

**SCHOOL DISTRICT OF THE  
TOWN OF GUTTENBERG  
COUNTY OF HUDSON, NEW JERSEY  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2012**

**School District  
of**

# **Town of Guttenberg**

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

**Comprehensive Annual Financial Report  
Year Ended June 30, 2012**

# **Comprehensive Annual Financial Report**

**of the**

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

**Year Ended June 30, 2012**

**Prepared by**

**Jolene Mantineo  
Board Secretary/Business Administrator**

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**INTRODUCTORY SECTION**

# BOARD OF EDUCATION

## ANNA L. KLEIN SCHOOL

301 - 69TH STREET  
GUTTENBERG, NEW JERSEY 07093

Office of the Business Administrator  
JOLENE MANTINEO

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

December 27, 2012

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, 2012, 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 2011-2012 fiscal year with an enrollment of 980 students, which are 7 above 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>
2011-2012	980	.72%
2010-2011	973	{.71%}
2009-2010	980	{.2 %}
2008-2009	982	2.4%
2007-2008	959	2.6%
2006-2007	935	.87%

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

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

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

As a recipient of federal and state financial assistance, the Board also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the Board management. As part of the Board's single audit described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal and state financial assistance programs, as well as to determine that the Board has complied with applicable laws and regulations.

**BUDGETARY CONTROLS:** In addition to internal accounting controls, the Board maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied on the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general funds, the special revenue fund, and the debt service fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line basis. Open encumbrances at year-end are either canceled or are included as reservations of fund balance in the subsequent year are reported as reservations of fund balance at June 30, 2012.

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

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

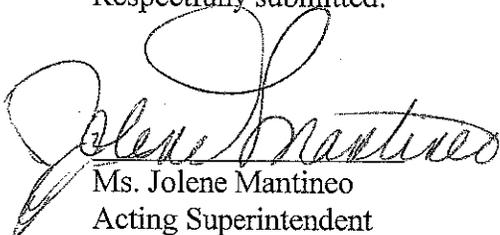
**OTHER INFORMATION:**

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

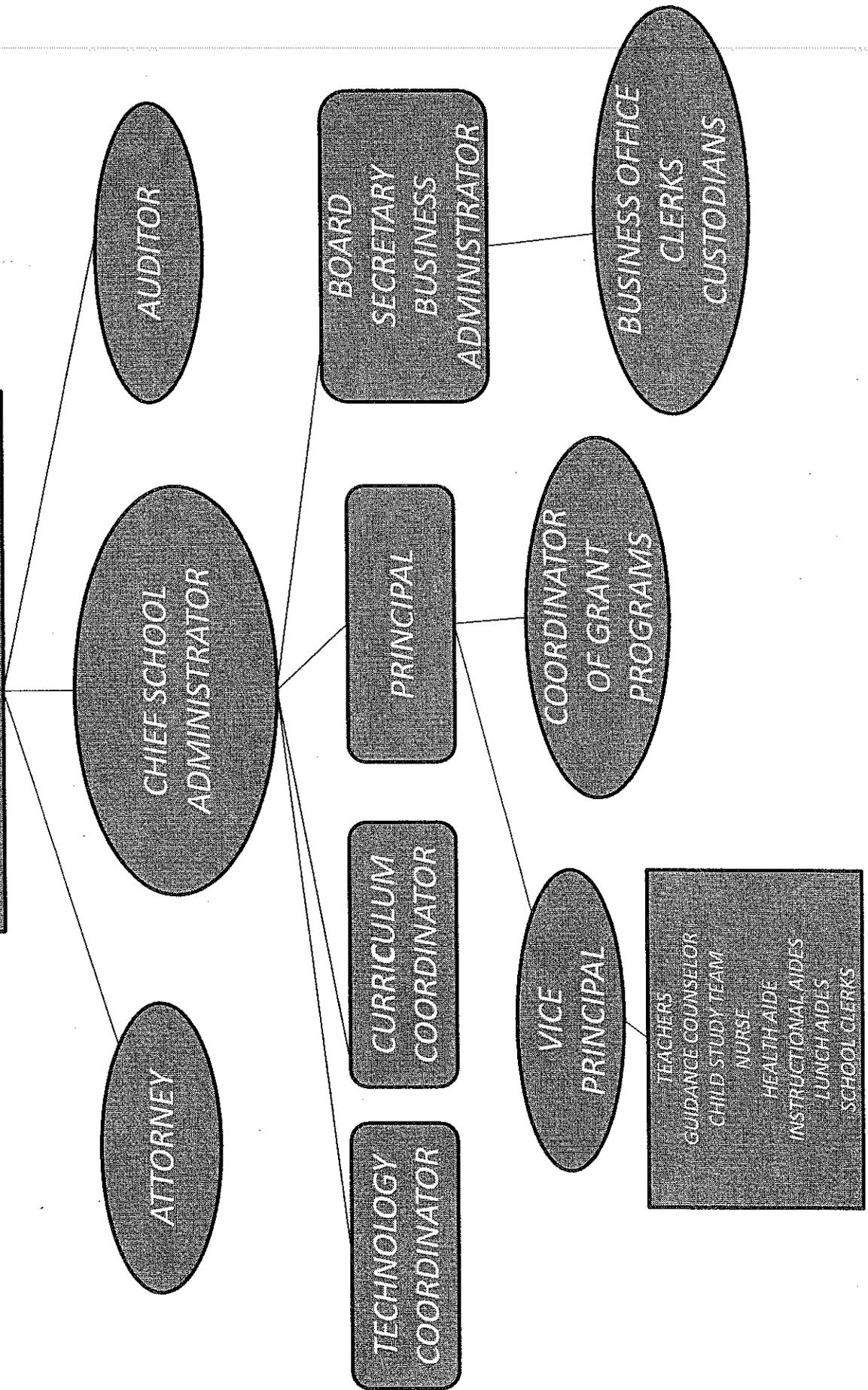
We would like to express our appreciation to the members of the Guttenberg Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation.

Respectfully submitted:

  
Ms. Jolene Mantineo  
Acting Superintendent

  
Ms. Jolene Mantineo  
Business Administrator/Board Secretary

**GUTTENBERG  
BOARD OF EDUCATION  
ORGANIZATION CHART**



**TOWN OF GUTTENBERG  
BOARD OF EDUCATION**

**ROSTER OF OFFICIALS**

**JUNE 30, 2011**

<b><u>Members of the Board of Education</u></b>	<b><u>Term Expires</u></b>
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, Wielkotz, 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, Wielkotz, Cerullo & Cuva, P.A.

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

Certified Public Accountants  
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Pompton Lakes, New Jersey 07442  
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973-579-3212  
Fax 973-579-7128

## INDEPENDENT AUDITOR'S REPORT

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

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, 2012, 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 Administration and Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes 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, 2012, 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 27, 2012 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.



Honorable President and  
Members of the Board of Education

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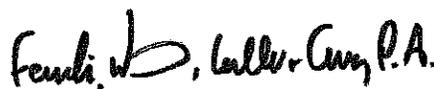
Accounting principles generally accepted in the United States of America require that the management discussion and analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Guttenberg Board of Education's financial statements. The accompanying introductory section and other supplementary information is presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying introductory section and other supplementary information is fairly stated in all material respects in relation to the financial statements as a whole.

