

**SCHOOL DISTRICT OF THE
TOWN OF GUTTENBERG
COUNTY OF HUDSON, NEW JERSEY
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2011**

**School District
of**

Town of Guttenberg

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

**Comprehensive Annual Financial Report
Year Ended June 30, 2011**

Comprehensive Annual Financial Report

of the

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

Year Ended June 30, 2011

Prepared by

**Jolene Mantineo
Board Secretary/Business Administrator**

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INTRODUCTORY SECTION

BOARD OF EDUCATION

ANNA L. KLEIN SCHOOL

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Office of the Business Administrator
JOLENE MANTINEO

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December 8, 2011

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, 2011, 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 2010-2011 fiscal year with an enrollment of 973 students, which are 7 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>
2010-2011	973	{.71%}
2009-2010	980	{.2 %}
2008-2009	982	2.4%
2007-2008	959	2.6%
2006-2007	935	.87%
2005-2006	927	{1.06%}

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, 2011.

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.

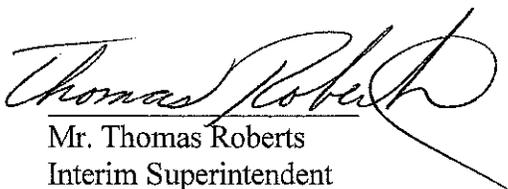
OTHER INFORMATION:

Independent Audit- State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Ferraioli, Wielkotz, 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:

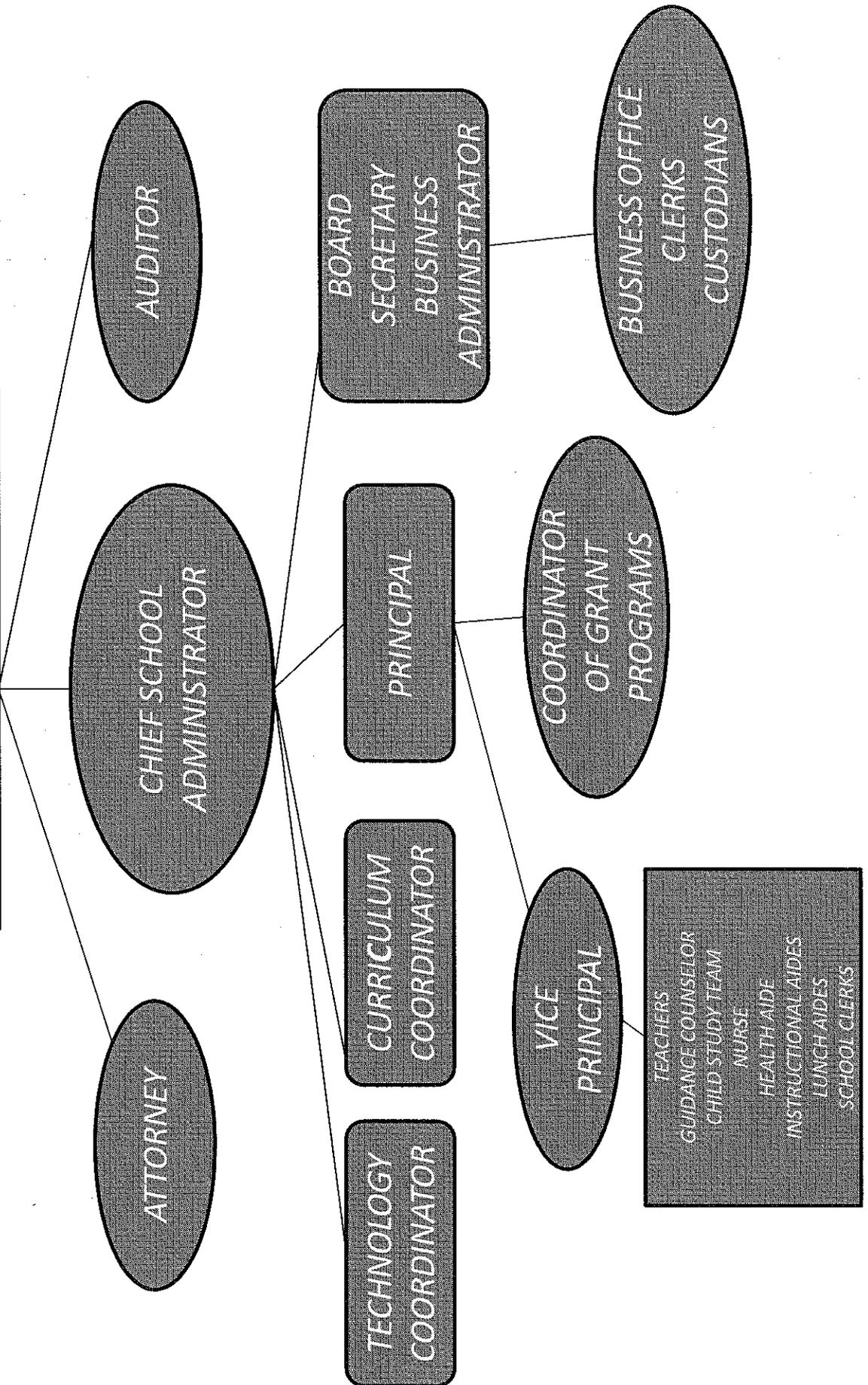
We would like to express our appreciation to the members of the Guttenberg Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation.

Respectfully submitted:


Mr. Thomas Roberts
Interim Superintendent


Jolene Mantineo
Business Administrator/Board Secretary

GUTTENBERG
BOARD OF EDUCATION
ORGANIZATION CHART



**TOWN OF GUTTENBERG
BOARD OF EDUCATION**

ROSTER OF OFFICIALS

JUNE 30, 2011

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Rebecca Vazquez - President	2012
Michael Baruch - Vice President	2014
Margarita Batista	2013
Rocio Day	2012
Delores Loppe	2014
Gonzalo E. Perez	2014
Elsa Schwarz	2013
Elaine Silverstone	2012
Sari F. Zukerman	2013

OTHER OFFICIALS

Mr. Thomas Roberts, Interim Superintendent

Jolene Mantineo, Business Administrator/Board Secretary

John L. Schettino, Esq., Board Attorney

**TOWN OF GUTTENBERG
BOARD OF EDUCATION**

CONSULTANTS AND ADVISORS

AUDIT FIRM

Ferraioli, Wielkocz, Cerullo & Cuva, P.A.
401 Wanaque Avenue
Pompton Lakes, NJ 07442

ATTORNEY

John Schettino, Esq.
800 Main Street, Suite 101
Hackensack, NJ 07601

OFFICIAL DEPOSITORY

Wells Fargo Bank
6727 Bergenline Avenue
Guttenberg, NJ 07093

FINANCIAL SECTION

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
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Newton, N.J. 07860
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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying 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, State of New Jersey, as of and for the fiscal year ended June 30, 2011, 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 School District Board of Education's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, and 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, 2011, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.



In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2011 on our consideration of the Town of Guttenberg Board of Education's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. This report is an integral part of our audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management Discussion and Analysis and Budgetary Comparison Information on pages 9 through 17 and 49 through 61 are not a required part of the basic financial statements but are supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed 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 accompanying introductory section and other supplementary information such as the combining and individual fund financial statements, long-term debt schedules and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and long-term debt schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

The accompanying schedules of federal awards and state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, respectively, and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



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



FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants

December 6, 2011

**REQUIRED SUPPLEMENTARY
INFORMATION - PART I**

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
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, 2011. 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 assets increased by \$411,325. Net assets of governmental activities increased \$481,399 while net assets of business-type activities decreased by \$70,074.
- General revenues accounted for \$14,541,206 in revenue or 87 percent of all district revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$2,283,025 or 13 percent of total revenues of \$16,824,231.
- The School District had \$16,412,906 in expenses related to governmental and business-type activities; only \$2,283,025 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily grants, entitlements and property taxes) of \$14,541,206 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 assets 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, 2011
UNAUDITED (CONTINUED)**

USING THIS ANNUAL REPORT, (continued)

In the *Statement of Net Assets 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 assets and changes in them. The change in net assets 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 Assets 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, 2011
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, 2011
UNAUDITED (CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS

The Statement of Net Assets provides the perspective of the District as a whole. Net assets 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 assets were \$1,599,511 at June 30, 2011 and \$1,188,186 at June 30, 2010. Restricted net assets are reported separately to show legal constraints that limit the School District's ability to use those net assets for day-to-day operations. Our analysis below focuses on the net assets for 2011 compared to 2010 (Table 1) and change in net assets (Table 2) of the School District.

Table 1

**Net Assets
June 30,**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Assets						
Current and Other Assets	1,541,321	1,201,938	142,106	211,934	1,683,427	1,413,872
Capital Assets	<u>3,017,763</u>	<u>3,151,059</u>	<u>47,171</u>	<u>45,418</u>	<u>3,064,934</u>	<u>3,196,477</u>
Total Assets	<u>4,559,084</u>	<u>4,352,997</u>	<u>189,277</u>	<u>257,352</u>	<u>4,748,361</u>	<u>4,610,349</u>
Liabilities						
Other Liabilities	881,792	1,024,246	3,810	1,811	885,602	1,026,057
Noncurrent Liabilities	<u>2,263,248</u>	<u>2,396,106</u>	—	—	<u>2,263,248</u>	<u>2,396,106</u>
Total Liabilities	<u>3,145,040</u>	<u>3,420,352</u>	<u>3,810</u>	<u>1,811</u>	<u>3,148,850</u>	<u>3,422,163</u>
Net Assets						
Invested in Capital Assets-						
Net of Related Debt	1,898,763	1,832,059	47,171	45,418	1,945,934	1,877,477
Restricted	685,195	366,442	32,055	32,055	717,250	398,497
Unrestricted	<u>(1,169,914)</u>	<u>(1,265,856)</u>	<u>106,241</u>	<u>178,068</u>	<u>(1,063,673)</u>	<u>(1,087,788)</u>
Total Net Assets	<u>1,414,044</u>	<u>932,645</u>	<u>185,467</u>	<u>255,541</u>	<u>1,599,511</u>	<u>1,188,186</u>

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
UNAUDITED (CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

Table 2 below shows the changes in net assets for fiscal year 2011.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Revenues						
Program Revenues:						
Charges for Services and Sales			27,499	48,727	27,499	48,727
Operating Grants and Contributions	1,913,398	1,759,823	342,128	331,901	2,255,526	2,091,724
General Revenues:						
Taxes:						
Property taxes, levied for general purposes	9,351,794	8,702,159			9,351,794	8,702,159
Property taxes, levied for debt services	251,211	239,544			251,211	239,544
Federal and State Aid not Restricted	4,896,070	4,616,634			4,896,070	4,616,634
Federal and State Aid not Restricted-Capital Outlay	18,271				18,271	
Investment Income	29	232			29	232
Miscellaneous Income	<u>23,831</u>	<u>19,698</u>			<u>23,831</u>	<u>19,698</u>
Total Revenues and Transfers	<u>16,454,604</u>	<u>15,338,090</u>	<u>369,627</u>	<u>380,628</u>	<u>16,824,231</u>	<u>15,718,718</u>

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
UNAUDITED (CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Functions/Program						
Instruction:						
Regular	4,325,879	4,963,409			4,325,879	4,963,409
Special Education	426,616	812,324			426,616	812,324
Other Special Instruction	511,494	959,974			511,494	959,974
Other Instruction	14,403				14,403	
Support Services:						
Tuition	5,657,035	4,955,575			5,657,035	4,955,575
Student & Instruction Related Services	1,756,452	1,999,616			1,756,452	1,999,616
School Administrative Services	446,212	393,283			446,212	393,283
General Administrative Services	487,660	476,171			487,660	476,171
Central Services	282,501	276,933			282,501	276,933
Administrative Information Technology	66,802	151,511			66,802	151,511
Plant Operations and Maintenance	541,852	741,515			541,852	741,515
Pupil Transportation	356,367	365,479			356,367	365,479
Unallocated Benefits	879,746	642,428			879,746	642,428
Non-Depreciable Capital Outlay		30,305			0	30,305
Special Schools		4,000			0	4,000
Food Service			436,311	369,657	436,311	369,657
School Age Child Care				15,535	0	15,535
Debt Services:						
Interest and Other Charges	62,944	74,195			62,944	74,195
Unallocated depreciation	<u>157,242</u>	<u>148,131</u>	<u>3,390</u>	<u>3,123</u>	<u>160,632</u>	<u>151,254</u>
Total Expenses and Transfers	<u>15,973,205</u>	<u>16,994,849</u>	<u>439,701</u>	<u>388,315</u>	<u>16,412,906</u>	<u>17,383,164</u>
Increase or (Decrease) in						
Net Assets	<u>481,399</u>	<u>(1,656,759)</u>	<u>(70,074)</u>	<u>(7,687)</u>	<u>411,325</u>	<u>(1,664,446)</u>

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
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 \$16,412,906. However, the amount that our taxpayers ultimately financed for these activities through School District taxes was only \$9,603,005 because some of the cost was paid by those who benefitted from the programs \$27,499, by other governments and organizations who subsidized certain programs with grants and contributions \$7,169,867, and by miscellaneous sources \$23,860.

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 expenses exceeded revenues by \$70,074.
- ✓ Charges for services provided totaled \$27,499. 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 \$342,128.

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, 2011, 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 \$1,940,077 for increases in federal and state grant awards.

General Fund

The general fund actual revenue was \$14,197,721. That amount is \$789,782 above the final amended budget of \$13,407,939. The variance between the actual revenues and final budget was the result of non-budgeted on-behalf payments of \$652,326 for TPAF social security reimbursements and on-behalf pension payments and a \$137,456 excess in miscellaneous anticipated revenues and other state aids.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
UNAUDITED (CONTINUED)**

MAJOR GOVERNMENTAL FUNDS BUDGETING AND OPERATING HIGHLIGHTS, (continued)

General Fund, (continued)

The actual expenditures of the general fund were \$13,791,108 including transfers which is \$227,542 more than the final amended budget of \$13,563,566. The variance between the actual expenditures and final budget was due to non-budgeted on-behalf TPAF social security and pension payments of \$652,326 and \$424,784 of unexpended budgeted funds.

