                               no

**Federal Awards**

Internal Control over major programs:

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

2. Significant deficiencies identified that are not considered to be material weaknesses?                      X   yes                               none reported

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

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

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>84.010</u>	<u>N.C.L.B. Title I - Improving Basic Programs</u>
<u>10.555, 10.553</u>	<u>National School Lunch Program</u>

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee?                               yes                      X   no



**TOWN OF GUTTENBERG SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(continued)**

*Section II – Financial Statement Findings*

**Finding 2013-1:**

**Criteria or specific requirement:**

Generally Accepted Accounting Principles requires that an updated fixed asset inventory be maintained and updated on a yearly basis.

**Condition:**

The District's capital asset appraisal firm conducted a complete recount of the Board of Education's fixed asset inventory as of June 30, 2013; however, the report has not been delivered due to printing delays experienced by the appraisal company.

**Questioned costs:**

N/A

**Context:**

N/A

**Effect:**

Due to the lack of an updated capital asset inventory, the financial statements are not presented fairly in accordance with Generally Accepted Accounting Principles.

**Cause:**

The appraisal company has not been able to deliver the updated inventory count due to printing delays. The state deadline for submission of June 30, 2013 audit reports is December 5, 2013.

**Management's response:**

Management has been pressing the appraisal company to release the updated capital asset report; however, appraisal company representatives estimate an anticipated delivery date of mid-January.

**GUTTENBERG BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(continued)**

*Section III – Federal Awards and State Financial Assistance Findings and Questioned Costs  
(continued)*

**Finding 2013-2:**

**Information on the federal program:**

Title I Part A, Improving Basic Programs, CFDA No. 84.010A, Grant Period 9/1/12-8/31/13.

**Criteria or specific requirement:**

According to the NCLB New Jersey Consolidated Formula Subgrant Fiscal Year 2013 Reference Manual (FY2013 NCLB Reference Manual), individuals providing other than direct services to children, such as directors, supervisors, coordinators, and clerical staff are classified as administrative personnel. In addition, the FY2013 NCLB Reference Manual states that a maximum of 5% of each grant award may be used for administrative costs.

**Condition:**

The District incurred \$112,136 of administrative costs against the Title I, Part A grant during the fiscal year. This amount exceeds the allowable administrative costs of \$36,801 (5% of \$736,021) by \$75,335.

**Questioned costs:**

\$75,335.

**Context:**

Per the FY2013 NCLB Reference Manual a maximum of 5% of each grant award may be used for administrative costs.

**Effect:**

By expending greater than the allowable 5% of the total grant award on administrative costs the District is not in compliance with the Title I, Part A grant requirements.

**Cause:**

The district was found not to be in compliance with this requirement during an audit conducted by the Office of Fiscal Accountability and Compliance of the State Department of Education for a previous entitlement year however failed to adjust how it charged its administrative costs in the current year.

**Management's response:**

The District has appointed a new coordinator for the Title I Part A grant who will have the appropriate training and availability to sufficiently monitor grant expenditures in accordance with all required grant requirements.

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

(continued)

*Section III – Federal Awards and State Financial Assistance Findings and Questioned Costs  
(continued)*

**Finding 2013-3:**

**Information on the federal program:**

Title I Part A, Improving Basic Programs, CFDA No. 84.010A, Grant Period 9/1/12-8/31/13.

**Criteria or specific requirement:**

OMB Circular A-87 requires the District to document all program related costs. To achieve compliance with these requirements, the designation of all Title I Part A employees and their salaries and funding percentages must be documented in the board minutes to provide public record of approval of these expenditures.

**Condition:**

The District did not approve all Title I Part A employees and their salaries and funding percentages through board resolution as grant funded salaries.

**Questioned costs:**

None.

**Context:**

The District charged various salaries to the Title I Part A grant program for individuals whose salaries were not approved as grant funded salaries by board resolution.

**Effect:**

By not approving all of the individuals whose salaries were charged against the grant during the grant period, the District is not in compliance with Title I Part A grant requirements.

**Cause:**

Compliance with the guidelines of the grant award requires all individuals whose salaries are charged against the Title I Part A grant to be approved and documented in the board minutes.

**Management's response:**

The District has appointed a new coordinator for the Title I Part A grant who will have the appropriate training and availability to sufficiently monitor all grant requirements.