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. Wielkotz, C.P.A.  
Licensed Public School Accountant  
No. 816



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

December 27, 2012



**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, 2012  
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, 2012. 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 \$1,296,525. Net assets of governmental activities increased \$1,345,871 while net assets of business-type activities decreased by \$49,346.
- General revenues accounted for \$15,512,621 in revenue or 90 percent of all district revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$1,813,416 or 10 percent of total revenues of \$17,326,037.
- The School District had \$16,029,512 in expenses related to governmental and business-type activities; only \$1,813,416 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily grants, entitlements and property taxes) of \$15,512,621 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, 2012  
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, 2012  
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, 2012  
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 \$2,896,036 at June 30, 2012 and \$1,599,511 at June 30, 2011. 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 2012 compared to 2011 (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>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
<b>Assets</b>						
Current and Other Assets	2,222,269	1,541,321	82,303	142,106	2,304,572	1,683,427
Capital Assets	<u>2,864,793</u>	<u>3,017,763</u>	<u>59,732</u>	<u>47,171</u>	<u>2,924,525</u>	<u>3,064,934</u>
Total Assets	<u>5,087,062</u>	<u>4,559,084</u>	<u>142,035</u>	<u>189,277</u>	<u>5,229,097</u>	<u>4,748,361</u>
<b>Liabilities</b>						
Other Liabilities	393,767	881,792	5,914	3,810	399,681	885,602
Noncurrent Liabilities	<u>1,933,380</u>	<u>2,263,248</u>	—	—	<u>1,933,380</u>	<u>2,263,248</u>
Total Liabilities	<u>2,327,147</u>	<u>3,145,040</u>	<u>5,914</u>	<u>3,810</u>	<u>2,333,061</u>	<u>3,148,850</u>
<b>Net Assets</b>						
Invested in Capital Assets-						
Net of Related Debt	1,945,793	1,898,763	59,732	47,171	2,005,525	1,945,934
Restricted	1,864,012	685,195	32,055	32,055	1,896,067	717,250
Unrestricted	<u>(1,049,890)</u>	<u>(1,169,914)</u>	<u>44,334</u>	<u>106,241</u>	<u>(1,005,556)</u>	<u>(1,063,673)</u>
Total Net Assets	<u>2,759,915</u>	<u>1,414,044</u>	<u>136,121</u>	<u>185,467</u>	<u>2,896,036</u>	<u>1,599,511</u>

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
UNAUDITED (CONTINUED)**

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

Table 2 below shows the changes in net assets for fiscal year 2012.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
<b>Revenues</b>						
Program Revenues:						
Charges for Services and Sales			54,767	27,499	54,767	27,499
Operating Grants and Contributions	1,395,186	1,913,398	363,463	342,128	1,758,649	2,255,526
General Revenues:						
Taxes:						
Property taxes, levied for general purposes	9,930,572	9,351,794			9,930,572	9,351,794
Property taxes, levied for debt services	240,688	251,211			240,688	251,211
Federal and State Aid not Restricted	5,207,770	4,896,070			5,207,770	4,896,070
Federal and State Aid not Restricted-Capital Outlay	16,631	18,271			16,631	18,271
Investment Income		29				29
Miscellaneous Income	<u>116,960</u>	<u>23,831</u>	<u>          </u>	<u>          </u>	<u>116,960</u>	<u>23,831</u>
Total Revenues and Transfers	<u>16,907,807</u>	<u>16,454,604</u>	<u>418,230</u>	<u>369,627</u>	<u>17,326,037</u>	<u>16,824,231</u>

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
UNAUDITED (CONTINUED)**

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
<b>Functions/Program</b>						
Instruction:						
Regular	4,600,926	4,325,879			4,600,926	4,325,879
Special Education	454,719	426,616			454,719	426,616
Other Special Instruction	1,074,001	511,494			1,074,001	511,494
Other Instruction	90,344	14,403			90,344	14,403
Support Services:						
Tuition	4,601,239	5,657,035			4,601,239	5,657,035
Student & Instruction Related Services	1,519,420	1,756,452			1,519,420	1,756,452
School Administrative Services	340,190	446,212			340,190	446,212
General Administrative Services	452,274	487,660			452,274	487,660
Central Services	324,412	282,501			324,412	282,501
Administrative Information Technology	110,509	66,802			110,509	66,802
Plant Operations and Maintenance	747,347	541,852			747,347	541,852
Pupil Transportation	243,864	356,367			243,864	356,367
Unallocated Benefits	789,850	879,746			789,850	879,746
Food Service			464,166	436,311	464,166	436,311
Debt Services:						
Interest and Other Charges	51,871	62,944			51,871	62,944
Unallocated depreciation	<u>160,970</u>	<u>157,242</u>	<u>3,410</u>	<u>3,390</u>	<u>164,380</u>	<u>160,632</u>
Total Expenses and Transfers	<u>15,561,936</u>	<u>15,973,205</u>	<u>467,576</u>	<u>439,701</u>	<u>16,029,512</u>	<u>16,412,906</u>
Increase or (Decrease) in						
Net Assets	<u>1,345,871</u>	<u>481,399</u>	<u>(49,346)</u>	<u>(70,074)</u>	<u>1,296,525</u>	<u>411,325</u>

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
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 \$16,029,512. However, the amount that our taxpayers ultimately financed for these activities through School District taxes was only \$10,171,260 because some of the cost was paid by those who benefitted from the programs \$54,767, by other governments and organizations who subsidized certain programs with grants and contributions \$6,983,050, and by miscellaneous sources \$116,960.

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 \$49,346.
- ✓ Charges for services provided totaled \$54,767. 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 \$363,463.

**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, 2012, 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 \$1,402,853 for increases in federal and state grant awards.

**General Fund**

The general fund actual revenue was \$15,439,297. That amount is \$997,566 above the final amended budget of \$14,441,731. The variance between the actual revenues and final budget was the result of non-budgeted on-behalf payments of \$819,021 for TPAF social security reimbursements and on-behalf pension payments and a \$178,545 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, 2012  
UNAUDITED (CONTINUED)**

**MAJOR GOVERNMENTAL FUNDS BUDGETING AND OPERATING HIGHLIGHTS, (continued)**

**General Fund, (continued)**

The actual expenditures of the general fund were \$14,242,808 including transfers which is \$288,313 less than the final amended budget of \$14,531,121. The variance between the actual expenditures and final budget was due to non-budgeted on-behalf TPAF social security and pension payments of \$819,021 and \$530,708 of unexpended budgeted funds.

**Special Revenue Fund**

The special revenue fund actual revenue was \$1,391,616. That amount is above the original budget estimate of \$178,500 and below the final amended budget of \$1,581,353. The \$1,402,853 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 \$189,737 variance between the final amended budget and the June 30, 2012 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 \$1,391,616, which is above the original budget of \$178,500 and below the final amended budget of \$1,581,353. The \$1,402,853 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 \$189,737 variance between the final amended budget and the June 30, 2012 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 2012 the School District had \$5,876,655 invested in sites, buildings, equipment and construction in progress. Of this amount, \$2,952,130 in depreciation has been taken over the years. We currently have a net book value of \$2,924,525. Total depreciable additions for the year were \$23,971, 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 2012 balances compared to 2011.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Land	9,957	9,957			9,957	9,957
Site Improvements	186,545	201,041			186,545	201,041
Buildings and Improvements	2,565,534	2,692,646			2,565,534	2,692,646
Machinery and Equipment	33,257	44,619	59,732	47,171	92,989	91,790
Construction-in-Progress	69,500	69,500			69,500	69,500
	<u>2,864,793</u>	<u>3,017,763</u>	<u>59,732</u>	<u>47,171</u>	<u>2,924,525</u>	<u>3,064,934</u>

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
UNAUDITED (CONTINUED)**

**CAPITAL ASSETS AND DEBT ADMINISTRATION, (continued)**

**Debt Administration**

At June 30, 2012, the District had \$1,933,380 of long term debt. Of this amount, \$816,459 is for compensated absences; \$172,862 is for the unfunded pension liability; \$919,000 of serial bonds for school improvements; and \$25,059 is the deferral of the annual PERS contribution.