Special Revenue Fund

The special revenue fund actual revenue was \$1,918,715. That amount is above the original budget estimate of \$214,200 and below the final amended budget of \$2,154,277. The \$1,940,077 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 \$235,562 variance between the final amended budget and the June 30, 2011 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 \$1,918,715, which is above the original budget of \$214,200 and below the final amended budget of \$2,154,277. The \$1,940,077 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 \$235,562 variance between the final amended budget and the June 30, 2011 actual results was due to the anticipation of fully expending federal and state grant programs. Expenditures will be incurred in the next fiscal year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2011 the School District had \$5,852,684 invested in sites, buildings, equipment and construction in progress. Of this amount, \$2,787,750 in depreciation has been taken over the years. We currently have a net book value of \$3,064,934. Total depreciable additions for the year were \$29,089, which consisted of various equipment purchases and site and building improvements. The District has also recorded construction-in-progress of \$69,500 for which no depreciation has been taken. Table 3 shows fiscal year 2011 balances compared to 2010.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Land	9,957	9,957			9,957	9,957
Site Improvements	201,041	215,537			201,041	215,537
Buildings and Improvements	2,692,646	2,821,387			2,692,646	2,821,387
Machinery and Equipment	44,619	34,678	47,171		91,790	34,678
Food Service Equipment				45,418	0	45,418
Construction-in-Progress	69,500	69,500			69,500	69,500
	<u>3,017,763</u>	<u>3,151,059</u>	<u>47,171</u>	<u>45,418</u>	<u>3,064,934</u>	<u>3,196,477</u>

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
UNAUDITED (CONTINUED)**

CAPITAL ASSETS AND DEBT ADMINISTRATION, (continued)

Debt Administration

At June 30, 2011, the District had 2,263,248 of long term debt. Of this amount, \$925,938 is for compensated absences; \$193,251 is for the unfunded pension liability; \$1,119,000 of serial bonds for school improvements; and \$25,059 is the deferral of the annual PERS contribution.

At June 30, 2011, the school district's overall legal debt margin was \$29,590,115. For more detailed information, please refer to the Notes to the Basic Financial Statements.

Table 4
Outstanding Serial Bonds at June 30,

	<u>2011</u>	<u>2010</u>
1994 School Improvement Bonds	<u>\$1,119,000</u>	<u>\$1,319,000</u>

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 2011-2012 school year that is slightly above the funding level of the 2010-2011 school year.

These factors were considered in preparing the Town of Guttenberg Board of Education's budgets for the 2011-2012 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 69th Street
Guttenberg, New Jersey 07093

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

TOWN OF GUTTENBERG BOARD OF EDUCATION
Statement of Net Assets
June 30, 2011

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
ASSETS			
Cash, cash equivalents and investments	203,760	138,415	342,175
Receivables, net	1,337,559	495	1,338,054
Inventory		3,196	3,196
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	2,938,306	47,171	2,985,477
Total Assets	<u>4,559,084</u>	<u>189,277</u>	<u>4,748,361</u>
LIABILITIES			
Accounts payable and accrued liabilities	878,281	1,999	880,280
Interfunds payable	-	1,811	1,811
Payable to federal government	3,497		3,497
Deferred revenue	14		14
Noncurrent liabilities:			
Due within one year	254,896		254,896
Due beyond one year	2,008,352		2,008,352
Total liabilities	<u>3,145,040</u>	<u>3,810</u>	<u>3,148,850</u>
NET ASSETS			
Invested in capital assets, net of related debt	1,898,763	47,171	1,945,934
Restricted for:			
Debt Service	1		1
Capital Reserve	1		1
Other Purposes	685,193	32,055	717,248
Unrestricted (Deficit)	(1,169,914)	106,241	(1,063,673)
Total net assets	<u>1,414,044</u>	<u>185,467</u>	<u>1,599,511</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, 2011

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:								
Instruction:								
Regular	3,522,585	803,294		1,011,655		(3,314,224)		(3,314,224)
Special education	250,970	175,646				(426,616)		(426,616)
Other special instruction	458,864	52,630				(511,494)		(511,494)
Other instruction	14,403					(14,403)		(14,403)
Support services:								
Tuition	5,657,035					(5,657,035)		(5,657,035)
Student & instruction related services	1,756,452			884,385		(872,067)		(872,067)
School administrative services	355,941	90,271				(446,212)		(446,212)
General administrative services	460,491	27,169				(487,660)		(487,660)
Central services	233,094	49,407				(282,501)		(282,501)
Administrative information technology	58,531	8,271				(66,802)		(66,802)
Plant operations and maintenance	457,894	83,958				(541,852)		(541,852)
Pupil transportation	356,367					(356,367)		(356,367)
Unallocated benefits	879,746					(879,746)		(879,746)
Debt Services:								
Interest and Other Charges		62,944		17,358		(45,586)		(45,586)
Unallocated depreciation		157,242				(157,242)		(157,242)
Total governmental activities	14,462,373	1,510,832	-	1,913,398	-	(14,059,807)	-	(14,059,807)
Business-type activities:								
Food Service	439,701		27,499	342,128			(70,074)	(70,074)
Total business-type activities	439,701		27,499	342,128			(70,074)	(70,074)
Total primary government	14,902,074		27,499	2,255,526		(14,059,807)		(14,129,881)
General revenues:								
Taxes:								
Property taxes, levied for general purposes						9,351,794		9,351,794
Property taxes, levied for debt services						251,211		251,211
Federal and State aid not restricted - capital outlay						18,271		18,271
Federal and State aid not restricted						4,896,070		4,896,070
Investment Earnings						29		29
Miscellaneous Income						23,831		23,831
Total general revenues, special items, extraordinary items and transfers						14,541,206		14,541,206
Change in Net Assets						481,399	(70,074)	411,325
Net Assets—beginning						932,645	255,541	1,188,186
Net Assets—ending						1,414,044	185,467	1,599,511

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

FUND FINANCIAL STATEMENTS

TOWN OF GUTTENBERG BOARD OF EDUCATION

Balance Sheet
Governmental Funds
June 30, 2011

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
ASSETS				
Cash and cash equivalents	61,955		1	61,956
Interfund receivables	925,023			925,023
Receivables from other governments	225,852	1,108,896		1,334,748
Restricted cash and cash equivalents	2			2
Total assets	<u>1,212,832</u>	<u>1,108,896</u>	<u>1</u>	<u>2,321,729</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	659,232	187,577		846,809
Payable to federal government		3,497		3,497
Interfund payables		922,212		922,212
Deferred revenue		14		14
Total liabilities	<u>659,232</u>	<u>1,113,300</u>	<u>-</u>	<u>1,772,532</u>
Fund Balances:				
Restricted for:				
Excess surplus - designated for subsequent year's expenditures	69,037			69,037
Excess surplus - current year	291,946			291,946
Maintenance reserve account	1			1
Capital reserve account	1			1
Committed to:				
Encumbrances	162,052			162,052
Assigned to:				
Designated for subsequent year's expenditures	20,353			20,353
Unreserved, reported in:				
General fund	10,210			10,210
Special revenue fund		(4,404)		(4,404)
Debt service fund			1	1
Total Fund balances	<u>553,600</u>	<u>(4,404)</u>	<u>1</u>	<u>549,197</u>
Total liabilities and fund balances	<u>1,212,832</u>	<u>1,108,896</u>	<u>1</u>	

Amounts reported for *governmental activities* in the statement of net assets (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 \$5,765,397 and the accumulated depreciation is \$2,747,634.	3,017,763
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	(31,472)
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)	(2,263,248)
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	141,804
Net assets of governmental activities	<u>1,414,044</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, 2011

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES				
Local sources:				
Local tax levy	9,351,794		251,211	9,603,005
Miscellaneous	23,831			23,831
Total - Local Sources	9,375,625	-	251,211	9,626,836
State sources	4,879,957	221,457	17,358	5,118,772
Federal sources	16,113	1,692,854		1,708,967
Total revenues	14,271,695	1,914,311	268,569	16,454,575
EXPENDITURES				
Current:				
Regular instruction	3,314,224	1,011,655		4,325,879
Special education instruction	426,616			426,616
Other special instruction	511,494			511,494
Other instruction	14,403			14,403
Support services and undistributed costs:				
Tuition	5,657,035			5,657,035
Student & instruction related services	867,663	888,789		1,756,452
General administrative services	487,660			487,660
School administrative services	446,212			446,212
Central services	282,501			282,501
Administrative information technology	66,802			66,802
Plant operations and maintenance	541,852			541,852
Pupil transportation	356,367			356,367
Unallocated Benefits	160,278			160,278
On-behalf contributions	652,326			652,326
Capital Outlay	5,675	18,271		23,946
Debt Service:				
Principal			200,000	200,000
Interest and other Charges			68,569	68,569
Total expenditures	13,791,108	1,918,715	268,569	15,978,392
Excess (Deficiency) of revenues over expenditures	480,587	(4,404)	-	476,183
Net change in fund balances	480,587	(4,404)	-	476,183
Fund balance—July 1	73,013	-	1	73,014
Fund balance—June 30	553,600	(4,404)	1	549,197

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, 2011**

Total net change in fund balances - governmental funds (from B-2)		476,183
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p> <p>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.</p>		
	Depreciation expense Depreciable Capital outlays	(157,242) <u>23,946</u>
		(133,296)
<p>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:</p>		
	Principal payment on serial bonds	200,000
	Payment of unfunded pension liability	40,778
<p>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.(-)</p>		
		5,625
<p>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 (+).</p>		
	Increase in compensated absences payable	(107,920)
<p>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.</p>		
		29
Change in net assets of governmental activities		481,399

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

TOWN OF GUTTENBERG BOARD OF EDUCATION
Combining Statement of Net Assets
Enterprise Funds
June 30, 2011

	Business-Type Activities - Enterprise Fund		Totals	Governmental Activities - Internal Service Fund
	Food Service Program	School Age Child Care		
ASSETS				
Current assets:				
Cash and cash equivalents	155,216		155,216	141,804
Accounts receivable:				
State	11		11	
Federal	484		484	
Inventories	3,196		3,196	
Total current assets	<u>158,907</u>		<u>158,907</u>	<u>141,804</u>
Noncurrent assets:				
Capital assets:				
Equipment	87,287		87,287	
Less accumulated depreciation	<u>(40,116)</u>		<u>(40,116)</u>	
Total capital assets (net of accumulated depreciation)	<u>47,171</u>		<u>47,171</u>	
Total assets	<u>206,078</u>		<u>206,078</u>	<u>141,804</u>
LIABILITIES				
Current liabilities:				
Deficit in cash		16,801	16,801	
Accounts payable	1,999		1,999	
Interfund payable		1,811	1,811	
Total current liabilities	<u>1,999</u>	<u>18,612</u>	<u>20,611</u>	
Total liabilities	<u>1,999</u>	<u>18,612</u>	<u>20,611</u>	
NET ASSETS				
Invested in capital assets net of related debt	47,171		47,171	
Restricted contributed capital	32,055		32,055	
Unrestricted	124,853	(18,612)	106,241	141,804
Total net assets	<u>204,079</u>	<u>(18,612)</u>	<u>185,467</u>	<u>141,804</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, 2011

	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	27,499		27,499	
S.A.C.C. tuition			-	
Total operating revenues	<u>27,499</u>	<u>-</u>	<u>27,499</u>	<u>-</u>
Operating expenses:				
Cost of sales	146,444		146,444	
Salaries	194,575		194,575	
Supplies and materials	6,921		6,921	
Cleaning, repair and maintenance	1,446		1,446	
Utilities	52,171		52,171	
Employee benefits	21,299		21,299	
Purchased property services	13,455		13,455	
Depreciation	3,390		3,390	
Total Operating Expenses	<u>439,701</u>	<u>-</u>	<u>439,701</u>	<u>-</u>
Operating income (loss)	<u>(412,202)</u>	<u>-</u>	<u>(412,202)</u>	<u>-</u>
Nonoperating revenues (expenses):				
State sources:				
State school lunch program	6,231		6,231	
Federal sources:				
National school lunch program	301,344		301,344	
National school breakfast program	12,806		12,806	
Food distribution program	21,747		21,747	
Interest and investment revenue			-	29
Total nonoperating revenues (expenses)	<u>342,128</u>	<u>-</u>	<u>342,128</u>	<u>29</u>
Income (loss) before contributions & transfers	<u>(70,074)</u>	<u>-</u>	<u>(70,074)</u>	<u>29</u>
Transfers in (out)				
Change in net assets	<u>(70,074)</u>	<u>-</u>	<u>(70,074)</u>	<u>29</u>
Total net assets—beginning	<u>274,153</u>	<u>(18,612)</u>	<u>255,541</u>	<u>141,775</u>
Total net assets—ending	<u>204,079</u>	<u>(18,612)</u>	<u>185,467</u>	<u>141,804</u>

TOWN OF GUTTENBERG BOARD OF EDUCATION
Combining Statement of Cash Flows
Enterprise Funds
For the Fiscal Year Ended June 30, 2011

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Food Service Program	School Age Child Care	Total Enterprise	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	27,499		27,499	
Payments to Outside Food Service Management Company	(255,265)		(255,265)	
Payments to employees	(101,955)		(101,955)	
Payments for utilities	(52,171)		(52,171)	
Payments for cleaning, repair and maintenance	(1,446)		(1,446)	
Payments for supplies	(2,579)		(2,579)	
Net cash provided by (used for) operating activities	<u>(385,917)</u>	<u>-</u>	<u>(385,917)</u>	<u>-</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
State Sources	7,446		7,446	
Federal Sources	344,090		344,090	
Net cash provided by (used for) non-capital financing activities	<u>351,536</u>	<u>-</u>	<u>351,536</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of capital assets	(5,143)		(5,143)	
Net cash provided by (used for) capital and related financing activities	<u>(5,143)</u>	<u>-</u>	<u>(5,143)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and dividends			-	29
Net cash provided by (used for) investing activities	-	-	-	29
Net increase (decrease) in cash and cash equivalents	(39,524)	-	(39,524)	29
Balances—beginning of year	194,740	(16,801)	177,939	141,775
Balances—end of year	<u>155,216</u>	<u>(16,801)</u>	<u>138,415</u>	<u>141,804</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss) provided by:	(412,202)	-	(412,202)	-
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation and net amortization	3,390		3,390	
Food Distribution Program	21,747		21,747	
(Increase) decrease in inventories	(851)		(851)	
Increase (decrease) in accounts payable	1,999		1,999	
Total adjustments	<u>26,285</u>	<u>-</u>	<u>26,285</u>	<u>-</u>
Net cash provided by (used for) operating activities	<u>(385,917)</u>	<u>-</u>	<u>(385,917)</u>	<u>-</u>