**GUTTENBERG BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(continued)**

*Section III – Federal Awards and State Financial Assistance Findings and Questioned Costs  
(continued)*

**Finding 2013-4:**

**Information on the federal program:**

Title I Part A, Improving Basic Programs, CFDA No. 84.010A, Grant Period 9/1/12-8/31/13.

**Criteria or specific requirement:**

OMB Circular A-87 states that a cost is allocable to a particular cost objective if the goods and services are chargeable or assignable to such cost objective in accordance with the relative benefit received.

**Condition:**

The District failed to maintain documentation to show that all payroll costs benefited the Title I Part A program.

**Questioned costs:**

Unknown.

**Context:**

The District failed to maintain accurate time activity reports for individuals which were charged to the Title I Part A grant.

**Effect:**

By not preparing accurate documentation to demonstrate that individuals being charged to the grant are allocable to a particular cost objective, the District is not in compliance with Title I Part A grant requirements.

**Cause:**

Compliance with the guidelines of the grant award requires the District to maintain documentation to show that all payroll costs benefited the Title I Part A program.

**Management's response:**

The District has appointed a new coordinator for the Title I Part A grant who will have the appropriate training and availability to sufficiently monitor all grant requirements.

GUTTENBERG BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(continued)

*Section III – Federal Awards and State Financial Assistance Findings and Questioned Costs  
(continued)*

**Finding 2013-5:**

**Information on the federal program:**

Title I Part A, Improving Basic Programs, CFDA No. 84.010A, Grant Period 9/1/12-8/31/13.

**Criteria or specific requirement:**

Grant agreement specifications require that the district's financial records be consistent with the SEA approved budget.

**Condition:**

The District's financial records, with respect to budgeted amounts and carryover of prior years' unexpended funds, are not in agreement with those of the Office of Grants Management as noted through the Electronic Web-Enabled Grant System.

**Questioned costs:**

\$339,508.

**Context:**

The District has not properly submitted budget amendments nor recorded expenditures accurately through the State's Electronic Web-Enabled Grant System.

**Effect:**

There is a significant discrepancy between deferred revenues and/or carryover per the district's records and that of the Office of Grants Management, State Department of Education.

**Cause:**

There was a lack of communication between the prior years' program directors and the Business Administrator. In some cases, the program director was amending the budget and imputing inaccurate information through the Electronic Web-Enabled Grant System.

**Management's response:**

The District has appointed a new coordinator to oversee and work more closely with the Business Administrator to ensure that accurate financial data is reported through the Electronic Web-Enabled Grant System.

**GUTTENBERG BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(continued)**

*Section III – Federal Awards and State Financial Assistance Findings and Questioned Costs  
(continued)*

**STATE AWARDS**

**Finding 2013-6:**

**Information on the state program:**

Equalization Aid, NJCFS number 495-034-5120-078 Grant Period 7/1/12-6/30/13.  
Special Education Categorical Aid, NJCFS number 495-034-5120-089 Grant Period 7/1/12-6/30/13.  
Security Aid, NJCFS number 495-034-5120-084 Grant Period 7/1/12-6/30/13.

**Criteria or specific requirement:**

The Board Secretary and Treasurer of School Moneys, if applicable, must prepare and submit financial reports in accordance with N.J.S.A. 18A:17-9 and N.J.S.A. 18A:17-36, respectively. Pursuant to N.J.S.A. 18A:17-10, all districts must submit the Annual Report to the board and the county superintendent by August 1.

**Condition:**

The Board Secretary did not prepare and submit Annual Reports to the board and county superintendent by August 1.

**Questioned costs:**

None.

**Context:**

Per N.J.S.A. 18A:17-10, the Board Secretary must prepare and submit the Annual Report to the board and the county superintendent by August 1.

**Effect:**

By not preparing and submitting the Annual Reports by August 1, the District is not in compliance with State Aid grant requirements.

**Cause:**

Compliance with the guidelines of the grant award requires the submission of the Annual Report by August 1.

**Management's response:**

Change in personnel throughout the course of the year delayed the year-end closing process, in the future more care will be taken to ensure the timely submission of the report.