At June 30, 2012, the school district's overall legal debt margin was \$27,585,600. For more detailed information, please refer to the Notes to the Basic Financial Statements.

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

	<b><u>2012</u></b>	<b><u>2011</u></b>
1994 School Improvement Bonds	<b><u>\$919,000</u></b>	<b><u>\$1,119,000</u></b>

**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 2012-2013 school year that is slightly above the funding level of the 2011-2012 school year.

These factors were considered in preparing the Town of Guttenberg Board of Education's budgets for the 2012-2013 fiscal year.

**REQUESTS FOR INFORMATION**

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

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

**BASIC FINANCIAL STATEMENTS**

**DISTRICT-WIDE FINANCIAL STATEMENTS**

**TOWN OF GUTTENBERG BOARD OF EDUCATION**  
**Statement of Net Assets**  
**June 30, 2012**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash, cash equivalents and investments	797,463	63,079	860,542
Receivables, net	1,424,804	16,832	1,441,636
Inventory		2,392	2,392
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	2,785,336	59,732	2,845,068
Total Assets	<u>5,087,062</u>	<u>142,035</u>	<u>5,229,097</u>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	141,966	4,103	146,069
Interfunds payable	-	1,811	1,811
Payable to federal government	4,942		4,942
Deferred revenue	246,859		246,859
Noncurrent liabilities:			
Due within one year	220,389		220,389
Due beyond one year	1,712,991		1,712,991
Total liabilities	<u>2,327,147</u>	<u>5,914</u>	<u>2,333,061</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	1,945,793	59,732	2,005,525
Restricted for:			
Debt Service	1		1
Capital Reserve	1		1
Other Purposes	1,864,010	32,055	1,896,065
Unrestricted (Deficit)	<u>(1,049,890)</u>	<u>44,334</u>	<u>(1,005,556)</u>
Total net assets	<u>2,759,915</u>	<u>136,121</u>	<u>2,896,036</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, 2012

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	3,797,632	803,294		716,539		(3,884,387)		(3,884,387)
Special education	279,073	175,646				(454,719)		(454,719)
Other special instruction	1,021,371	52,630				(1,074,001)		(1,074,001)
Other instruction	90,344					(90,344)		(90,344)
Support services:								
Tuition	4,601,239			678,647		(4,601,239)		(4,601,239)
Student & instruction related services	1,519,420					(840,773)		(840,773)
School administrative services	249,919	90,271				(340,190)		(340,190)
General administrative services	425,105	27,169				(452,274)		(452,274)
Central services	275,005	49,407				(324,412)		(324,412)
Administrative information technology	102,238	8,271				(110,509)		(110,509)
Plant operations and maintenance	663,389	83,958				(747,347)		(747,347)
Pupil transportation	243,864					(243,864)		(243,864)
Unallocated benefits	789,850					(789,850)		(789,850)
Debt Services:								
Interest and Other Charges		51,871				(51,871)		(51,871)
Unallocated depreciation		160,970				(160,970)		(160,970)
Total governmental activities	14,058,449	1,503,487	-	1,395,186	-	(14,166,750)	-	(14,166,750)
Business-type activities:								
Food Service	467,576		54,767	363,463			(49,346)	(49,346)
Total business-type activities	467,576		54,767	363,463			(49,346)	(49,346)
Total primary government	14,526,025		54,767	1,758,649		(14,166,750)		(14,216,096)
General revenues:								
Taxes:								
Property taxes, levied for general purposes						9,930,572		9,930,572
Property taxes, levied for debt services						240,688		240,688
Federal and State aid not restricted - capital outlay						16,631		16,631
Federal and State aid not restricted						5,207,770		5,207,770
Miscellaneous Income						116,960		116,960
Total general revenues, special items, extraordinary items and transfers						15,512,621		15,512,621
Change in Net Assets						(49,346)		(49,346)
Net Assets—beginning						1,414,044		1,599,511
Net Assets—ending						2,759,915		2,896,036

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, 2012**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash and cash equivalents	655,835		1	655,836
Interfund receivables	833,167			833,167
Receivables from other governments	243,271	1,097,144		1,340,415
Restricted cash and cash equivalents	<u>2</u>			<u>2</u>
Total assets	<u>1,732,275</u>	<u>1,097,144</u>	<u>1</u>	<u>2,829,420</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	18,720	97,399		116,119
Payable to federal government		4,942		4,942
Interfund payables		748,778		748,778
Deferred revenue		246,859		246,859
Total liabilities	<u>18,720</u>	<u>1,097,978</u>	<u>-</u>	<u>1,116,698</u>
Fund Balances:				
Restricted for:				
Excess surplus - designated for subsequent year's expenditures	291,946			291,946
Excess surplus - current year	1,158,445			1,158,445
Maintenance reserve account	1			1
Capital reserve account	1			1
Committed to:				
Other Purposes	334,701			334,701
Unreserved, reported in:				
General fund	(71,539)			(71,539)
Special revenue fund		(834)		(834)
Debt service fund			1	1
Total Fund balances	<u>1,713,555</u>	<u>(834)</u>	<u>1</u>	<u>1,712,722</u>
Total liabilities and fund balances	<u>1,732,275</u>	<u>1,097,144</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 \$5,773,397 and the accumulated depreciation is \$2,908,604.	2,864,793
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	(25,847)
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 3)	(1,933,380)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of internal service funds are included in governmental activities in the statement of net assets	<u>141,627</u>
Net assets of governmental activities	<u>2,759,915</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, 2012**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>				
Local sources:				
Local tax levy	9,930,572		240,688	10,171,260
Miscellaneous	116,960			116,960
Total - Local Sources	<u>10,047,532</u>	-	<u>240,688</u>	<u>10,288,220</u>
State sources	5,174,670	156,866	16,631	5,348,167
Federal sources	180,561	1,238,320		1,418,881
Total revenues	<u>15,402,763</u>	<u>1,395,186</u>	<u>257,319</u>	<u>17,055,268</u>
<b>EXPENDITURES</b>				
Current:				
Regular instruction	3,883,553	717,373		4,600,926
Special education instruction	454,719			454,719
Other special instruction	1,074,001			1,074,001
Other instruction	90,344			90,344
Support services and undistributed costs:				
Tuition	4,601,239			4,601,239
Student & instruction related services	845,177	674,243		1,519,420
General administrative services	340,190			340,190
School administrative services	452,274			452,274
Central services	324,412			324,412
Administrative information technology	110,509			110,509
Plant operations and maintenance	747,347			747,347
Pupil transportation	243,864			243,864
Unallocated Benefits	118,261			118,261
On-behalf contributions	819,021			819,021
Capital Outlay	137,897			137,897
Debt Service:				
Principal			200,000	200,000
Interest and other Charges			57,319	57,319
Total expenditures	<u>14,242,808</u>	<u>1,391,616</u>	<u>257,319</u>	<u>15,891,743</u>
Excess (Deficiency) of revenues over expenditures	<u>1,159,955</u>	<u>3,570</u>	<u>-</u>	<u>1,163,525</u>
Net change in fund balances	1,159,955	3,570	-	1,163,525
Fund balance—July 1	553,600	(4,404)	1	549,197
Fund balance—June 30	<u>1,713,555</u>	<u>(834)</u>	<u>1</u>	<u>1,712,722</u>