TOWN OF GUTTENBERG BOARD OF EDUCATION
Combining Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2011

	Unemployment Compensation Trust Fund	Private Purpose Scholarship Fund	Agency Fund
ASSETS			
Cash and cash equivalents	15,307	17,103	79,888
Deposits			7,688
Total assets	15,307	17,103	87,576
LIABILITIES			
Payable to student groups			2,932
Payroll deductions and withholdings			86,140
Interfund payable			1,000
Net salaries and wages			(2,496)
Total liabilities			87,576
NET ASSETS			
Held in trust for unemployment claims and other purposes	15,307		
Reserved for Scholarships		17,103	

TOWN OF GUTTENBERG BOARD OF EDUCATION
Combining Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Fiscal Year Ended June 30, 2011

	<u>Unemployment Compensation Trust Fund</u>	<u>Private Purpose Scholarship Fund</u>
ADDITIONS		
Contributions:		
Donations		
Total Contributions	-	-
DEDUCTIONS		
Scholarship payments		2,250
Total deductions	-	2,250
Change in net assets	-	(2,250)
Net assets—beginning of the year	15,307	19,353
Net assets—end of the year	<u>15,307</u>	<u>17,103</u>

NOTES TO THE FINANCIAL STATEMENTS

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2011**

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 Board also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental and business-type activities provided they do not conflict with or contradict GASB pronouncements. 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, 2011**

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 assets 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 assets 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 assets 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, 2011**

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, 2011**

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 assets, 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 assets and changes in net assets. 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 assets 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 assets, except for fiduciary funds.

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2011**

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 assets. The statement of changes in fund net assets 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, 2011**

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, 2011**

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 deferred revenues 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, 2011**

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, 2011, 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 assets, 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, 2011**

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 assets 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 assets 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, 2011**

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

M. Deferred Revenue:

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

Deferred 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, 2011**

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 Assets:

Net assets represent the difference between assets and liabilities. Net assets 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 assets 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 assets 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. Neither type of transaction occurred during the fiscal year.

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2011**

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

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.

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, 2011, \$-0- of the District's bank balance of \$2,672,167 was exposed to custodial credit risk.

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2011**

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

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.

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, 2011, 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>
Local School Taxes	\$36,397		\$36,397
State Aid	146,853	\$11	146,864
Federal Aid	1,151,498	484	1,151,982
Due from Other Funds	<u>925,023</u>		<u>2,811</u>
Gross Receivables	2,259,771	495	1,338,054
Less: Allowance for Uncollectibles			
Total Receivables, Net	<u><u>\$2,259,771</u></u>	<u><u>\$495</u></u>	<u><u>\$1,338,054</u></u>

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2011**

NOTE 5. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2011 was as follows:

	Balance <u>6/30/10</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>6/30/11</u>
Governmental Activities				
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>0</u>	<u>0</u>	<u>79,457</u>
Capital Assets Being Depreciated				
Sites and Improvements	311,325			311,325
Buildings and Improvements	4,631,444			4,631,444
Machinery and Equipment	<u>719,225</u>	<u>23,946</u>		<u>743,171</u>
Total Capital Assets, Being Depreciated	<u>5,661,994</u>	<u>23,946</u>		<u>5,685,940</u>
Less Accumulated Depreciation:				
Sites and Improvements	(95,788)	(14,496)		(110,284)
Buildings and Improvements	(1,810,057)	(128,741)		(1,938,798)
Machinery and Equipment	<u>(684,547)</u>	<u>(14,005)</u>		<u>(698,552)</u>
Total Accumulated Depreciation	<u>(2,590,392)</u>	<u>(157,242)</u>		<u>(2,747,634)</u>
Total Capital Assets, Being Depreciated, Net of Accumulated Depreciation	<u>3,071,602</u>	<u>(133,296)</u>		<u>2,938,306</u>
Governmental Activities Capital Assets, Net	<u>3,151,059</u>	<u>(133,296)</u>		<u>3,017,763</u>
	Balance <u>6/30/10</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>6/30/11</u>
Business-Type Activity				
Furniture and Equipment	82,144	5,143		87,287
Less Accumulated Depreciation				
Furniture and Equipment	<u>(36,726)</u>	<u>(3,390)</u>		<u>(40,116)</u>
Business-Type Activity Capital Assets, Net	<u>45,418</u>	<u>1,753</u>		<u>47,171</u>

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

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2011**

NOTE 6. LONG-TERM OBLIGATION ACTIVITY

Changes in long-term obligations for the year ended June 30, 2011 were as follows:

	<u>Balance</u> <u>June 30, 2010</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance</u> <u>June 30, 2011</u>	<u>Amount</u> <u>Due Within</u> <u>One Year</u>
Unfunded Pension Liability	\$234,029		\$40,778	\$193,251	\$20,389
Deferred PERS Pension Contribution	25,059	\$		25,059	
Compensated Absences Payable	818,018	113,301	5,381	925,938	34,507
Bonds Payable	<u>1,319,000</u>		<u>200,000</u>	<u>1,119,000</u>	<u>200,000</u>
Total	<u>\$2,396,106</u>	<u>\$113,301</u>	<u>\$246,159</u>	<u>\$2,263,248</u>	<u>\$254,896</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, 2011 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, 2011</u>
School Improvement Bonds	07/01/1994	5.625%	07/01/2015	<u>\$1,119,000</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>
2012	\$200,000	\$57,319	\$257,319
2013	200,000	46,069	246,069
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>\$1,119,000</u>	<u>\$163,997</u>	<u>\$1,282,997</u>

B. Bonds Authorized But Not Issued:

As of June 30, 2011 the Board has no authorized but not issued bonds.

C. Capital Leases

The District had no capital leases outstanding at June 30, 2011.

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2011**

NOTE 7. 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, 2011 were \$28,821. Future minimum lease payments are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2012	\$37,013
2013	36,044
2014	26,580
2015	<u>17,720</u>
	<u>\$117,357</u>

NOTE 8. 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.

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, 2011**

NOTE 8. PENSION PLANS, (continued)

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. 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, 2011 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>	
6/30/11	\$90,889
6/30/10	69,389
6/30/09	31,829

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:

Year <u>Ending</u>	Pension <u>Contributions</u>	Post-Retirement Medical <u>Contributions</u>	NCGI <u>Premium</u>
6/30/11	\$-0-	\$300,891	\$14,166
6/30/10	-0-	274,378	14,609
6/30/09	-0-	251,652	13,191

During the year ended June 30, 2011, the State of New Jersey contributed \$335,446 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 \$337,269 during the year ended June 30, 2011 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.

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2011**

NOTE 9. 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, 2010, there were 87,288 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 2010, the State paid \$126.3 million toward Chapter 126 benefits for 14,050 eligible retired members.

NOTE 10. 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 11. 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.

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2011**

NOTE 11. RISK MANAGEMENT, (continued)

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. The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's expendable trust fund for the current and previous two years:

<u>Fiscal Year</u>	<u>Interest Earnings/ District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2010-2011	\$-0-	\$-0-	\$-0-	\$15,307
2009-2010	-0-	-0-	-0-	15,307
2008-2009	-0-	-0-	-0-	15,307

NOTE 12. INVENTORY

Inventory in the Food Service Fund at June 30, 2011 consisted of the following:

Supplies	\$656
Food	<u>2,540</u>
	<u>\$3,196</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.

NOTE 13. 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.

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2011**

NOTE 13. CAPITAL RESERVE ACCOUNT, (continued)

The activity of the capital reserve account for the July 1, 2010 to June 30, 2011 fiscal year is as follows:

Beginning Balance, July 1, 2010	<u>\$1.00</u>
Ending Balance, June 30, 2011	<u>\$1.00</u>

NOTE 14. 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, 2010 to June 30, 2011 fiscal year is as follows:

Beginning Balance, July 1, 2010	<u>\$1.00</u>
Ending Balance, June 30, 2011	<u>\$1.00</u>

NOTE 15. FUND BALANCE APPROPRIATED

General Fund [Exhibit B-1] - Of the \$553,600 General Fund fund balance at June 30, 2011, \$162,052 is reserved for encumbrances; \$360,983 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7 (\$69,037 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2012); \$1 has been reserved in the Capital Reserve Account; \$1 has been reserved in the Maintenance Reserve Account; \$10,210 is unreserved and undesignated; and \$20,353 has been appropriated and included as anticipated revenue for the year ending June 30, 2012.

NOTE 16. 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, 2011 is \$360,983. Of this amount, \$291,946 is the result of current year's operations.

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2011**

NOTE 17. DEFICIT FUND BALANCES

The District has a deficit fund balance of \$(4,404) in the Special Revenue Fund as of June 30, 2011 as reported in the fund statements (modified accrual basis). *N.J.S.A.* 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payment(s) in the subsequent fiscal year, the school district cannot recognize the June state aid payment(s) (on the GAAP financial statements) until the year the State records the payable. Due to the timing difference of recording the June state aid payment(s), the General Fund balance deficit does not alone indicate that the district is facing financial difficulties.

Pursuant to *N.J.S.A.* 18A:22-44.2, any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the June payment(s) of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The District deficit in the GAAP funds statements of \$(4,404) is less than the last state aid payment.

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 not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

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.

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**REQUIRED SUPPLEMENTARY
INFORMATION - PART II**

BUDGETARY COMPARISON SCHEDULES

GUTTENBERG BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final To Actual
REVENUES:					
Local Sources:					
Local Tax Levy	9,351,794	-	9,351,794	9,351,794	-
Miscellaneous				23,831	23,831
Total - Local Sources	<u>9,351,794</u>	<u>-</u>	<u>9,351,794</u>	<u>9,375,625</u>	<u>23,831</u>
State Sources:					
Special Education Aid	608,020	148,877	756,897	756,897	-
Equalization Aid	3,432,012	(148,877)	3,283,135	3,283,135	-
Extraordinary Aid				113,625	113,625
TPAF Pension and Postretirement Medical Contributions (On-Behalf - Non Budgeted)				300,891	300,891
TPAF Non-Contributory Insurance (On-Behalf - Non Budgeted)				14,166	14,166
TPAF Social Security (Reimbursed - Non-Budgeted)				337,269	337,269
Total - State Sources	<u>4,040,032</u>	<u>-</u>	<u>4,040,032</u>	<u>4,805,983</u>	<u>765,951</u>
Federal Sources:					
Medical Assistance Program (SEMI)	16,113	-	16,113	16,113	-
Total - Federal Sources	<u>16,113</u>	<u>-</u>	<u>16,113</u>	<u>16,113</u>	<u>-</u>
TOTAL REVENUES	<u>13,407,939</u>	<u>-</u>	<u>13,407,939</u>	<u>14,197,721</u>	<u>789,782</u>
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
Salaries of Teachers:					
Kindergarten - Salaries of Teachers	233,564	7,062	240,626	240,626	-
Grades 1-5 - Salaries of Teachers	1,061,923	320,314	1,382,237	1,348,084	34,153
Grades 6-8 - Salaries of Teachers	1,042,179	(318,054)	724,125	724,125	-
Grades 9-12 - Salaries of Teachers		75,000	75,000	-	75,000

GUTTENBERG BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final To Actual
Regular Programs - Home Instruction:					
Salaries of Teachers	10,000	2,000	12,000	11,988	12
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	79,602	(6,266)	73,336	73,232	104
Other Purchased Services (400-500 series)	15,000	-	15,000	14,625	375
General Supplies	87,884	129,116	217,000	70,285	146,715
Textbooks	79,815	(51,849)	27,966	27,965	1
TOTAL REGULAR PROGRAMS - INSTRUCTION	2,609,967	157,323	2,767,290	2,510,930	256,360
SPECIAL EDUCATION - INSTRUCTION					
Learning and/or Language Disabilities:					
Salaries of Teachers	143,878	49,058	192,936	192,936	-
Total Learning and/or Language Disabilities	143,878	49,058	192,936	192,936	-
Multiple Disabilities					
Salaries of Teachers	59,223	43,594	102,817	83,413	19,404
Total Multiple Disabilities	59,223	43,594	102,817	83,413	19,404
Resource Room/Resource Center:					
Salaries of Teachers	139,272	(37,935)	101,337	101,337	-
Total Resource Room/Resource Center	139,272	(37,935)	101,337	101,337	-
Autism:					
Salaries of Teachers	49,909	(20)	49,889	48,930	959
Total Preschool Disabilities-Full Time	49,909	(20)	49,889	48,930	959
TOTAL SPECIAL EDUCATION - INSTRUCTION	392,282	54,697	446,979	426,616	20,363
Basic Skills/Remedial-Instruction					
Salaries of Teachers	56,055	(35,635)	20,420	20,420	-
Total Basic Skills/Remedial-Instruction	56,055	(35,635)	20,420	20,420	-