**GUTTENBERG BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(continued)**

*Section III – Federal Awards and State Financial Assistance Findings and Questioned Costs  
(continued)*

**STATE AWARDS**

**Finding 2013-7:**

**Information on the state program:**

Equalization Aid, NJCFS number 495-034-5120-078 Grant Period 7/1/12-6/30/13.  
Special Education Categorical Aid, NJCFS number 495-034-5120-089 Grant Period 7/1/12-6/30/13.  
Security Aid, NJCFS number 495-034-5120-084 Grant Period 7/1/12-6/30/13.

**Criteria or specific requirement:**

N.J.S.A. 18A:55-3 requires Districts to maximize their participation in the federal Universal Services Program (E-rate).

**Condition:**

All school districts shall implement a number of efficiency standards including taking steps to maximize the District's participation in the federal Universal Services Program (E-rate).

**Questioned costs:**

Unknown.

**Context:**

School Districts are required to maximize their participation in the federal Universal Services Program (E-rate).

**Effect:**

The District failed to realize any revenue that may be obtained from participation in the federal Universal Services Program (E-rate).

**Cause:**

The District failed to implement policies and procedures or assign staff to enroll the District in the federal Universal Services Program (E-rate) and submit the associated claims for reimbursement.

**Management's response:**

The District now has an employee that is to be trained and that will be responsible for enrolling the District in the federal Universal Services Program (E-rate) and submitting the associated claims for reimbursement.

**GUTTENBERG BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(continued)**

*Section III – Federal Awards and State Financial Assistance Findings and Questioned Costs  
(continued)*

**STATE AWARDS**

**Finding 2013-8:**

**Information on the state program:**

Equalization Aid, NJCFS number 495-034-5120-078 Grant Period 7/1/12-6/30/13.  
Special Education Categorical Aid, NJCFS number 495-034-5120-089 Grant Period 7/1/12-6/30/13.  
Security Aid, NJCFS number 495-034-5120-084 Grant Period 7/1/12-6/30/13.

**Criteria or specific requirement:**

N.J.S.A. 6A:23A-7.3 requires the District to establish annually, by board resolution, a maximum travel expenditure amount for the budget year, which the school District shall not exceed.

**Condition:**

The District did not establish a maximum travel expenditure amount for the budget year by board resolution.

**Questioned costs:**

None.

**Context:**

School districts are required to establish a maximum travel expenditure amount for the budget year by board resolution.

**Effect:**

By not establishing a maximum travel expenditure amount for the budget year by board resolution, the District is not in compliance with State Aid grant requirements.

**Cause:**

Compliance with the guidelines of the grant award requires the establishment of a maximum travel expenditure amount for the budget year by board resolution.

**Management's response:**

The District will, by annual board resolution, establish a maximum travel expenditure amount.

GUTTENBERG BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(continued)

*Section III – Federal Awards and State Financial Assistance Findings and Questioned Costs  
(continued)*

**STATE AWARDS**

**Finding 2013-9:**

**Information on the state program:**

Equalization Aid, NJCFS number 495-034-5120-078 Grant Period 7/1/12-6/30/13.  
Special Education Categorical Aid, NJCFS number 495-034-5120-089 Grant Period 7/1/12-6/30/13.  
Security Aid, NJCFS number 495-034-5120-084 Grant Period 7/1/12-6/30/13.

**Criteria or specific requirement:**

N.J.A.C. 6A:23A-16.10 stipulates that no district board of education shall incur any obligation or approve any payment in excess of that appropriated by the district board of education in the applicable line item account or program category account.

**Condition:**

The District incurred significant bank service charges that were recorded as an offset to miscellaneous revenues.

**Questioned costs:**

\$41,952

**Context:**

Districts are required to budget sufficient appropriations and/or make transfers to cover all expenses.

**Effect:**

By not recording the bank service charges as an expense but rather as an offset to miscellaneous revenues, the district realized negative miscellaneous revenue at year end. The reversal of this entry and the recording of the expense against the appropriate budget line item resulted in an over-expenditure of budget account 11-000-251-890.

**Cause:**

Business office staff did not post bank service charges properly.

**Management's response:**

Business office staff will now post bank service charges to the appropriate budget line item and sufficient appropriation balances will be maintained.

**TOWN OF GUTTENBERG SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

**Status of Prior Year Findings:**

**2012-1:**

Resolved

**2012-2:**

Resolved