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, 2012**

<b>Total net change in fund balances - governmental funds (from B-2)</b>	<b>1,163,525</b>						
<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>							
<table style="margin-left: auto; margin-right: 0;"> <tr> <td style="padding-right: 20px;">Depreciation expense</td> <td style="text-align: right;">(160,970)</td> <td></td> </tr> <tr> <td>Depreciable Capital outlays</td> <td style="text-align: right; border-top: 1px solid black;">8,000</td> <td style="text-align: right; vertical-align: bottom;">(152,970)</td> </tr> </table>	Depreciation expense	(160,970)		Depreciable Capital outlays	8,000	(152,970)	
Depreciation expense	(160,970)						
Depreciable Capital outlays	8,000	(152,970)					
<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>							
<table style="margin-left: auto; margin-right: 0;"> <tr> <td style="padding-right: 20px;">Principal payment on serial bonds</td> <td style="text-align: right;">200,000</td> </tr> <tr> <td>Payment of unfunded pension liability</td> <td style="text-align: right;">20,389</td> </tr> </table>	Principal payment on serial bonds	200,000	Payment of unfunded pension liability	20,389			
Principal payment on serial bonds	200,000						
Payment of unfunded pension liability	20,389						
<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>							
<table style="margin-left: auto; margin-right: 0;"> <tr> <td style="padding-right: 20px;">Decrease in compensated absences payable</td> <td style="text-align: right;">109,479</td> </tr> </table>	Decrease in compensated absences payable	109,479	5,625				
Decrease in compensated absences payable	109,479						
<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>							
<table style="margin-left: auto; margin-right: 0;"> <tr> <td style="padding-right: 20px;">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.</td> <td style="text-align: right;">(177)</td> </tr> </table>	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.	(177)					
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.	(177)						
<b>Change in net assets of governmental activities</b>	<b><u><u>1,345,871</u></u></b>						

**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, 2012**

	Business-Type Activities - Enterprise Fund			Governmental Activities - Internal Service Fund
	Food Service Program	School Age Child Care	Totals	
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	79,880		79,880	141,627
Accounts receivable:				
State	344		344	
Federal	16,488		16,488	
Inventories	2,392		2,392	
Total current assets	<u>99,104</u>		<u>99,104</u>	<u>141,627</u>
Noncurrent assets:				
Capital assets:				
Equipment	103,258		103,258	
Less accumulated depreciation	<u>(43,526)</u>		<u>(43,526)</u>	
Total capital assets (net of accumulated depreciation)	<u>59,732</u>		<u>59,732</u>	
Total assets	<u>158,836</u>		<u>158,836</u>	<u>141,627</u>
<b>LIABILITIES</b>				
Current liabilities:				
Deficit in cash		16,801	16,801	
Accounts payable	4,103		4,103	
Interfund payable		1,811	1,811	
Total current liabilities	<u>4,103</u>	<u>18,612</u>	<u>22,715</u>	
Total liabilities	<u>4,103</u>	<u>18,612</u>	<u>22,715</u>	
<b>NET ASSETS</b>				
Invested in capital assets net of related debt	59,732		59,732	
Restricted contributed capital	32,055		32,055	
Unrestricted	62,946	(18,612)	44,334	141,627
Total net assets	<u>154,733</u>	<u>(18,612)</u>	<u>136,121</u>	<u>141,627</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, 2012**

	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	54,767		54,767	
Total operating revenues	<u>54,767</u>	<u>-</u>	<u>54,767</u>	<u>-</u>
Operating expenses:				
Cost of sales	181,303		181,303	
Salaries	180,605		180,605	
Supplies and materials	40,420		40,420	
Cleaning, repair and maintenance	9,757		9,757	
Utilities	10,321		10,321	
Employee benefits	23,651		23,651	
Purchased property services	18,109		18,109	
Depreciation	3,410		3,410	
Total Operating Expenses	<u>467,576</u>	<u>-</u>	<u>467,576</u>	<u>-</u>
Operating income (loss)	<u>(412,809)</u>	<u>-</u>	<u>(412,809)</u>	<u>-</u>
Nonoperating revenues (expenses):				
State sources:				
State school lunch program	6,898		6,898	
Federal sources:				
National school lunch program	312,314		312,314	
National school breakfast program	12,168		12,168	
Food distribution program	32,083		32,083	
Interest and investment revenue (expenses)			-	(177)
Total nonoperating revenues (expenses)	<u>363,463</u>	<u>-</u>	<u>363,463</u>	<u>(177)</u>
Income (loss) before contributions & transfers	<u>(49,346)</u>	<u>-</u>	<u>(49,346)</u>	<u>(177)</u>
Transfers in (out)				
Change in net assets	(49,346)	-	(49,346)	(177)
Total net assets—beginning	<u>204,079</u>	<u>(18,612)</u>	<u>185,467</u>	<u>141,804</u>
Total net assets—ending	<u>154,733</u>	<u>(18,612)</u>	<u>136,121</u>	<u>141,627</u>

**TOWN OF GUTTENBERG BOARD OF EDUCATION**  
**Combining Statement of Cash Flows**  
**Enterprise Funds**  
**For the Fiscal Year Ended June 30, 2012**

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Food Service Program	School Age Child Care	Total Enterprise	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	54,767		54,767	
Payments to Outside Food Service Management Company	(168,286)		(168,286)	
Payments to employees	(204,256)		(204,256)	
Payments for utilities	(10,321)		(10,321)	
Payments for cleaning, repair and maintenance	(7,653)		(7,653)	
Payments for supplies	(38,659)		(38,659)	
Net cash provided by (used for) operating activities	(374,408)	-	(374,408)	-
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
State Sources	6,565		6,565	
Federal Sources	308,478		308,478	
Net cash provided by (used for) non-capital financing activities	315,043	-	315,043	-
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Purchases of capital assets	(15,971)		(15,971)	
Net cash provided by (used for) capital and related financing activities	(15,971)	-	(15,971)	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest and dividends (expenses)			-	(177)
Net cash provided by (used for) investing activities	-	-	-	(177)
Net increase (decrease) in cash and cash equivalents	(75,336)	-	(75,336)	(177)
Balances—beginning of year	155,216	(16,801)	138,415	141,804
Balances—end of year	79,880	(16,801)	63,079	141,627
	79,880			
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>				
Operating income (loss) provided by:	(412,809)	-	(412,809)	-
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation and net amortization	3,410		3,410	
Food Distribution Program	32,083		32,083	
(Increase) decrease in inventories	804		804	
Increase (decrease) in accounts payable	2,104		2,104	
Total adjustments	38,401	-	38,401	-
Net cash provided by (used for) operating activities	(374,408)	-	(374,408)	-

**TOWN OF GUTTENBERG BOARD OF EDUCATION**  
**Combining Statement of Fiduciary Net Assets**  
**Fiduciary Funds**  
**June 30, 2012**

	<u>Unemployment Compensation Trust Fund</u>	<u>Private Purpose Scholarship Fund</u>	<u>Agency Fund</u>
<b>ASSETS</b>			
Cash and cash equivalents	15,307	20,003	135,424
Deposits			7,688
Total assets	<u>15,307</u>	<u>20,003</u>	<u>143,112</u>
<b>LIABILITIES</b>			
Payable to student groups			7,781
Payroll deductions and withholdings			62,291
Interfund payable			82,578
Net salaries and wages			(9,538)
Total liabilities			<u>143,112</u>
<b>NET ASSETS</b>			
Held in trust for unemployment claims and other purposes	<u>15,307</u>		
Reserved for Scholarships		<u>20,003</u>	

**TOWN OF GUTTENBERG BOARD OF EDUCATION**  
**Combining Statement of Changes in Fiduciary Net Assets**  
**Fiduciary Funds**  
**For the Fiscal Year Ended June 30, 2012**

	<b>Unemployment Compensation Trust Fund</b>	<b>Private Purpose Scholarship Fund</b>
<b>ADDITIONS</b>		
Contributions:		
Donations		5,000
Total Contributions	-	5,000
<b>DEDUCTIONS</b>		
Scholarship payments		2,100
Total deductions	-	2,100
Change in net assets	-	2,900
Net assets—beginning of the year	15,307	17,103
Net assets—end of the year	15,307	20,003

**NOTES TO THE FINANCIAL STATEMENTS**

**Town of Guttenberg School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2012**

**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, 2012**

**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, 2012**

**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, 2012**

**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, 2012**

**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, 2012**

**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, 2012**

**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, 2012**

**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, 2012, 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, 2012**

**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, 2012**

**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, 2012**

**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, 2012**

**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, 2012, \$-0- of the District's bank balance of \$2,372,915 was exposed to custodial credit risk.