GUTTENBERG BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final To Actual
Bilingual Education - Instruction					
Salaries of Teachers	327,666	(16,108)	311,558	311,558	-
Other Salaries for Instruction	3,850	20	3,870	3,870	-
Total Bilingual Education - Instruction	331,516	(16,088)	315,428	315,428	-
School-Sponsored Cocurricular Activities - Instruction					
Salaries	15,000	(718)	14,282	13,687	595
Total School-Sponsored Cocurricular Activities - Instruction	15,000	(718)	14,282	13,687	595
Other Instructional Programs - Instruction					
Purchased Services - (300-500 series)	1,000	-	1,000	400	600
Supplies and Materials	500	-	500	316	184
Total Other Instructional Programs - Instruction	1,500	-	1,500	716	784
TOTAL INSTRUCTION	3,406,320	159,579	3,565,899	3,287,797	278,102
Undistributed Expenditures - Instruction					
Tuition to other LEAs within the state - regular	4,533,169	(113,251)	4,419,918	4,419,918	-
Tuition to other LEAs within the state - Special	413,000	31,527	444,527	444,527	-
Tuition to CSSD & Regular Day Schools	407,100	35,679	442,779	433,208	9,571
Tuition to Private School for the Disabled within State	188,956	170,426	359,382	359,382	-
Total Undistributed Expenditures - Instruction	5,542,225	124,381	5,666,606	5,657,035	9,571
Undist. Expend. - Health Services					
Salaries	75,273	(1,693)	73,580	73,580	-
Purchased Professional and Technical Services	10,000	(2,172)	7,828	7,828	-
Supplies and Materials	1,580	-	1,580	994	586
Total Undistributed Expenditures - Health Services	86,853	(3,865)	82,988	82,402	586
Undist. Expenditures - Speech, OT, PT & Related Services					
Salaries	71,330	292	71,622	71,622	-
Purchased Professional - Educational Services	276,500	8,071	284,571	283,821	750
Total Undist. Expend. - Other Supp. Serv. Students - Related Serv.	347,830	8,363	356,193	355,443	750
Undist. Expend. - Guidance					

GUTTENBERG BOARD OF EDUCATION
 Budgetary Comparison Schedule
 General Fund
 Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final To Actual
Salaries of Other Professional Staff	91,277	(6,559)	84,718	84,718	-
Total Undist. Expend. - Other Supp. Serv. Students - Regular	91,277	(6,559)	84,718	84,718	-
Undist. Expend. - Child Study Teams					
Salaries of Other Professional Staff	97,722	5,805	103,527	103,527	-
Salaries of Secretarial and Clerical Assistants	-	1,496	1,496	1,496	-
Other Salaries	59,335	46,484	105,819	105,819	-
Total Undist. Expend. - Other Supp. Serv. Students-Special	157,057	53,785	210,842	210,842	-
Undist. Expend. - Improvement of Instructional Services					
Salaries of Other Professional Staff	66,000	15,628	81,628	81,628	-
Total Undist. Expend. - Improvement of Instructional Services	66,000	15,628	81,628	81,628	-
Undist. Expend. - Support Serv. - General Administration					
Salaries	223,192	11,880	235,072	229,732	5,340
Salaries of Attorneys	50,000	-	50,000	50,000	-
Audit Fees	26,000	-	26,000	25,000	1,000
Other purchased professional services - Accountant	18,500	-	18,500	18,500	-
Communications/telephone	57,001	(691)	56,310	56,310	-
BOE Other Purchased Services	10,000	-	10,000	10,000	-
Misc. Purchased Services (400-500 series)	37,000	-	37,000	37,000	-
General Supplies	20,000	-	20,000	18,826	1,174
BOE In-House Training/Meeting Supplies	5,000	(3,554)	1,446	745	701
Miscellaneous expenditures	4,000	3,554	7,554	7,554	-
BOE Membership Dues and Fees	6,824	-	6,824	6,824	-
Total Undist. Expend. - Supp. Serv. - General Administration	457,517	11,189	468,706	460,491	8,215
Undist. Expend. - Support Serv. - School Administration					
Salaries of Principals/Assistant Principals	241,244	4,394	245,638	245,638	-
Salaries of Secretarial and Clerical assistants	95,670	-	95,670	95,445	225
Supplies and materials	15,000	-	15,000	14,858	142
Total Undist. Expend. - Support Serv. - School Administration	351,914	4,394	356,308	355,941	367

GUTTENBERG BOARD OF EDUCATION
 Budgetary Comparison Schedule
 General Fund
 Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final To Actual
Undistributed Expenditures - Central Services					
Salaries	212,699	15	212,714	207,468	5,246
Purchased Technical Services	15,000	-	15,000	15,000	-
Misc. Purchased Services (400-500 series)	5,000	-	5,000	948	4,052
Supplies and Materials	10,000	10,151	20,151	9,540	10,611
Miscellaneous expenditures	1,050	-	1,050	138	912
Total Undists Expend. - Central Services	243,749	10,166	253,915	233,094	20,821
Undist. Expend. - Admin. Info. Tech.					
Salaries	56,638	-	56,638	54,278	2,360
Purchased Technical Services	7,500	-	7,500	4,253	3,247
Supplies and Materials		1,260	1,260	-	1,260
Total Undist. Expend. - Admin. Info. Technology	64,138	1,260	65,398	58,531	6,867
Undist. Expend. - Required Maint. for School Facilities					
Salaries	80,864	(27,964)	52,900	52,900	-
Cleaning, Repair and Maintenance Services	87,300	(36,078)	51,222	51,222	-
Total Undist. Expend. - Required Maint. for School Facilities	168,164	(64,042)	104,122	104,122	-
Undist. Expend. - Custodial Services					
Salaries	118,809	(5,773)	113,036	113,036	-
Other Purchased Property Services	13,300	640	13,940	13,940	-
Insurance	110,775	(258)	110,517	110,517	-
Miscellaneous Purchased Services	6,000	(3,955)	2,045	2,045	-
General Supplies	45,000	(16,297)	28,703	28,160	543
Energy (Electricity)	100,000	(53,149)	46,851	46,851	-
Energy (Natural Gas)	41,252	(2,029)	39,223	39,223	-
Total Undist. Expend. - Other Oper. & Maint. of Plant Svcs.	435,136	(80,821)	354,315	353,772	543
Total Undistributed Expend.-Oper & Maint of Plant Svcs.	603,300	(144,863)	458,437	457,894	543
Undist. Expend. - Student transportation services:					
Contract Service - Joint Agreements	338,000	18,367	356,367	356,367	-
Total Undist. Expend. - Student Transportation Services	338,000	18,367	356,367	356,367	-
ALLOCATED BENEFITS					
Regular Programs - Instruction - Employee Benefits					

GUTTENBERG BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final To Actual
Social Security Contributions	71,000	(26,247)	44,753	44,753	-
T.P.A.F. Contributions - ERIP	55,000	(14,222)	40,778	40,778	-
Unemployment Compensation	60,000	(38,679)	21,321	21,321	-
Health Benefits	802,979	(88,762)	714,217	694,442	19,775
Tuition Reimbursement	5,000	(5,000)	2,000	-	-
Other Employee Benefits	2,000	-	2,000	2,000	-
Total Regular Programs - Instruction	995,979	(172,910)	823,069	803,294	19,775
Special Programs - Instruction - Employee Benefits					
Health Benefits	263,194	(18,911)	244,283	175,646	68,637
Tuition Reimbursement	3,000	(3,000)	-	-	-
Other Employee Benefits	1,000	(1,000)	-	-	-
Total Special Programs - Instruction - Employee Benefits	267,194	(22,911)	244,283	175,646	68,637
Health Services - Employee Benefits					
Health Benefits	20,566	-	20,566	20,566	-
Other Employee Benefits	400	-	400	-	400
Total Health Services - Employee Benefits	20,966	-	20,966	20,566	400
Other Support Serv. - Speech, OT, PT, & Rel. Svc - Employee Benefits					
Health Benefits	8,204	(8,204)	-	-	-
Other Employee Benefits	400	-	400	-	400
Total Other Support Services- Employee Benefits	8,604	(8,204)	400	-	400
Other Support Services - Guidance - Employee Benefits:					
Health Benefits	18,606	-	18,606	18,606	-
Other Employee Benefits	18,606	-	18,606	18,606	-
Total Other Support Services - Employee Benefits	48,914	(35,456)	13,458	13,458	-
Other Support Services - Child Study Team - Employee Benefits					
Health Benefits	600	(600)	-	-	-
Other Employee Benefits	49,514	(36,056)	13,458	13,458	-
Total Other Support Svcs - Child Study Team - Employee Benefits	49,514	(36,056)	13,458	13,458	-

GUTTENBERG BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final To Actual
Support Services - General Admin - Employee Benefits					
Social Security Contributions	7,800	(4,698)	3,102	3,102	-
Health Benefits	36,974	(12,907)	24,067	24,067	-
Other Employee Benefits	400	(400)	-	-	-
Total Support Services - General Admin - Employee Benefits	45,174	(18,005)	27,169	27,169	-
Support Services - School Admin - Employee Benefits					
Social Security Contributions	7,800	(2,273)	5,527	5,527	-
Health Benefits	90,468	(6,103)	84,365	84,365	-
Other Employee Benefits	600	(221)	379	379	-
Total Support Services - School Admin - Employee Benefits	98,868	(8,597)	90,271	90,271	-
Support Services - Central Services - Employee Benefits					
Social Security Contributions	13,000	(4,503)	8,497	8,497	-
Health Benefits	40,710	-	40,710	40,710	-
Other Employee Benefits	400	(200)	200	200	-
Total Support Services - Central Services - Employee Benefits	54,110	(4,703)	49,407	49,407	-
Support Services - Admin. Info. Tech. - Employee Benefits					
Social Security Contributions	2,000	67	2,067	2,067	-
Health Benefits	6,204	-	6,204	6,204	-
Total Support Services - Admin. Info. Tech. - Employee Benefits	8,204	67	8,271	8,271	-
Operation and Maintenance of Plant Svcs - Employee Benefits					
Social Security Contributions	15,000	(1,288)	13,712	13,712	-
Health Benefits	70,046	-	70,046	70,046	-
Other Employee Benefits	600	(400)	200	200	-
Total Operation and Maintenance of Plant Svcs - Employee Benefits	85,646	(1,688)	83,958	83,958	-
TOTAL ALLOCATED BENEFITS	1,652,865	(273,007)	1,379,858	1,290,646	89,212
UNALLOCATED BENEFITS					
Unallocated Benefits - Employee Benefits					
Other Retirement Contributions - Regular	130,000	30,278	160,278	160,278	-
Total Unallocated Benefits - Employee Benefits	130,000	30,278	160,278	160,278	-
Total Personal Services - Employee Benefits	1,782,865	(242,729)	1,540,136	1,450,924	89,212

GUTTENBERG BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final To Actual
On-behalf TPAF Pension and Post Retirement Medical Contributions (non-budgeted)				300,891	(300,891)
On-behalf TPAF Non-Contributory Insurance (non-budgeted)				14,166	(14,166)
Reimbursed TPAF Social Security Contributions (non-budgeted)				337,269	(337,269)
TOTAL ON-BEHALF CONTRIBUTIONS	-	-	-	652,326	(652,326)
TOTAL UNDISTRIBUTED EXPENDITURES	10,132,725	(150,483)	9,982,242	10,497,636	(515,394)
TOTAL GENERAL CURRENT EXPENSE	13,539,045	9,096	13,548,141	13,785,433	(237,292)
CAPITAL OUTLAY					
Equipment:					
Grades 1-5	-	2,500	2,500	-	2,500
Grades 6-8	-	2,500	2,500	-	2,500
School Administration	-	4,750	4,750	-	4,750
Equipment - Undistributed:					
Req. Maintenance for School Facilities		3,000	3,000	3,000	-
Custodial Services		2,675	2,675	2,675	-
Total Equipment	-	15,425	15,425	5,675	9,750
TOTAL CAPITAL OUTLAY	-	15,425	15,425	5,675	9,750
GENERAL FUND					
Transfer of funds to charter schools	24,521	(24,521)	-	-	-
TOTAL EXPENDITURES	13,563,566	-	13,563,566	13,791,108	(227,542)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(155,627)	-	(155,627)	406,613	562,240

GUTTENBERG BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final To Actual
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(155,627)	-	(155,627)	406,613	562,240
Fund Balance, July 1	513,178		513,178	513,178	-
Fund Balance, June 30	<u>357,551</u>	<u>-</u>	<u>357,551</u>	<u>919,791</u>	<u>562,240</u>
Recapitulation of excess (deficiency) of revenues under expenditures Adjustment for Prior Year Encumbrances Budgeted Fund Balance	155,627		155,627	155,627	(562,240)
	<u>155,627</u>	<u>-</u>	<u>155,627</u>	<u>(406,613)</u>	<u>(562,240)</u>

Recapitulation

Restricted Fund Balance:

Capital Reserve	1
Maintenance Reserve	1
Excess Surplus - Designated for Subsequent Year's Expenditures	69,037
Excess Surplus - Current Year	291,946

Committed Fund Balance:

Year-End Encumbrances	162,052
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Assigned Fund Balance:

Designated for Subsequent Year's Expenditures	20,353
Unassigned Fund Balance	376,401

Reconciliation to Governmental Funds Statement (GAAP):

Less: Last State Aid Payment not recognized, GAAP Basis	919,791
Fund Balance per Governmental Funds (GAAP)	<u>(366,191)</u>
	<u>553,600</u>

TOWN OF GUTTENBERG BOARD OF EDUCATION
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
REVENUES:					
State Sources	214,200	11,661	225,861	225,861	-
Federal Sources		1,928,416	1,928,416	1,692,854	(235,562)
Total Revenues	214,200	1,940,077	2,154,277	1,918,715	(235,562)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	100,431	633,099	733,530	699,377	34,153
Other Salaries for Instruction	50,604	188,997	239,601	167,122	72,479
Other Purchased Services		50,321	50,321	50,281	40
General Supplies		92,588	92,588	84,318	8,270
Other Objects		10,557	10,557	10,557	-
Total instruction	151,035	975,562	1,126,597	1,011,655	114,942
Support services:					
Salaries of Supervisors of Instruction		3,500	3,500	3,500	-
Salaries of Program Directors		7,000	7,000	7,000	-
Salaries of Other Professional Staff		152,921	152,921	147,065	5,856
Personal Services - Employee Benefits	63,165	336,345	399,510	358,650	40,860
Other Purchased Professional & Technical Services		405,945	405,945	334,195	71,750
Other Purchased Services		12,150	12,150	10,150	2,000
Supplies and Materials		28,383	28,383	28,229	154
Total support services	63,165	946,244	1,009,409	888,789	120,620
Facilities acquisition and const. serv.:					
Instructional Equipment		2,300	2,300	2,300	-
Non- Instructional Equipment		15,971	15,971	15,971	-
Total facilities acquisition and const. serv.	-	18,271	18,271	18,271	-
Total Expenditures	214,200	1,940,077	2,154,277	1,918,715	235,562
Excess (Deficiency) of Revenues Over (Under)	-	-	-	-	-
Expenditures and Other Financing Sources (Uses)	-	-	-	-	-

TOWN OF GUTTENBERG BOARD OF EDUCATION
Required Supplementary Information
Budgetary Comparison Schedule
Note to Required Supplementary Information
For the Fiscal Year Ended June 30, 2011

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

		General Fund	Special Revenue Fund
Sources/inflows of resources			
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1],[C-2]	14,197,721	1,918,715
Difference - budget to GAAP:			
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		440,165	17,016
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).		(366,191)	(21,420)
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	14,271,695	1,914,311
Uses/outflows of resources			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1],[C-2]	13,791,108	1,918,715
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	13,791,108	1,918,715

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, 2011

	Total Brought Forward (Ex. E-1a)	Title I Improving Basic Programs	Title I Improving Basic Programs Carryover	Title I, ARRA Improving Basic Programs	Title I, SIA Part A ARRA - School Improvement Accountability	Totals 2011
REVENUES						
State Sources	225,861	-	-	-	-	225,861
Federal Sources	593,710	594,527	174,192	311,652	18,773	1,692,854
Total Revenues	819,571	594,527	174,192	311,652	18,773	1,918,715
EXPENDITURES:						
Instruction:						
Salaries of Teachers	241,310	226,105	74,682	151,555	5,725	699,377
Other Salaries for Instruction	77,173	85,689		4,260		167,122
Other Purchased Services	50,281					50,281
General Supplies	18,349	5,736	5,008	50,487	4,738	84,318
Other Objects	10,557					10,557
Total instruction	397,670	317,530	79,690	206,302	10,463	1,011,655
Support Services:						
Salaries of Supervisors of Instruction	3,500					3,500
Salaries of Program Directors	-	3,500		3,500		7,000
Salaries of Other Professional Staff	147,065					147,065
Personal Services - Employee Benefits	155,833	99,795	22,934	77,763	2,325	358,650
Purchased Professional & Technical Services	90,899	173,365	63,946		5,985	334,195
Other Purchased Services	10,150					10,150
Supplies and Materials	14,454	337	7,622	5,816		28,229
Total support services	421,901	276,997	94,502	87,079	8,310	888,789
Facilities acquisition and const. serv.:						
Instructional Equipment	-			2,300		2,300
Non-Instructional Equipment	-			15,971		15,971
Total facilities acquisition and const. serv.	-	-	-	18,271	-	18,271
Total Expenditures	819,571	594,527	174,192	311,652	18,773	1,918,715
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-	-

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, 2011

	Total Brought Forward (Ex. E-1b)	Title II, Part A Teacher & Principal Training & Recruiting	Title II, Part A Teacher & Principal Training & Recruiting Carryover	Title II, Part D Enhancing Education through Technology	Total Carried Forward
REVENUES					
State Sources	225,861				225,861
Federal Sources	517,254	55,389	19,880	1,187	593,710
Total Revenues	743,115	55,389	19,880	1,187	819,571
EXPENDITURES:					
Instruction:					
Salaries of Teachers	229,855		11,455		241,310
Other Salaries for Instruction	77,048		125		77,173
Other Purchased Services	50,281				50,281
General Supplies	18,349				18,349
Other Objects	10,557				10,557
Total instruction	386,090	-	11,580	-	397,670
Support services:					
Salaries of Supervisors of Instruction	3,500				3,500
Salaries of Program Directors	-				-
Salaries of Other Professional Staff	147,065				147,065
Personal Services - Employee Benefits	150,743		5,090		155,833
Purchased Professional & Technical Services	32,058	54,444	3,210	1,187	90,899
Other Purchased Services	10,150				10,150
Supplies and Materials	13,509	945			14,454
Total support services	357,025	55,389	8,300	1,187	421,901
Facilities acquisition and const. serv.:					
Instructional Equipment	-				-
Non-Instructional Equipment	-				-
Total facilities acquisition and const. serv.	-	-	-	-	-
Total Expenditures	743,115	55,389	19,880	1,187	819,571
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-

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, 2011

	Total Brought Forward (Ex. E-1c)	Title II, Part D Enhancing Education through Technology carryover	Title III, English Language Acq. and Language Enhancement	Title III, English Language Acq. and Language Enhancement Carryover	Total Carried Forward
REVENUES					
State Sources	225,861				225,861
Federal Sources	471,587	250	19,805	25,612	517,254
Total Revenues	697,448	250	19,805	25,612	743,115
EXPENDITURES:					
Instruction:					
Salaries of Teachers	218,302		13,085	11,553	229,855
Other Salaries for Instruction	63,573			390	77,048
Other Purchased Services	49,990		6,720	291	50,281
General Supplies	4,523			7,106	18,349
Other Objects	10,557				10,557
Total instruction	346,945	-	19,805	19,340	386,090
Support services:					
Salaries of Supervisors of Instruction	3,500				3,500
Salaries of Program Directors	-				-
Salaries of Other Professional Staff	147,065			5,875	147,065
Personal Services - Employee Benefits	144,868				150,743
Purchased Professional & Technical Services	31,411	250		397	32,058
Other Purchased Services	10,150				10,150
Supplies and Materials	13,509				13,509
Total support services	350,503	250	-	6,272	357,025
Facilities acquisition and const. serv.:					
Instructional Equipment	-				-
Non - Instructional Equipment	-				-
Total facilities acquisition and const. serv.	-	-	-	-	-
Total Expenditures	697,448	250	19,805	25,612	743,115
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-

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, 2011

	Total Brought Forward (Ex. E-1d)	Title IV, Safe and Drug Free Schools Carryover	IDEA Part B, Basic	IDEA Part B, Basic Carryover	Total Carried Forward
REVENUES					
State Sources	225,861				225,861
Federal Sources	201,713	1,956	266,321	1,597	471,587
Total Revenues	427,574	1,956	266,321	1,597	697,448
EXPENDITURES:					
Instruction:					
Salaries of Teachers	149,113		69,189		218,302
Other Salaries for Instruction	62,303	1,270			63,573
Other Purchased Services	49,990				49,990
General Supplies	4,063	460			4,523
Other Objects	10,557				10,557
Total instruction	276,026	1,730	69,189	-	346,945
Support services:					
Salaries of Supervisors of Instruction	3,500				3,500
Salaries of Program Directors	-				-
Salaries of Other Professional Staff	32,103		114,962		147,065
Personal Services - Employee Benefits	79,319		65,549		144,868
Purchased Professional & Technical Services	17,976	226	11,612	1,597	31,411
Other Purchased Services	6,150		4,000		10,150
Supplies and Materials	12,500		1,009		13,509
Total support services	151,548	226	197,132	1,597	350,503
Facilities acquisition and const. serv.:					
Instructional Equipment	-				-
Non-Instructional Equipment	-				-
Total facilities acquisition and const. serv.	-	-	-	-	-
Total Expenditures	427,574	1,956	266,321	1,597	697,448
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-

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, 2011

	I.D.E.A. Preschool	IDEA Part B, Basic - ARRA	IDEA Part B, Preschool ARRA	Preschool Education Aid	Total Carried Forward
REVENUES					
State Sources	9,971	180,249	11,493	225,861	225,861
Federal Sources					201,713
Total Revenues	9,971	180,249	11,493	225,861	427,574
EXPENDITURES:					
Instruction:					
Salaries of Teachers		50,571		98,542	149,113
Other Salaries for Instruction		49,990		62,303	62,303
Other Purchased Services		1,100	1,876	1,087	49,990
General Supplies		8,945	1,612		4,063
Other Objects					10,557
Total instruction	-	110,606	3,488	161,932	276,026
Support services:					
Salaries of Supervisors of Instruction				3,500	3,500
Salaries of Program Directors		32,103			32,103
Salaries of Other Professional Staff		19,696		59,623	79,319
Personal Services - Employee Benefits			8,005		17,976
Purchased Professional & Technical Services	9,971	6,150			6,150
Other Purchased Services		11,694		806	12,500
Supplies and Materials					
Total support services	9,971	69,643	8,005	63,929	151,548
Facilities acquisition and const. serv.:					
Instructional Equipment					-
Non-Instructional Equipment					-
Total facilities acquisition and const. serv.	-	-	-	-	-
Total Expenditures	9,971	180,249	11,493	225,861	427,574
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-

TOWN OF GUTTENBERG BOARD OF EDUCATION
Special Revenue Fund
Schedule of Preschool Education Aid
Budgetary Basis
For the Fiscal Year ended June 30, 2011

	Total		Variance
	Budget	Actual	
EXPENDITURES:			
Instruction:			
Salaries of teachers	\$ 98,542	98,542	
Other salaries for instruction	62,303	62,303	
General Supplies	1,087	1,087	
Total instruction	<u>161,932</u>	<u>161,932</u>	
SUPPORT SERVICES:			
Salaries of Supervisors of Instruction	3,500	3,500	
Personal services - employee benefits	59,623	59,623	
Supplies and Materials	806	806	
Total support services	<u>63,929</u>	<u>63,929</u>	
Total expenditures	<u>\$ 225,861</u>	<u>225,861</u>	

Calculation of Budget and Carryover

Total Revised 2010-11 Preschool Education Aid Allocation	\$ 214,200
Add: Actual ECPA/PEA Carryover (June 30, 2010)	28,677
Add: Budgeted transfer from General Fund 2010-2011	
Total Preschool Education Aid Funds Available for 2010-2011 Budget	<u>242,877</u>
Less: 2010-11 Budgeted Preschool Education Aid (Including prior year budgeted carryover)	<u>225,861</u>
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2011	17,016
 Add: June 30, 2011 Unexpended Preschool Education Aid 2011-12 Carryover - Preschool Education Aid Programs	 <u>17,016</u>
 2010-11 Preschool Education Aid Carryover Budgeted for Preschool Programs 2011-12	 <u>\$</u>

PROPRIETARY FUNDS

TOWN OF GUTTENBERG BOARD OF EDUCATION
Combining Statement of Net Assets
Enterprise Funds
June 30, 2011

	<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>	
ASSETS				
Current assets:				
Cash and cash equivalents	155,216		141,804	297,020
Accounts receivable:				
State	11			11
Federal	484			484
Inventories	3,196			3,196
Total current assets	<u>158,907</u>		<u>141,804</u>	<u>300,711</u>
Noncurrent assets:				
Capital assets:				
Equipment	87,287			87,287
Less accumulated depreciation	<u>(40,116)</u>			<u>(40,116)</u>
Total capital assets (net of accumulated depreciation)	<u>47,171</u>			<u>47,171</u>
Total assets	<u>206,078</u>		<u>141,804</u>	<u>347,882</u>
LIABILITIES				
Current liabilities:				
Cash Deficit		16,801		16,801
Accounts payable	1,999			1,999
Interfund payable		1,811		1,811
Total current liabilities	<u>1,999</u>	<u>18,612</u>		<u>20,611</u>
Total liabilities	<u>1,999</u>	<u>18,612</u>		<u>20,611</u>
NET ASSETS				
Invested in capital assets net of related debt	47,171			47,171
Restricted contributed capital	32,055			32,055
Unrestricted	124,853	(18,612)	141,804	248,045
Total net assets	<u>204,079</u>	<u>(18,612)</u>	<u>141,804</u>	<u>327,271</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, 2011

	Enterprise Funds		Internal Service Fund	Totals
	Food Service Program	School Age Child Care	Building Maintenance	
Operating revenues:				
Charges for services:				
Daily sales - reimbursable programs	27,499			27,499
Total operating revenues	<u>27,499</u>	<u>-</u>	<u>-</u>	<u>27,499</u>
Operating expenses:				
Cost of sales	146,444			146,444
Salaries	194,575			194,575
Supplies and materials	6,921			6,921
Cleaning, repair and maintenance	1,446			1,446
Utilities	52,171			52,171
Employee benefits	21,299			21,299
Purchased property services	13,455			13,455
Depreciation	3,390			3,390
Total Operating Expenses	<u>439,701</u>	<u>-</u>	<u>-</u>	<u>439,701</u>
Operating income (loss)	<u>(412,202)</u>	<u>-</u>	<u>-</u>	<u>(412,202)</u>
Nonoperating revenues (expenses):				
State sources:				
State school lunch program	6,231			6,231
Federal sources:				
National school lunch program	301,344			301,344
National school breakfast program	12,806			12,806
Food distribution program	21,747			21,747
Interest and investment revenue			29	29
Total nonoperating revenues (expenses)	<u>342,128</u>	<u>-</u>	<u>29</u>	<u>342,157</u>
Income (loss) before contributions & transfers	<u>(70,074)</u>	<u>-</u>	<u>29</u>	<u>(70,045)</u>
Transfers in (out)				
Change in net assets	<u>(70,074)</u>	<u>-</u>	<u>29</u>	<u>(70,045)</u>
Total net assets—beginning	<u>274,153</u>	<u>(18,612)</u>	<u>141,775</u>	<u>397,316</u>
Total net assets—ending	<u>204,079</u>	<u>(18,612)</u>	<u>141,804</u>	<u>327,271</u>

TOWN OF GUTTENBERG BOARD OF EDUCATION
Combining Statement of Cash Flows
Enterprise Funds
For the Fiscal Year Ended June 30, 2011