**Town of Guttenberg School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2012**

**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, 2012, 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 <u>Fund</u>	District Wide Financial <u>Statements</u>
State Aid	\$79,726	\$344	\$80,070
Federal Aid	1,260,689	16,488	1,277,177
Due from Other Funds	<u>833,167</u>	<u>          </u>	<u>84,389</u>
Gross Receivables	2,173,582	16,832	1,441,636
Less: Allowance for Uncollectibles	<u>          </u>	<u>          </u>	<u>          </u>
Total Receivables, Net	<u><u>\$2,173,582</u></u>	<u><u>\$16,832</u></u>	<u><u>\$1,441,636</u></u>

**Town of Guttenberg School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2012**

**NOTE 5. CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2012 was as follows:

	<u>Balance 6/30/11</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 6/30/12</u>
<b>Governmental Activities</b>				
Capital Assets Not Being Depreciated				
Land	9,957			9,957
Construction in Progress	<u>69,500</u>			<u>69,500</u>
Total Capital Assets Not Being Depreciated	<u>79,457</u>	<u>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>743,171</u>	<u>8,000</u>		<u>751,171</u>
Total Capital Assets, Being Depreciated	<u>5,685,940</u>	<u>8,000</u>		<u>5,693,940</u>
Less Accumulated Depreciation:				
Sites and Improvements	(110,284)	(14,496)		(124,780)
Buildings and Improvements	(1,938,798)	(127,112)		(2,065,910)
Machinery and Equipment	<u>(698,552)</u>	<u>(19,362)</u>		<u>(717,914)</u>
Total Accumulated Depreciation	<u>(2,747,634)</u>	<u>(160,970)</u>		<u>(2,908,604)</u>
Total Capital Assets, Being Depreciated, Net of Accumulated Depreciation	<u>2,938,306</u>	<u>(152,970)</u>		<u>2,785,336</u>
Governmental Activities Capital Assets, Net	<u>3,017,763</u>	<u>(152,970)</u>		<u>2,864,793</u>
	<u>Balance 6/30/11</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 6/30/12</u>
<b>Business-Type Activity</b>				
Furniture and Equipment	87,287	15,971		103,258
Less Accumulated Depreciation				
Furniture and Equipment	<u>(40,116)</u>	<u>(3,410)</u>		<u>(43,526)</u>
Business-Type Activity Capital Assets, Net	<u>47,171</u>	<u>12,561</u>		<u>59,732</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, 2012**

**NOTE 6. LONG-TERM OBLIGATION ACTIVITY**

Changes in long-term obligations for the year ended June 30, 2012 were as follows:

	<u>Balance</u> <u>June 30, 2011</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance</u> <u>June 30, 2012</u>	<u>Amount</u> <u>Due Within</u> <u>One Year</u>
Unfunded Pension Liability	\$193,251		\$20,389	\$172,862	\$20,389
Deferred PERS Pension Contribution	25,059	\$		25,059	
Compensated Absences Payable	925,938		109,479	816,459	
Bonds Payable	<u>1,119,000</u>		<u>200,000</u>	<u>919,000</u>	<u>200,000</u>
Total	<u>\$2,263,248</u>	<u>\$0</u>	<u>\$329,868</u>	<u>\$1,933,380</u>	<u>\$220,389</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, 2012 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, 2012</u>
School Improvement Bonds	07/01/1994	5.625%	07/01/2015	<u>\$919,000</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>
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>\$919,000</u>	<u>\$106,678</u>	<u>\$1,025,678</u>

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

As of June 30, 2012 the Board has no authorized but not issued bonds.

**C. Capital Leases**

The District had no capital leases outstanding at June 30, 2012.

**Town of Guttenberg School District**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2012**

**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, 2012 were \$78,129. Future minimum lease payments are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2013	\$36,044
2014	26,580
2015	<u>15,505</u>
	<u>\$78,129</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 or reports can be accessed on the internet at: [http://www.state.nj.us/treasury/pensions/annrpts\\_archive.htm](http://www.state.nj.us/treasury/pensions/annrpts_archive.htm).

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

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

**Town of Guttenberg School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2012**

**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. Pursuant to the provisions of Chapter 78, P.L. 2011, this amount will increase to 6.5% plus an additional 1% phased in over 7 years beginning in the first year. For fiscal year 2012, the member rate will increase in October 2011. The phase in will take place on July 1 of each subsequent fiscal year. Employers are required to contribute at an actuarially determined rate in all Funds except the SACT. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PERS and TPAF. In the PERS and TPAF, the employer contribution includes funding for post-retirement medical premiums.

During the year ended June 30, 2012 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>	
6/30/12	\$114,906
6/30/11	90,889
6/30/10	69,389

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>
6/30/12	\$147,461	\$328,247	\$15,825
6/30/11	-0-	300,891	14,166
6/30/10	-0-	274,378	14,609

During the year ended June 30, 2012, the State of New Jersey contributed \$475,708 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 \$327,488 during the year ended June 30, 2012 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, 2012**

**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, 2011, there were 93,323 retirees eligible for post-retirement medical benefits and the State contributed \$935.5 million on their behalf. 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 2011, the State paid \$144 million toward Chapter 126 benefits for 15,709 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.

**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.

**Town of Guttenberg School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2012**

**NOTE 12. INVENTORY**

Inventory in the Food Service Fund at June 30, 2012 consisted of the following:

Food	<u>\$2,392</u>
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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.

The activity of the capital reserve account for the July 1, 2011 to June 30, 2012 fiscal year is as follows:

Beginning Balance, July 1, 2011	<u>\$1.00</u>
Ending Balance, June 30, 2012	<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.

**Town of Guttenberg School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2012**

**NOTE 14. MAINTENANCE RESERVE ACCOUNT, (continued)**

The activity of the maintenance reserve account for the July 1, 2011 to June 30, 2012 fiscal year is as follows:

Beginning Balance, July 1, 2011	<u>\$1.00</u>
Ending Balance, June 30, 2012	<u>\$1.00</u>

**NOTE 15. FUND BALANCE APPROPRIATED**

**General Fund [Exhibit B-1]** - Of the \$1,713,555 General Fund fund balance at June 30, 2012, \$334,701 is reserved for encumbrances; \$1,450,391 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7 (\$291,946 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2013); \$1 has been reserved in the Capital Reserve Account; \$1 has been reserved in the Maintenance Reserve Account; \$(71,539) is unreserved and undesignated.

**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, 2012 is \$1,450,391. Of this amount, \$1,158,445 is the result of current year's operations.

**NOTE 17. DEFICIT FUND BALANCES**

The District has a deficit fund balance of \$(834) in the Special Revenue Fund as of June 30, 2012 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.

**Town of Guttenberg School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2012**

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**NOTE 17. DEFICIT FUND BALANCES, (continued)**

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 \$(834) 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.

**REQUIRED SUPPLEMENTARY  
INFORMATION - PART II**

**BUDGETARY COMPARISON SCHEDULES**

**GUTTENBERG BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Fiscal Year Ended June 30, 2012**

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final To Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	9,930,572	-	9,930,572	9,930,572	-
Miscellaneous		1,125	1,125	116,960	115,835
Total - Local Sources	<u>9,930,572</u>	<u>1,125</u>	<u>9,931,697</u>	<u>10,047,532</u>	<u>115,835</u>
State Sources:					
Special Education Aid	756,897	-	756,897	756,897	-
Equalization Aid	3,427,856	4,156	3,432,012	3,432,012	-
Extraordinary Aid		-	-	62,710	62,710
Suppl. School Tax Reduction Aid	-	140,564	140,564	140,564	-
TPAF Pension and Postretirement Medical Contributions (On-Behalf - Non Budgeted)				475,708	475,708
TPAF Non-Contributory Insurance (On-Behalf - Non Budgeted)				15,825	15,825
TPAF Social Security (Reimbursed - Non-Budgeted)				327,488	327,488
Total - State Sources	<u>4,184,753</u>	<u>144,720</u>	<u>4,329,473</u>	<u>5,211,204</u>	<u>881,731</u>
Federal Sources:					
Medical Assistance Program (SEMI)	17,774	-	17,774	17,774	-
Education Jobs Fund	157,842	4,945	162,787	162,787	-
Total - Federal Sources	<u>175,616</u>	<u>4,945</u>	<u>180,561</u>	<u>180,561</u>	<u>-</u>
<b>TOTAL REVENUES</b>	<u>14,290,941</u>	<u>150,790</u>	<u>14,441,731</u>	<u>15,439,297</u>	<u>997,566</u>

**GUTTENBERG BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Fiscal Year Ended June 30, 2012**

	<b>Original Budget</b>	<b>Budget Transfers/ Adjustments</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Final To Actual</b>
<b>EXPENDITURES:</b>					
<b>Current Expense:</b>					
<b>Regular Programs - Instruction</b>					
Salaries of Teachers:					
Kindergarten - Salaries of Teachers	236,960	(4,316)	232,644	232,644	-
Grades 1-5 - Salaries of Teachers	1,238,293	98,603	1,336,896	1,316,201	20,695
Grades 6-8 - Salaries of Teachers	661,280	81,548	742,828	742,828	-
<b>Regular Programs - Home Instruction:</b>					
Salaries of Teachers	10,000	(1,964)	8,036	8,036	-
<b>Regular Programs - Undistributed Instruction</b>					
Other Salaries for Instruction	69,682	38,913	108,595	108,595	-
Other Purchased Services (400-500 series)	15,000	7,101	22,101	22,101	-
General Supplies	150,000	210,435	360,435	341,456	18,979
Textbooks	125,000	(39,408)	85,592	85,592	-
<b>TOTAL REGULAR PROGRAMS - INSTRUCTION</b>	<b>2,506,215</b>	<b>390,912</b>	<b>2,897,127</b>	<b>2,857,453</b>	<b>39,674</b>
<b>SPECIAL EDUCATION - INSTRUCTION</b>					
Learning and/or Language Disabilities:					
Salaries of Teachers	143,172	53,000	196,172	196,172	-
<b>Total Learning and/or Language Disabilities</b>	<b>143,172</b>	<b>53,000</b>	<b>196,172</b>	<b>196,172</b>	<b>-</b>
<b>Multiple Disabilities</b>					
Salaries of Teachers	50,658	5,180	55,838	55,838	-
<b>Total Multiple Disabilities</b>	<b>50,658</b>	<b>5,180</b>	<b>55,838</b>	<b>55,838</b>	<b>-</b>
<b>Resource Room/Resource Center:</b>					
Salaries of Teachers	196,407	6,302	202,709	202,709	-
<b>Total Resource Room/Resource Center</b>	<b>196,407</b>	<b>6,302</b>	<b>202,709</b>	<b>202,709</b>	<b>-</b>
<b>Preschool Disabilities - Full-Time:</b>					
Salaries of Teachers	53,287	(53,287)	-	-	-
Total Preschool Disabilities-Full Time	53,287	(53,287)	-	-	-
<b>TOTAL SPECIAL EDUCATION - INSTRUCTION</b>	<b>443,524</b>	<b>11,195</b>	<b>454,719</b>	<b>454,719</b>	<b>-</b>

**GUTTENBERG BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Fiscal Year Ended June 30, 2012**

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final To Actual
<b>Basic Skills/Remedial-Instruction</b>					
Salaries of Teachers	163,543	1,981	165,524	165,524	-
General Supplies	-	103,409	103,409	103,409	-
<b>Total Basic Skills/Remedial-Instruction</b>	<b>163,543</b>	<b>105,390</b>	<b>268,933</b>	<b>268,933</b>	<b>-</b>
<b>Bilingual Education - Instruction</b>					
Salaries of Teachers	387,813	6,845	394,658	394,658	-
General Supplies	5,759	68,133	73,892	73,892	-
Textbooks	300	(300)	-	-	-
<b>Total Bilingual Education - Instruction</b>	<b>393,872</b>	<b>74,678</b>	<b>468,550</b>	<b>468,550</b>	<b>-</b>
<b>School-Sponsored Cocurricular Activities - Instruction</b>					
Salaries	15,000	1,624	16,624	16,624	-
Other Purchased Services (400-500 series)	28,000	(4,703)	23,297	8,357	14,940
<b>Total School-Sponsored Cocurricular Activities - Instruction</b>	<b>43,000</b>	<b>(3,079)</b>	<b>39,921</b>	<b>24,981</b>	<b>14,940</b>
<b>Other Instructional Programs - Instruction</b>					
Purchased Services - (300-500 series)	2,000	-	2,000	1,110	890
Supplies and Materials	500	-	500	53	447
<b>Total Other Instructional Programs - Instruction</b>	<b>2,500</b>	<b>-</b>	<b>2,500</b>	<b>1,163</b>	<b>1,337</b>
<b>Other Supplemental / At-Risk Programs - Instruction</b>					
Salaries	124,772	(13,122)	111,650	71,667	39,983
Purchased Services - (300-500 series)	7,397	1,200	8,597	-	8,597
Supplies and Materials	10,000	-	10,000	-	10,000
<b>Total Other Instructional Programs - Instruction</b>	<b>142,169</b>	<b>(11,922)</b>	<b>130,247</b>	<b>71,667</b>	<b>58,580</b>
<b>TOTAL INSTRUCTION</b>	<b>3,694,823</b>	<b>567,174</b>	<b>4,261,997</b>	<b>4,147,466</b>	<b>114,531</b>