	Enterprise Funds		Internal Service Funds	Totals
	Food Service Program	School Age Child Care	Building Maintenance	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	27,499			27,499
Payments to Outside Food Service Management Company	(255,265)			(255,265)
Payments to employees	(101,955)			(101,955)
Payments for utilities	(52,171)			(52,171)
Payments for cleaning, repair and maintenance	(1,446)			(1,446)
Payments for supplies	(2,579)			(2,579)
Net cash provided by (used for) operating activities	<u>(385,917)</u>	<u>-</u>	<u>-</u>	<u>(385,917)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
State Sources	7,446			7,446
Federal Sources	344,090			344,090
Net cash provided by (used for) non-capital financing activities	<u>351,536</u>	<u>-</u>	<u>-</u>	<u>351,536</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of capital assets	(5,143)			(5,143)
Net cash provided by (used for) capital and related financing activities	<u>(5,143)</u>	<u>-</u>	<u>-</u>	<u>(5,143)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and dividends			29	29
Net cash provided by (used for) investing activities	<u>-</u>	<u>-</u>	<u>29</u>	<u>29</u>
Net increase (decrease) in cash and cash equivalents	(39,524)	-	29	(39,495)
Balances—beginning of year	194,740	(16,801)	141,775	319,714
Balances—end of year	<u>155,216</u>	<u>(16,801)</u>	<u>141,804</u>	<u>280,219</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss) provided by:	(412,202)	-	-	(412,202)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation and net amortization	3,390			3,390
Food Distribution Program	21,747			21,747
(Increase) decrease in inventories	(851)			(851)
Increase (decrease) in accounts payable	1,999			1,999
Total adjustments	<u>26,285</u>	<u>-</u>	<u>-</u>	<u>26,285</u>
Net cash provided by (used for) operating activities	<u>(385,917)</u>	<u>-</u>	<u>-</u>	<u>(385,917)</u>

FIDUCIARY FUND

GUTTENBERG BOARD OF EDUCATION
Combining Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2011

	<u>Unemployment Compensation Trust Fund</u>	<u>Private Purpose Scholarship Fund</u>	<u>Agency Fund</u>
ASSETS			
Cash and cash equivalents	15,307	17,103	79,888
Deposits			7,688
Total assets	<u>15,307</u>	<u>17,103</u>	<u>87,576</u>
LIABILITIES			
Payable to student groups			2,932
Payroll deductions and withholdings			86,140
Interfund payable			1,000
Net salaries and wages			(2,496)
Total liabilities			<u>87,576</u>
NET ASSETS			
Held in trust for unemployment claims and other purposes	<u>15,307</u>		
Reserved for Scholarships		<u>17,103</u>	

GUTTENBERG BOARD OF EDUCATION
Combining Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Fiscal Year Ended June 30, 2011

	<u>Unemployment Compensation Trust Fund</u>	<u>Private Purpose Scholarship Fund</u>
ADDITIONS		
Contributions:		
Donations		
Total Contributions	<u>-</u>	<u>-</u>
DEDUCTIONS		
Scholarship payments		2,250
Total deductions	<u>-</u>	<u>2,250</u>
Change in net assets	<u>-</u>	<u>(2,250)</u>
Net assets—beginning of the year	15,307	19,353
Net assets—end of the year	<u>15,307</u>	<u>17,103</u>

GUTTENBERG BOARD OF EDUCATION
Student Activity Agency Fund
Schedule of Receipts and Disbursements
for the Fiscal Year ended June 30, 2011

	<u>Balance</u> <u>July 1, 2010</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursed</u>	<u>Balance</u> <u>June 30, 2011</u>
Anna L. Klein School:				
Anna L. Klein School Funds	415	4,100	4,400	115
Anna L. Klein Student Activity	5,730	830	4,744	1,816
Graduating Class Fund	2,841	6,909	9,535	215
Student Council Account	860	1,082	1,415	527
Anna L. Klein Yearbook Account	371	6,799	6,911	259
	<u>10,217</u>	<u>19,720</u>	<u>27,005</u>	<u>2,932</u>

GUTTENBERG BOARD OF EDUCATION
Payroll Agency Fund
Schedule of Receipts and Disbursements
for the Fiscal Year ended June 30, 2011

	Balance July 1, 2010	Cash Receipts	Cash Disbursed	Balance June 30, 2011
Net Payroll	(2,616)	4,029,333	4,029,213	(2,496)
Payroll Deductions and Withholdings	55,402	2,529,772	2,499,034	86,140
	<u>52,786</u>	<u>6,559,105</u>	<u>6,528,247</u>	<u>83,644</u>

LONG-TERM DEBT

TOWN OF GUTTENBERG BOARD OF EDUCATION
General Long Term Debt Account Group
Statement of Serial Bonds
June 30, 2011

ISSUE	Date of Issue	Amount of Issue	Annual Maturities Date	Interest Rate	Balance July 1, 2010	Retired	Balance June 30, 2011
School Improvement Bonds, Repair to Boiler and Removal of Asbestos at the Anna L. Klein School	7/1/1994	3,399,000	7/1/11-12 7/1/13-14 7/1/2015	5.625%	1,319,000	200,000	1,119,000
					<u>1,319,000</u>	<u>200,000</u>	<u>1,119,000</u>

TOWN OF GUTTENBERG BOARD OF EDUCATION
Budgetary Comparison Schedule
Debt Service Fund
For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	251,211		251,211	251,211	
State Sources:					
Debt Service Aid Type II	17,358		17,358	17,358	
Total - State Sources	17,358		17,358	17,358	
Total Revenues	268,569		268,569	268,569	
EXPENDITURES:					
Regular Debt Service:					
Interest	68,569		68,569	68,569	
Redemption of Principal	200,000		200,000	200,000	
Total Regular Debt Service	268,569		268,569	268,569	
Total expenditures	268,569		268,569	268,569	
Excess (Deficiency) of Revenues Over (Under) Expenditures					
Fund Balance, July 1	1		1	1	
Fund Balance, June 30	1		1	1	
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Budgeted Fund Balance					

STATISTICAL SECTION

STATISTICAL SECTION (UNAUDITED) - INTRODUCTION

J SERIES

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the district's financial performance and well-being have changes over time.	J-1 to J-5
Revenue Capacity These schedules contain information to help the reader assess the district's most significant local revenue sources, the property tax.	J-6 to J-9
Debt Capacity 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.	J-10 to J-13
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	J-14 to J-15
Operating Information 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.	J-16 to J-20
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.	

STATISTICAL SECTION (UNAUDITED)

Introduction to the Statistical Section

Financial Trends

- J-1 Net Assets by Component
- J-2 Changes in Net Assets
- 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

Guttenberg Board of Education
Net Assets by Component
Last Ten Fiscal Years
Guttenberg Board of Education

	2004	2005	2006	2007	2008	2009	2010	2011
Governmental activities								
Invested in capital assets, net of related debt	\$ 310,425	\$ 369,644	\$ 412,692	\$ 669,146	\$ 811,156	\$ 1,766,011	\$ 1,832,059	\$ 1,898,763
Restricted	171,212	209,977	1,243,578	2,067,515	2,647,751	2,032,942	366,442	685,195
Unrestricted	(380,355)	(691,986)	(897,173)	(872,488)	(650,857)	(1,209,549)	(1,265,856)	(1,169,914)
Total governmental activities net assets	\$ 101,282	\$ (112,365)	\$ 759,097	\$ 1,864,173	\$ 2,808,050	\$ 2,589,404	\$ 932,645	\$ 1,414,044
Business-type activities								
Invested in capital assets, net of related debt		\$ 8,788	\$ 18,259	\$ 15,150	\$ 13,793	\$ 48,541	\$ 45,418	\$ 47,171
Restricted	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
Total business-type activities net assets	\$ 32,055	\$ 337,966	\$ 147,212	\$ 170,451	\$ 195,763	\$ 263,228	\$ 255,541	\$ 185,467
District-wide								
Invested in capital assets, net of related debt	\$ 310,425	\$ 378,432	\$ 430,951	\$ 684,296	\$ 824,949	\$ 1,814,552	\$ 1,877,477	\$ 1,945,934
Restricted	203,267	242,032	1,275,633	2,099,570	2,679,806	2,064,997	398,497	717,250
Unrestricted	(380,355)	(394,863)	(800,275)	(749,242)	(500,942)	(1,026,917)	(1,087,788)	(1,063,673)
Total district net assets	\$ 133,337	\$ 225,601	\$ 906,309	\$ 2,034,624	\$ 3,003,813	\$ 2,852,632	\$ 1,188,186	\$ 1,599,511

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 Assets, Last Ten Fiscal Years

	2004	2005	2006	2007	2008	2009	2010	2011
Expenses								
Governmental activities								
Instruction								
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
Special education	146,064	203,995	208,407	253,558	253,348	314,041	812,324	426,616
Other special education	232,931	231,755	234,861	239,112	319,123	346,089	959,974	511,494
Other instruction	60,748	35,101	900	-	-	-	-	14,403
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
Student & instruction related services	1,141,947	1,149,447	1,401,793	1,366,602	1,443,084	2,025,191	1,999,616	1,756,452
General administrative services	437,421	413,920	392,392	433,121	509,133	468,842	476,171	487,660
School administrative services	438,961	365,054	359,521	378,524	420,927	428,315	393,283	446,212
Central Administration	-	253,896	239,808	255,022	306,517	293,891	276,933	282,501
Business administrative services	257,182	-	12,612	24,083	-	-	-	-
Administrative Information Technology	-	63,566	67,162	81,554	123,062	102,974	151,511	66,802
Plant operations and maintenance	710,138	411,264	444,423	625,195	721,227	701,187	741,515	541,852
Pupil transportation	344,574	422,072	362,164	314,737	303,173	319,188	365,479	356,367
Business and other support services	-	-	-	-	48,910	-	-	-
Unallocated Benefits	485,712	373,319	455,953	755,989	828,046	753,592	642,428	879,746
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	206,353	124,818	114,694	104,568	94,444	84,318	74,195	62,944
Unallocated depreciation	134,390	120,781	116,461	104,746	96,063	121,763	148,131	157,242
Capital Outlay - nondepreciable	-	8,251	1,809	7,205	7,984	142,407	30,305	-
Total governmental activities expenses	12,004,518	11,986,575	11,943,689	12,832,854	13,485,202	15,920,731	16,994,849	15,973,205

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

	2004	2005	2006	2007	2008	2009	2010	2011
Business-type activities:								
Food service	187,400	427,322	455,909	213,181	241,264	290,486	372,780	439,701
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
Total district expenses	\$ 12,238,661	\$ 12,460,364	\$ 12,446,624	\$ 13,095,619	\$ 13,777,099	\$ 16,252,020	\$ 17,383,164	\$ 16,412,906
Program Revenues								
Governmental activities:								
Charges for services:								
Instruction (tuition)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Plant operations and maintenance	72,271	67,261	60,042	9,036	543	-	-	-
Operating grants and contributions	2,292,827	2,142,826	2,238,361	2,185,420	2,149,863	1,904,460	1,759,823	1,913,398
Capital grants and contributions	-	-	-	-	-	-	-	-
Total governmental activities program revenues	2,365,098	2,210,087	2,298,403	2,194,456	2,150,406	1,904,460	1,759,823	1,913,398
Business-type activities:								
Charges for services:								
Food service	30,372	33,789	27,475	29,834	24,153	29,539	39,492	27,499
Child care	45,843	52,257	46,817	36,290	38,759	27,700	9,235	-
Operating grants and contributions	217,412	216,245	226,186	219,880	250,091	341,515	331,901	342,128
Capital grants and contributions	-	-	-	-	-	-	-	-
Total business type activities program revenues	293,627	302,291	300,478	286,004	313,003	398,754	380,628	369,627
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
Net (Expense)/Revenue								
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)
Business-type activities	59,484	(171,498)	(202,457)	23,239	21,106	67,465	(7,687)	(70,074)
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)
General Revenues and Other Changes in Net Assets								
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
Taxes levied for debt service	257,676	286,318	276,963	267,607	258,252	248,899	239,544	251,211
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
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
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

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

	2004	2005	2006	2007	2008	2009	2010	2011
Business-type activities:								
Miscellaneous Income	-	-	-	-	4,206	-	-	-
Total business-type activities	-	-	-	-	4,206	-	-	-
Total district-wide	\$ 8,912,621	\$ 9,562,841	\$ 10,537,239	\$ 11,743,474	\$ 12,282,879	\$ 13,797,625	\$ 13,578,267	\$ 14,541,206
Change in Net Assets								
Governmental activities	\$ (726,799)	\$ (213,647)	\$ 891,953	\$ 1,105,076	\$ 943,877	\$ (218,646)	\$ (1,656,759)	\$ 481,399
Business-type activities	59,484	(171,498)	(202,457)	23,239	25,312	67,465	(7,687)	(70,074)
Total district	\$ (667,315)	\$ (385,145)	\$ 689,496	\$ 1,128,315	\$ 969,189	\$ (151,181)	\$ (1,664,446)	\$ 411,325

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
General Fund							
Reserved	\$ 110,085	\$ 105,683	\$ 1,092,072	\$ 1,919,325	\$ 2,647,751	\$ 1,937,973	\$ 224,666
Unreserved	706,674	363,854	143,365	179,615	205,499	(115,896)	(151,653)
Total general fund	\$ 816,759	\$ 469,537	\$ 1,235,437	\$ 2,098,940	\$ 2,853,250	\$ 1,822,077	\$ 73,013
All Other Governmental Funds							
Reserved							
Unreserved, reported in:							
Special revenue fund	(1,998)		(2,342)				(4,404)
Capital projects fund	2	2	2	1			1
Debt service fund							
Permanent fund							
Total all other governmental funds	\$ (1,996)	\$ 2	\$ (2,340)	\$ 1	\$ -	\$ -	\$ (4,403)

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 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 Fund Balances, Governmental Funds,
Last Ten Fiscal Years

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2010
Revenues										
Tax levy	\$ 6,079,308	\$ 6,486,038	\$ 6,341,315	\$ 6,714,563	\$ 7,597,117	\$ 8,459,106	\$ 8,777,411	\$ 8,768,058	\$ 8,941,703	\$ 9,603,005
Interest earnings	34,881	8,660	5,750	10,255						
Miscellaneous	37,058	51,089	34,722	34,023	57,745	126,479	135,339	89,671	19,698	23,831
State sources	3,417,987	3,620,342	3,761,708	3,928,123	4,065,477	4,334,335	4,786,899	5,370,519	4,136,944	5,118,772
Federal sources	709,005	872,068	1,061,907	1,018,617	1,050,901	1,002,209	724,865	1,473,234	2,239,513	1,708,967
Total revenue	10,278,239	11,038,197	11,205,402	11,705,581	12,771,240	13,922,129	14,424,514	15,701,482	15,337,858	16,454,575
Expenditures										
Instruction										
Regular instruction	3,029,384	3,143,334	4,009,191	3,970,747	4,213,458	3,337,367	3,705,254	5,657,989	4,963,409	4,325,879
Special education instruction	171,574	209,798	146,064	203,995	208,407	253,558	253,348	314,041	812,324	426,616
Other special instruction	206,655	244,089	232,931	231,755	234,861	239,112	319,123	346,089	959,974	511,494
Other instruction	62,137	72,497	60,748	35,101	900					14,403
Support Services:										
Tuition	2,758,790	3,038,978	3,380,717	3,854,474	3,334,832	4,511,287	4,343,405	4,157,153	4,955,575	5,657,035
Health Services	32,863	43,289								
Student & instruction related services	756,162	899,765	1,145,232	1,149,447	1,401,793	1,366,602	1,443,084	2,025,191	1,999,616	1,756,452
General administrative services	371,597	359,629	438,564	413,920	392,392	433,121	509,133	468,842	476,171	487,660
School Administrative services	280,421	301,003	438,961	365,054	359,521	378,524	420,927	428,315	393,283	446,212
Business and other support services	149,699	183,229	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
Administrative Information Technology				63,566	67,162	81,554	123,062	102,974		151,511
Plant operations and maintenance	474,602	515,469	656,613	387,084	427,233	606,079	717,927	692,799	741,389	541,852
Pupil transportation	262,808	335,501	344,574	422,072	362,164	314,737	303,173	319,188		356,367
Unallocated employee benefits										160,278
Allocated Benefits	698,824	930,216		376,408	448,146	737,019	828,046	593,597	663,516	652,326
On-behalf contributions	246,032	336,300	357,445	3,192	2,828	3,105	2,733	3,791	4,000	
Special Schools	6,548	10,085	3,211	1,962		37,079				
Charter Schools	4,011	1,420	36,017	1,962						
Capital outlay	76,126	31,964	5,011	8,251	1,809	188,405	66,057	1,039,025	64,484	23,946
Debt service:										
Principal	120,000	140,000	140,000	180,000	180,000	180,000	180,000	180,000	180,000	200,000
Interest and other charges	154,069	146,756	138,881	129,881	119,756	109,631	99,506	89,381	79,257	68,569
Total expenditures	9,862,302	10,943,322	11,794,342	12,050,805	12,007,682	13,056,285	13,670,205	16,732,655	17,086,921	15,978,392
Excess (Deficiency) of revenues over (under) expenditures	415,937	94,875	(588,940)	(345,224)	763,558	865,844	754,309	(1,031,173)	(1,749,063)	476,183

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2010
Guttenberg Board of Education										
Other Financing sources (uses)										
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Net change in fund balances	\$ 415,937	\$ 94,875	\$ (588,940)	\$ (345,224)	\$ 763,558	\$ 865,844	\$ 754,309	\$ (1,031,173)	\$ (1,749,063)	\$ 476,183
Debt service as a percentage of noncapital expenditures	2.8%	2.6%	2.4%	2.6%	2.5%	2.3%	2.1%	1.7%	1.5%	1.7%

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 Cancelled/ Void Checks	Misc.	Total
2002	34,881	10,508			12,085		14,465	71,939
2003	8,660	3,121		4,266			43,702	59,749
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

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,	Vacant Land	Residential	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax-Exempt Property	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)	Assessed to
													Estimated Full Cash Valuation
2002	\$ 1,313,700	\$ 311,418,200		\$ 59,554,400	\$ 16,892,500	\$ 34,718,800	\$ 423,898,300	\$ 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	\$ 34,458,800	\$ 424,436,200	\$ 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	\$ 34,708,400	\$ 426,018,700	\$ 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	\$ 34,538,400	\$ 427,130,100	\$ 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	\$ 34,747,700	\$ 427,588,400	\$ 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	\$ 34,747,700	\$ 407,592,400	\$ 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	\$ 34,667,700	\$ 401,914,600	\$ 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	\$ 34,617,700	\$ 401,838,800	\$ 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	\$ 34,617,700	\$ 401,838,800	\$ 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	\$ 88,982,000	\$ 801,417,800	\$ 50,671,500	\$ 678,118	\$ 751,424,418	1.233	\$ 933,101,387	80.53%

Source: Municipal Tax Assessor

NOTE: Rent 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 Telephones, 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			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Town of Guttenberg	Hudson County	REAP Deduction	
2002	1.519	0.041	1.560	1.780	1.040	(0.220)	4.160
2003	1.559	0.041	1.600	1.600	1.070	(0.220)	4.050
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

Source: District Records and Municipal Tax Collector

Note: N.J.S.A. 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 calcu

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	2011			2002		
	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	3.38%	\$ 10,968,000	1	2.73%
Palisades Operations LLC	5,445,800	2	0.72%	2,866,200	3	
6803 Boulevard East LLC	4,068,900	3	0.54%	1,818,800	4	0.00%
422-430 68th Street, LLC	2,690,500	4	0.36%			0.41%
Guttenberg Savings and Loan	2,177,000	5	0.29%	1,647,900	5	
6909 Blvd E. Inc.	2,138,600	6	0.28%	979,100	7	
63-67 69th St. Assoc. LLC	1,884,500	7	0.25%	850,000	9	
Lagafuta Partners, L.P.	1,614,400	8	0.21%	1,222,000	6	0.00%
Hector, Miguel A.	1,560,000	9	0.21%			0.00%
7000 Corp, NJ Corporation	1,543,200	10	0.21%			0.00%
The Mall at the Galaxy				6,250,000	2	1.55%
Transctl Gas Pipe Line Corp				733,100	10	0.18%
J and N Kinkella				863,400	8	0.21%
Total	\$ 48,522,900		6.46%	\$ 28,198,500		5.09%
Net Assessed Valuation:	751,424,418			401,999,507		

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	
2002	\$6,079,308	\$ 5,997,308	98.65%	\$ 82,000
2003	\$6,486,038	\$ 6,486,038	100.00%	
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

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 ^a	Per Capita ^a
	General Obligation Bonds ^b	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Income ^a			
2002	3,057,702	-	-	-	3,057,702	0.89%	98	
2003	2,896,663	-	-	-	2,896,663	0.83%	91	
2004	2,735,624	-	-	-	2,735,624	0.75%	82	
2005	2,534,585	-	-	-	2,534,585	0.66%	71	
2006	2,334,196	-	-	-	2,334,196	0.58%	61	
2007	2,133,807	-	-	-	2,133,807	0.49%	52	
2008	1,933,418	-	-	-	1,933,418	0.43%	45	
2009	1,733,029	-	-	-	1,733,029	0.38%	40	
2010	1,553,029	-	-	-	1,553,029	Not Available	Not Available	
2011	1,312,251	-	-	-	1,312,251	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

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 ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2002	2,729,000	-	\$ 2,729,000	0.68%	98
2003	2,579,000	-	\$ 2,579,000	0.64%	91
2004	2,429,000	-	\$ 2,429,000	0.60%	82
2005	2,239,000	-	\$ 2,239,000	0.55%	71
2006	2,039,000	-	\$ 2,039,000	0.50%	61
2007	1,859,000	-	\$ 1,859,000	0.48%	52
2008	1,679,000	-	\$ 1,679,000	0.44%	45
2009	1,499,000	-	\$ 1,499,000	0.39%	40
2010	1,319,000	-	\$ 1,319,000	0.35%	Not Available
2011	1,119,000	-	\$ 1,119,000	0.15%	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, 2011**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Share of Overlapping Debt</u>
Direct Debt of School District as of June 30, 2011	\$ 1,119,000	
Net overlapping debt of School District:		
Guttenberg Town	\$ 5,116,976	
County of Hudson (1.828% of net debt)	\$ 6,372,123	
Subtotal, overlapping debt	\$ 11,489,099	
Total direct and overlapping debt	\$ 12,608,099	

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 2010

Equalized valuation basis	
2011	\$ 933,101,387
2010	\$ 1,015,770,475
2009	1,122,039,643
[A]	<u>\$ 3,070,911,505</u>
[A/3]	\$ 1,023,637,168

Average equalized valuation of taxable property	[A/3]	\$	1,023,637,168
Debt limit (3 % of average equalization value)	[B]		30,709,115 ^a
Net bonded school debt	[C]		1,119,000
Legal debt margin	[B-C]	\$	<u>29,590,115</u>

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Debt limit	\$ 14,702,380	\$ 16,893,552	\$ 19,266,048	\$ 21,322,739	\$ 23,528,129	\$ 23,523,175	\$ 30,803,859	\$ 33,596,140	\$ 34,202,218	\$ 30,709,115
Total net debt applicable to limit	<u>2,679,000</u>	<u>2,539,000</u>	<u>2,399,000</u>	<u>2,219,000</u>	<u>2,039,000</u>	<u>1,859,000</u>	<u>1,679,000</u>	<u>1,499,000</u>	<u>1,319,000</u>	<u>1,119,000</u>
Legal debt margin	<u>\$ 12,023,380</u>	<u>\$ 14,354,552</u>	<u>\$ 16,867,048</u>	<u>\$ 19,103,739</u>	<u>\$ 21,489,129</u>	<u>\$ 21,664,175</u>	<u>\$ 29,124,859</u>	<u>\$ 32,097,140</u>	<u>\$ 32,883,218</u>	<u>\$ 29,590,115</u>
Total net debt applicable to the limit as a percentage of debt limit	18.22%	15.03%	12.45%	10.41%	8.67%	7.90%	5.45%	4.46%	3.86%	3.64%

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 ^a	Personal Income (thousands of dollars)	Per Capita Personal Income ^c	Unemployment Rate ^d
2002	11,009	343,062,458	31,162	4.30%
2003	10,962	349,654,914	31,897	4.20%
2004	10,889	362,865,036	33,324	3.10%
2005	10,750	381,657,250	35,503	4.20%
2006	10,551	404,915,727	38,377	4.60%
2007	10,440	431,422,560	41,324	4.00%
2008	10,464	454,618,944	43,446	5.40%
2009	10,600	459,912,800	43,388	9.70%
2010	10,807	Not Available	Not Available	9.90%
2011	Not Available	Not Available	Not Available	Not Available

Source:

- ^a Population information provided by the NJ Dept of Labor and Workforce Development
- ^b Personal income - Hudson County - provided by NJ Dept of Labor and Workforce Development
- ^c Per Capita Personal Income - Hudson County - provided by NJ Dept of Labor and Workforce Development
- ^d Unemployment data provided by the NJ Dept of Labor and Workforce Development

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

Employer	2011		2002		Rank (Optional)	Percentage of Total Employment
	Employees	Percentage of Total Employment	Employees	Percentage of Total Employment		

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

-	0.00%	-	0.00%		0.00%
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Source: Town of Guttenberg

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

<u>Function/Program</u>	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Instruction										
Regular	26.0	28.0	28.0	34.0	34.0	34.0	35.0	35.0	53.0	*
Special education	6.0	6.0	7.0	8.0	8.0	8.0	8.0	8.0	10.0	*
Other special education										
Vocational										
Other instruction	6.0	4.0	5.0	2.0	2.0	2.0	2.0	6.0	9.0	*
Nonpublic school programs										
Adult/continuing education programs										
Support Services:										
Tuition	6.5	6.5	6.5	6.5	6.5	6.5	7.0	8.5	12.0	*
Student & instruction related services	2.0	2.0	2.0	2.0	1.5	1.5	2.0	2.0	3.0	*
General administrative services	4.0	4.0	4.0	4.0	3.5	3.5	4.0	3.5	4.0	*
School administrative services	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	5.0	*
Business administrative services	5.0	5.0	5.0	5.0	5.0	5.0	6.0	6.0	6.0	*
Plant operations and maintenance										
Pupil transportation										
Special Schools										
Food Service										
Child Care										
Total	58.5	58.5	60.5	64.5	63.5	63.5	67.0	72.0	102.0	0.0

* Information Not Provided by District

Source: District Personnel Records

Guttenberg Board of Education
Operating Statistics
Last Ten Fiscal Years

Pupil/Teacher Ratio

Fiscal Year	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	High School				
2002	958.0	9,512,107	9,929	4.92%	78	1:13		926	883	3.00%	95.36%	
2003	904.0	10,656,566	11,788	18.72%	76	1:11		904	855	-2.38%	94.58%	
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%	*	*		*	*	*	*	

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
District Buildings										
Elementary										
Anna L. Klein School	86,087	86,087	86,087	86,087	86,087	86,087	86,087	90,087	90,487	90,487
Square Feet	772	772	772	772	772	772	772	872	872	872
Capacity (students)	904	950	937	927	942	942	959	945	982	1,022
Enrollment										

Number of Schools at June 30, 2009
 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-XXXX

School Facilities	Project # (s)	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Anna L. Klein School	N/A	104,122	133,114	140,003	156,886	136,310	95,016	66,784	150,629	141,285	115,022
Total School Facilities		104,122	133,114	140,003	156,886	136,310	95,016	66,784	150,629	141,285	115,022
Other Facilities											
Grand Total		\$ 104,122	\$ 133,114	\$ 140,003	\$ 156,886	\$ 136,310	\$ 95,016	\$ 66,784	\$ 150,629	\$ 141,285	\$ 115,022

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, 2011**

<u>Type of Coverage</u>	<u>Coverage</u>	<u>Deductible</u>
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	35,000	N/A

(1) School Alliance Insurance Fund

(2) Bollinger

(3) Western Surety Company

SINGLE AUDIT SECTION

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

Charles J. Ferraioli, Jr., MBA, CPA, RMA
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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

We have audited the financial statements of the governmental activities, the business-type activities and each major fund of the Board of Education of the Town of Guttenberg School District in the County of Hudson as of and for the fiscal year ended June 30, 2011 which collectively comprise the basic financial statements of the Board of Education of the Town of Guttenberg School District in the County of Hudson, and have issued our report thereon dated December 6, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Division of Finance and Regulatory Compliance, 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.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or 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.