GUTTENBERG BOARD OF EDUCATION  
 Budgetary Comparison Schedule  
 General Fund  
 Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final To Actual
<b>Undistributed Expenditures - Instruction</b>					
Tuition to other LEAs within the state - regular	4,125,000	(460,068)	3,664,932	3,312,888	352,044
Tuition to other LEAs within the state - Special	562,840	(41,362)	521,478	453,821	67,657
Tuition to CSSD & Regular Day Schools	433,344	(47,905)	385,439	339,583	45,856
Tuition to Private School Handicapped	392,084	85,000	477,084	443,098	33,986
Tuition to State Facilities	-	51,849	51,849	51,849	-
Tuition to Charter Schools	-	12,219	12,219	-	12,219
<b>Total Undistributed Expenditures - Instruction</b>	<b>5,513,268</b>	<b>(400,267)</b>	<b>5,113,001</b>	<b>4,601,239</b>	<b>511,762</b>
<b>Undist. Expend. - Health Services</b>					
Salaries	74,704	2,095	76,799	76,799	-
Purchased Professional and Technical Services	8,000	179	8,179	8,179	-
Supplies and Materials	2,500	(536)	1,964	1,928	36
<b>Total Undistributed Expenditures - Health Services</b>	<b>85,204</b>	<b>1,738</b>	<b>86,942</b>	<b>86,906</b>	<b>36</b>
<b>Undist. Expenditures - Speech, OT, PT &amp; Related Serv.</b>					
Salaries	105,616	-	105,616	87,612	18,004
Purchased Professional - Educational Services	380,500	(91,540)	288,960	202,928	86,032
<b>Total Undist. Expend. - Speech, OT, PT &amp; Related Serv.</b>	<b>486,116</b>	<b>(91,540)</b>	<b>394,576</b>	<b>290,540</b>	<b>104,036</b>
<b>Undist. Expend. - Guidance</b>					
Salaries of Other Professional Staff	90,717	1,748	92,465	92,465	-
Purchased Professional and Technical Services	2,500	(1,748)	752	-	752
Supplies and Materials	17,500	(3,749)	13,751	1,800	11,951
<b>Total Undist. Expend. - Other Supp. Serv. Students - Regular</b>	<b>110,717</b>	<b>(3,749)</b>	<b>106,968</b>	<b>94,265</b>	<b>12,703</b>
<b>Undist. Expend. - Child Study Teams</b>					
Salaries of Other Professional Staff	96,966	71,081	168,047	93,879	74,168
Salaries of Secretarial and Clerical Assistants	14,000	(1,777)	12,223	10,693	1,530
Other Salaries	185,597	(14,029)	171,568	171,313	255
Purchased Professional - Educational Services	8,000	1,539	9,539	9,139	400
Supplies and Materials	-	4,812	4,812	4,812	-
<b>Total Undist. Expend. - Other Supp. Serv. Students-Special</b>	<b>304,563</b>	<b>61,626</b>	<b>366,189</b>	<b>289,836</b>	<b>76,353</b>

GUTTENBERG BOARD OF EDUCATION  
 Budgetary Comparison Schedule  
 General Fund  
 Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final To Actual
<b>Undist. Expend. - Improvement of Instructional Services</b>					
Salaries of Other Professional Staff	71,000	-	71,000	64,104	6,896
<b>Total Undist. Expend. - Improvement of Instructional Services</b>	<b>71,000</b>	<b>-</b>	<b>71,000</b>	<b>64,104</b>	<b>6,896</b>
<b>Undist. Expend. - Instructional Staff Training Services</b>					
Other Purchased Services (400-500 Series)	10,000	-	10,000	-	10,000
<b>Total Undist. Expend. - Instructional Staff Training Services</b>	<b>10,000</b>	<b>-</b>	<b>10,000</b>	<b>-</b>	<b>10,000</b>
<b>Undist. Expend. - Support Serv. - General Administration</b>					
Salaries	138,138	(1,151)	136,987	136,987	-
Salaries of Attorneys	51,000	-	51,000	50,000	1,000
Audit Fees	28,000	(1,500)	26,500	26,500	-
Other purchased professional services	19,000	5,000	24,000	24,000	-
Communications/telephone	58,000	(12,824)	45,176	22,177	22,999
BOE Other Purchased Services	10,000	-	10,000	520	9,480
Misc. Purchased Services (400-500 series)	37,000	(23,743)	13,257	13,257	-
General Supplies	20,000	28,555	48,555	35,228	13,327
BOE In-House Training/Meeting Supplies	5,000	-	5,000	-	5,000
Miscellaneous expenditures	4,000	-	4,000	4,000	-
BOE Membership Dues and Fees	6,824	-	6,824	6,786	38
<b>Total Undist. Expend. - Supp. Serv. - General Administration</b>	<b>376,962</b>	<b>(5,663)</b>	<b>371,299</b>	<b>319,455</b>	<b>51,844</b>
<b>Undist. Expend. - Support Serv. - School Administration</b>					
Salaries of Principals/Assistant Principals	245,996	7,256	253,252	253,252	-
Salaries of Secretarial and Clerical assistants	94,697	8,967	103,664	101,775	1,889
Purchased Professional and Technical Services	2,772	(1,972)	800	800	-
Supplies and materials	18,000	-	18,000	11,198	6,802
<b>Total Undist. Expend. - Support Serv. - School Administration</b>	<b>361,465</b>	<b>14,251</b>	<b>375,716</b>	<b>367,025</b>	<b>8,691</b>

**GUTTENBERG BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Fiscal Year Ended June 30, 2012**

	<b>Original Budget</b>	<b>Budget Transfers/ Adjustments</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Final To Actual</b>
<b>Undistributed Expenditures - Central Services</b>					
Salaries	216,906	15,401	232,307	224,645	7,662
Purchased Technical Services	18,000	(2,285)	15,715	15,715	-
Misc. Purchased Services (400-500 series)	5,000	(2,924)	2,076	1,808	268
Supplies and Materials	10,000	10,151	20,151	20,151	-
Miscellaneous expenditures	1,050	(1,050)	-	-	-
<b>Total Undists Expend. - Central Services</b>	<b>250,956</b>	<b>19,293</b>	<b>270,249</b>	<b>262,319</b>	<b>7,930</b>
<b>Undist. Expend. - Admin. Info. Tech.</b>					
Salaries	57,771	(3,553)	54,218	32,553	21,665
Purchased Technical Services	14,300	52,540	66,840	66,840	-
Supplies and Materials	-	1,887	1,887	1,887	-
<b>Total Undist. Expend. - Admin. Info. Technology</b>	<b>72,071</b>	<b>50,874</b>	<b>122,945</b>	<b>101,280</b>	<b>21,665</b>
<b>Undist. Expend. - Required Maint. for School Facilities</b>					
Salaries	82,481	5,941	88,422	88,422	-
Cleaning, Repair and Maintenance Services	80,000	54,642	134,642	129,375	5,267
<b>Total Undist. Expend. - Required Maint. for School Facilities</b>	<b>162,481</b>	<b>60,583</b>	<b>223,064</b>	<b>217,797</b>	<b>5,267</b>
<b>Undist. Expend. - Custodial Services</b>					
Salaries	142,569	9,701	152,270	146,742	5,528
Other Purchased Property Services	14,000	(985)	13,015	13,015	-
Insurance	116,000	(4,664)	111,336	111,336	-
Miscellaneous Purchased Services	6,000	(1,662)	4,338	4,338	-
General Supplies	45,000	9,609	54,609	54,609	-
Energy (Electricity)	130,000	(48,654)	81,346	81,346	-
Energy (Natural Gas)	45,000	(19,051)	25,949	25,949	-
<b>Total Undist. Expend. - Other Oper. &amp; Maint. of Plant Svcs.</b>	<b>498,569</b>	<b>(55,706)</b>	<b>442,863</b>	<b>437,335</b>	<b>5,528</b>
<b>Total Undistributed Expend.-Oper &amp; Maint of Plant Svcs.</b>	<b>661,050</b>	<b>4,877</b>	<b>665,927</b>	<b>655,132</b>	<b>10,795</b>
<b>Undist. Expend. - Student transportation services:</b>					
Contract Service - Joint Agreements	345,000	(29,264)	315,736	243,864	71,872
<b>Total Undist. Expend. - Student Transportation Services</b>	<b>345,000</b>	<b>(29,264)</b>	<b>315,736</b>	<b>243,864</b>	<b>71,872</b>