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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Guttenberg School District 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* and audit requirements as prescribed by the Division of Finance and Regulatory Compliance, Department of Education, State of New Jersey.

We noted certain matters that we reported to the Town of Guttenberg School District Board of Education's in a separate report entitled, Auditor's Management Report on Administrative Findings - Financial Compliance and Performance dated December 6, 2011.

This report is intended solely for the information of management, the Town of Guttenberg School District Board of Education, New Jersey State Department of Education and other state and federal awarding agencies and is not intended to be, and should not be, used by anyone other than these specified parties.



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



FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants

December 6, 2011

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

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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 04-04

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

Compliance

We have audited the compliance of the Board of Education of the Town of Guttenberg School District in the County of Hudson with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the *New Jersey State Office of Management and Budget's State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2011. Town of Guttenberg School District Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the Town of Guttenberg School District Board of Education's management. Our responsibility is to express an opinion on the Town of Guttenberg School District Board of Education's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey; OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations"; and the provisions the New Jersey State Treasury Circular Letter 04-04 "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." Those standards, and 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 School District Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Town of Guttenberg School District Board of Education's compliance with those requirements.



In our opinion, the Town of Guttenberg School District Board of Education complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal and state programs for the fiscal year ended June 30, 2011. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and N.J. OMB Circular 04-04 and which are described in the accompanying schedule of findings and questioned costs as items 2011-1, 2011-2 and 2011-3.

Internal Control Over Compliance

The management of the Town of Guttenberg School District Board of Education is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered the Town of Guttenberg School District Board of Education's internal control over compliance with requirements that could have a direct and material effect on a major federal or state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town of Guttenberg School District Board of Education's internal control over compliance.

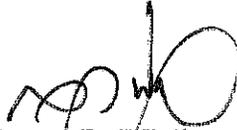
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement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

Our consideration of the 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 significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Honorable President and
Members of the Board of Education

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



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



FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants

December 6, 2011

TOWN OF GUTTENBERG
BOARD OF EDUCATION

Schedule of Expenditures of Federal Awards

Year ended June 30, 2011

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2010	Carryover/(Walkover) Amount	Cash Received	Budgetary Expenditures	Prior Year Payables Cancelled	(Accounts Receivable) at June 30, 2011	Deferred Revenue at June 30, 2011	Due to Grantor at June 30, 2011
U.S. Department of Agriculture												
Passed-through State Department of Education:												
Enterprise Fund:												
USDA Commodities Program	10.550		7/1/10-6/30/11	\$ 21,747			21,747	21,747				
National School Lunch Program	10.555		7/1/10-6/30/11	301,344			300,860	301,344		(484)		
National School Lunch Program	10.555		7/1/09-6/30/10	290,602	(29,193)		29,193					
National School Breakfast Program	10.553		7/1/10-6/30/11	12,806			12,806	12,806				
National School Breakfast Program	10.553		7/1/09-6/30/10	9,990	(1,231)		1,231					
Total Enterprise Fund					(30,424)		365,837	335,897		(484)		
U.S. Department of Education												
General Fund:												
ARRA - SFSF - ESF (Educ. State Grants)	84.394		7/1/09-6/30/10	625,999	(276,567)		276,567					
ARRA - SFSF - GSF (Government Services)	84.397		7/1/09-6/30/10	24,233	(10,702)		10,702					
					(287,269)		287,269					
U.S. Department of Health and Human Services												
General Fund:												
Medical Assistance Program (SEMI)	93.778		7/1/10-6/30/11	16,113				16,113		(16,113)		
Medical Assistance Program (SEMI)	93.778		7/1/09-6/30/10	26,489	(26,489)					(26,489)		
					(26,489)			16,113		(42,602)		
Total General Fund					(313,758)		287,269	16,113		(42,602)		
U.S. Department of Education												
Passed-through State Department of Education:												
Special Revenue Fund:												
Title I, Improving Basic Programs	84.010A	NCLB185011	9/1/10-8/31/11	769,026		(580,167)	678,744	594,527		(495,950)		
Title I, Improving Basic Programs	84.010A	NCLB185010	9/1/09-8/31/10	832,326	(405,975)	580,167		174,192				
ARRA - Title I, Part A	84.389	ARRA185010	9/1/09-8/31/10	543,112	(52,694)		265,378	311,652		(98,968)		
Title I, SIA, Part A - School Improvement	84.010A	NCLB185009	9/1/08-8/31/09	45,580	(45,580)					(45,580)		
ARRA - Title I, SIA, Part A - School Improvement	84.389	ARRA185010	9/1/09-8/31/10	39,580	(4,802)		10,936	18,773		(12,639)		
Title II, Part A - Teacher/Principal Training and Recruiting	84.367	NCLB185011	9/1/10-8/31/11	90,855		(82,634)	58,014	55,389	4,633	(75,376)		
Title II, Part A - Teacher/Principal Training and Recruiting	84.367	NCLB185010	9/1/09-8/31/10	88,018	(62,754)			19,880				
Title II, Part D - Enhancing Education Through Education	84.318	NCLB185011	9/1/10-8/31/11	1,487		(8,976)	1,872	1,187		(8,291)		
Title II, Part D - Enhancing Education Through Education												

TOWN OF GUTTENBERG
BOARD OF EDUCATION

Schedule of Expenditures of Federal Awards

Year ended June 30, 2011

Federal CFDA Number	Federal Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2010	Carryover/(Walkover) Amount	Cash Received	Budgetary Expenditures	Prior Year Payables Cancelled	(Accounts Receivable) at June 30, 2011	Deferred Revenue at June 30, 2011	Due to Grantor at June 30, 2011
84.318	Through Education	NCLB185010	9/1/09-8/31/10	8,461	(8,726)	8,976		250				
84.365	Title III - English Language Acquisition and Language Enhancement	NCLB185011	9/1/10-8/31/11	35,958	(48,081)	(48,081)	54,800	19,805		(13,086)		
84.365	Title III - English Language Acquisition and Language Enhancement	NCLB185010	9/1/09-8/31/10	34,395	(22,469)	48,081		25,612		(8,629)		
84.365	Title III - Immigrant	NCLB185009	9/1/08-8/31/09	13,190	(8,629)					(8,629)		
84.186	Title IV - Safe and Drug Free Schools	NCLB185010	9/1/09-8/31/10	11,156	(8,472)		6,623	1,956		(3,805)		
84.186	Title IV - Safe and Drug Free Schools	NCLB185007	9/1/06-8/31/07	3,497	3,497							
84.298	Title V - Innovative Programs	NCLB185008	9/1/07-8/31/08	2,689	14						14	3,497
84.027A	IDEA - Part B, Basic Regular	IDEA185011	9/1/10-8/31/11	275,411	(115,649)	(115,649)	220,257	266,321		(161,713)		
84.027A	IDEA - Part B, Basic Regular	IDEA185010	9/1/09-8/31/10	265,226	(114,052)	115,649	64,115	1,597		(167,062)		
84.391	ARRA - I.D.E.A. Part B, Basic Regular	ARRA185010	9/1/09-8/31/10	347,882	(50,928)			180,249		(9,971)		
84.173	IDEA - Part B, Preschool	IDEA185011	9/1/10-8/31/11	9,971	(278)		3,945	11,493		(7,826)		
84.392	ARRA - I.D.E.A. Part B, Preschool	ARRA185010	9/1/09-8/31/10	12,505	(781,848)		1,364,684	1,692,854	4,633	(1,108,896)	14	3,497
Total Special Revenue Fund												3,497
Total Federal Financial Assistance												14
							2,017,790	2,044,864	4,633	(1,151,982)	14	3,497

See accompanying notes to schedules of federal and state awards.

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 \$73,974 for the general fund and \$(4,404) 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	\$16,113	\$4,879,957	\$4,896,070
Special Revenue Fund	1,692,854	221,457	1,914,311
Debt Service Fund		17,358	17,358
Food Service Fund	<u>335,897</u>	<u>6,231</u>	<u>342,128</u>
Total Awards and Financial	<u>\$2,044,864</u>	<u>\$5,125,003</u>	<u>\$7,169,867</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, 2011. 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, 2011.

**TOWN OF GUTTENBERG SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: unqualified

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? yes X 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? yes X none reported

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

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, 84.389</u>	<u>N.C.L.B. Title I - Improving Basic Programs/ARRA - N.C.L.B. Title I/N.C.L.B. Title I - School Improvement Accountability/ARRA - N.C.L.B. Title I, SIA, Part A</u>
<u>84.027, 84.391, 84.173, 84.392</u>	<u>IDEA, Part B - Basic/IDEA, Part B - Preschool/ARRA - IDEA, Part B - Basic/ARRA - IDEA, Part B - Preschool</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, 2011**

Section II – Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance related to the financial statements that are required to be reported in accordance with paragraphs 5.18 through 5.20 of Government Auditing Standards.

NONE

**TOWN OF GUTTENBERG SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

Section III – Federal Awards and State Financial Assistance Findings and Questioned Costs

This section identifies audit findings required to be reported by section .510(a) of Circular A-133 and NJOMB Circular 04-04.

Finding 2011-1, 2010-3: There were instances in which the district failed to issue a purchase order prior to services being rendered.

Information on the federal program: 84.010, Title I, Part A of the ESEA, 84.389, Title I, Part A – ARRA, 84.027, IDEA, Part B, 84.391, IDEA Part B - ARRA

Criteria or specific requirement: EDGAR, Part 80-*Uniform Administrative Requirements for grants and cooperative agreements to state and local governments*, Sec. 20, Standards for financial management systems. N.J.S.A. 18A:8A(2)(v) *Public School Contract Law*.

Condition: On several occasions the district failed to issue a purchase order prior to services being rendered (confirming order). District policy and state regulations require that a properly executed purchase order be issued prior to services being rendered.

Questioned Costs: None

Context: N/A

Effect: The district violated provisions of its established purchasing policy as well as provisions of EDGAR (Education Department General Administrative Regulations).

Cause: Goods and/or services are being ordered or purchased prior to an approved and executed purchase order is issued.

Recommendation: Purchase orders should be issued to all vendors prior to goods or services being provided.

Views of responsible officials and planned corrective action: Requisitions to purchase must be completed and purchase orders generated upon Board approval prior to goods or services provided.

**TOWN OF GUTTENBERG SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

*Section III – Federal Awards and State Financial Assistance Findings and Questioned Costs,
(cont.)*

Finding 2011-2, 2010-5: The District does not reappoint grant staff annually in the board minutes.

Information on the federal program: 84.010, Title I, Part A of the ESEA, 84.389, Title I, Part A – ARRA, 84.027, IDEA, Part B, 84.391, IDEA Part B - ARRA

Criteria or specific requirement: EDGAR, Part 80-*Uniform Administrative Requirements for grants and cooperative agreements to state and local governments*, Sec. 20, Standards for financial management systems.

Condition: The district did not reappoint grant staff annually in the board minutes. Only new staff assignments are noted in the minutes.

Questioned Costs: None

Context: N/A

Effect: The district violated provisions of EDGAR, Part 80-*Uniform Administrative Requirements for grants and cooperative agreements to state and local governments*, Sec. 20, Standards for financial management systems.

Cause: District personnel failed to familiarize themselves with the requirements stipulated in EDGAR, Part 80-*Uniform Administrative Requirements for grants and cooperative agreements to state and local governments*, Sec. 20, Standards for financial management systems.

Recommendation: All staff charged against grants should be reappointed annually by board resolution.

Views of responsible officials and planned corrective action: Upon commencement of every fiscal year, all employees will be approved via board resolution.

**TOWN OF GUTTENBERG SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

*Section III – Federal Awards and State Financial Assistance Findings and Questioned Costs,
(cont.)*

Finding 2011-3, 2010-7: The District is not maximizing its efforts under the Special Education Medicaid Initiative (SEMI) program for obtaining federal funding for education services.

Information on the state program:

- Equalization Aid – 11-495-034-5120-078
- Special Education Categorical Aid – 11-495-034-5120-089

Criteria or specific requirement: N.J.S.A. 18A:55-3 requires Districts to maximize their participation in the Special Education Medicaid Initiative program (SEMI).

Condition: All school districts shall recognize as revenue in its annual budget no less than 90% of SEMI projections provided by the department, unless the district has received a waiver or submitted alternative SEMI revenue projections.

Questioned Costs: \$16,113

Context: School Districts are required to maximize their participation in the Special Education Medicaid Initiative (SEMI).

Effect: The District has failed to realize any revenue that may be obtained from the filing of claims for allowable special education services under the federal Special Education Medicaid Initiative Program (SEMI).

Cause: The District failed to implement policies and procedures or assign staff to file claims for eligible services under the SEMI program.

Recommendation: The District should establish procedures to ensure that it maximizes its efforts under SEMI for obtaining federal reimbursement for allowable special education services.

Views of responsible officials and planned corrective action: The District now has an employee that is to be trained and that will be responsible for obtaining federal reimbursements for special education services.

**TOWN OF GUTTENBERG SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

Status of Prior Year Findings

2010-1: The Adequate Yearly Progress letter (AYP) that was used did not provide all of the required information for parents.

Status: Resolved

2010-2: The District supplanted existing out-of-district tuition costs for two students and failed to request maintenance of effort reduction in accordance with the Generally Accepted Accounting Practices Budget Category Guidelines.

Status: Resolved

2010-3: There were instances in which the District failed to issue a purchase order prior to services being rendered.

Status: Unresolved, see Finding 2011-1

2010-4: There were instances in which the District issued payments to certain professional development providers without a supporting invoice from the vendor.

Status: Resolved

2010-5: The District does not reappoint grant staff annually in the board minutes.

Status: Unresolved, see Finding 2011-2

2010-6: The District does not have formal written policies for requesting reimbursement from the EWEG (State Electronic Web-Enabled Grant system).

Status: Resolved

2010-7: The District is not maximizing its efforts under the Special Education Medicaid Initiative (SEMI) program for obtaining federal funding for education services.

Status: Unresolved, see Finding 2011-4