GUTTENBERG BOARD OF EDUCATION  
 Budgetary Comparison Schedule  
 General Fund  
 Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final To Actual
<b>ALLOCATED BENEFITS</b>					
<b>Regular Programs - Instruction - Employee Benefits</b>					
Social Security Contributions	130,643	(69,727)	60,916	60,916	-
T.P.A.F. Contributions - ERIP	57,000	(36,311)	20,689	20,389	300
Unemployment Compensation	45,000	(18,916)	26,084	26,084	-
Health Benefits	881,947	104,131	986,078	905,912	80,166
Tuition Reimbursement	8,000	2,799	10,799	10,799	-
Other Employee Benefits	2,000	-	2,000	2,000	-
<b>Total Regular Programs - Instruction</b>	<b>1,124,590</b>	<b>(18,024)</b>	<b>1,106,566</b>	<b>1,026,100</b>	<b>80,466</b>
<b>Special Programs - Instruction - Employee Benefits</b>					
Health Benefits	14,110	(14,110)	-	-	-
Tuition Reimbursement	264,411	(264,411)	-	-	-
Other Employee Benefits	1,000	(1,000)	-	-	-
<b>Total Special Programs - Instruction - Employee Benefits</b>	<b>279,521</b>	<b>(279,521)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other Instructional Programs - Employee Benefits</b>					
Social Security Contributions	24,000	(24,000)	-	-	-
Health Benefits	45,231	(45,231)	-	-	-
Other Employee Benefits	1,200	(1,200)	-	-	-
<b>Total Special Programs - Instruction - Employee Benefits</b>	<b>70,431</b>	<b>(70,431)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Health Services - Employee Benefits</b>					
Health Benefits	23,421	(3,874)	19,547	19,526	21
Other Employee Benefits	400	(400)	-	-	-
<b>Total Health Services - Employee Benefits</b>	<b>23,821</b>	<b>(4,274)</b>	<b>19,547</b>	<b>19,526</b>	<b>21</b>
<b>Other Support Serv. - Speech, OT, PT, &amp; Rel. Svc - Employee Benefits</b>					
Health Benefits	23,485	290,536	314,021	310,537	3,484
Other Employee Benefits	400	600	1,000	1,000	-
<b>Total Other Support Services - Employee Benefits</b>	<b>23,885</b>	<b>291,136</b>	<b>315,021</b>	<b>311,537</b>	<b>3,484</b>
<b>Other Support Services - Guidance - Employee Benefits:</b>					
Health Benefits	21,197	(20,797)	400	-	400
<b>Total Other Support Services - Employee Benefits</b>	<b>21,197</b>	<b>(20,797)</b>	<b>400</b>	<b>-</b>	<b>400</b>
<b>Other Support Services - Students Regular - Employee Benefits</b>					
Health Benefits	64,771	(47,257)	17,514	17,514	-
Other Employee Benefits	800	(800)	-	-	-

**GUTTENBERG BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Fiscal Year Ended June 30, 2012**

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final To Actual
<b>Total Other Support Svcs - Child Study Team - Employee Benefits</b>	65,571	(48,057)	17,514	17,514	-
<b>Support Services - General Admin - Employee Benefits</b>					
Social Security Contributions	3,200	-	3,200	3,059	141
Health Benefits	33,251	(15,750)	17,501	17,501	-
Other Employee Benefits	200	-	200	175	25
<b>Total Support Services - General Admin - Employee Benefits</b>	36,651	(15,750)	20,901	20,735	166
<b>Support Services - School Admin - Employee Benefits</b>					
Social Security Contributions	6,800	-	6,800	5,612	1,188
Health Benefits	102,498	(19,150)	83,348	79,637	3,711
Other Employee Benefits					
<b>Total Support Services - School Admin - Employee Benefits</b>	109,298	(19,150)	90,148	85,249	4,899
<b>Support Services - Central Services - Employee Benefits</b>					
Social Security Contributions	9,200	-	9,200	8,527	673
Health Benefits	55,321	(969)	54,352	53,566	786
<b>Total Support Services - Central Services - Employee Benefits</b>	64,521	(969)	63,552	62,093	1,459
<b>Total Support Services - Central Services - Employee Benefits</b>					
<b>Support Services - Admin. Info. Tech. - Employee Benefits</b>					
Social Security Contributions	3,100	-	3,100	3,100	-
Health Benefits	8,618	-	8,618	6,129	2,489
<b>Total Support Services - Admin. Info. Tech. - Employee Benefits</b>	11,718	-	11,718	9,229	2,489
<b>Operation and Maintenance of Plant Svcs - Employee Benefits</b>					
Social Security Contributions	17,000	(3,933)	13,067	13,067	-
Health Benefits	98,713	(19,565)	79,148	79,148	-
<b>Total Operation and Maintenance of Plant Svcs - Employee Benefits</b>	115,713	(23,498)	92,215	92,215	-
<b>TOTAL ALLOCATED BENEFITS</b>	1,946,917	(209,335)	1,737,582	1,644,198	93,384
<b>UNALLOCATED BENEFITS</b>					
<b>Unallocated Benefits - Employee Benefits</b>					
Other Retirement Contributions - Regular	78,000	40,488	118,488	118,261	227
<b>Total Unallocated Benefits - Employee Benefits</b>	78,000	40,488	118,488	118,261	227
<b>Total Personal Services - Employee Benefits</b>	2,024,917	(168,847)	1,856,070	1,762,459	91,082

GUTTENBERG BOARD OF EDUCATION  
 Budgetary Comparison Schedule  
 General Fund  
 Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final To Actual
On-behalf TPAF Pension and Post Retirement Medical Contributions (non-budgeted)				475,708	(475,708)
On-behalf TPAF Non-Contributory Insurance (non-budgeted)				15,825	(15,825)
Reimbursed TPAF Social Security Contributions (non-budgeted)				327,488	(327,488)
<b>TOTAL ON-BEHALF CONTRIBUTIONS</b>	-	-	-	819,021	(819,021)
<b>TOTAL UNDISTRIBUTED EXPENDITURES</b>	10,673,289	(546,671)	10,126,618	9,957,445	169,173
<b>TOTAL GENERAL CURRENT EXPENSE</b>	14,368,112	20,503	14,388,615	14,104,911	283,704
<b>CAPITAL OUTLAY</b>					
Equipment:					
Grades 1-5	-	2,473	2,473	2,473	-
Grades 6-8	-	52,472	52,472	51,959	513
Equipment - Undistributed:					
Req. Maintenance for School Facilities	-	4,096	4,096	-	4,096
Total Equipment	-	59,041	59,041	54,432	4,609
<b>Undist. Expenditures - Facilities Acquisition and Construction Services:</b>					
Construction Services	-	83,465	83,465	83,465	-
Total Facilities Acquisition and Construction Services	-	83,465	83,465	83,465	-
<b>TOTAL CAPITAL OUTLAY</b>	-	142,506	142,506	137,897	4,609
<b>GENERAL FUND</b>					
Transfer of funds to charter schools	12,219	(12,219)			-
<b>TOTAL EXPENDITURES</b>	14,380,331	150,790	14,531,121	14,242,808	288,313
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	(89,390)	-	(89,390)	1,196,489	1,285,879

**GUTTENBERG BOARD OF EDUCATION**  
 Budgetary Comparison Schedule  
 General Fund  
 Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final To Actual
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)</b>	(89,390)	-	(89,390)	1,196,489	1,285,879
<b>Fund Balance, July 1</b>	919,791		919,791	919,791	-
<b>Fund Balance, June 30</b>	<u>830,401</u>	<u>-</u>	<u>830,401</u>	<u>2,116,280</u>	<u>1,285,879</u>
<b>Recapitulation of excess (deficiency) of revenues under expenditures Adjustment for Prior Year Encumbrances Budgeted Fund Balance</b>	89,390		89,390	162,052	(1,358,541)
	<u>89,390</u>	<u>-</u>	<u>89,390</u>	<u>(1,196,489)</u>	<u>(1,358,541)</u>

**Recapitulation**

**Restricted Fund Balance:**

Capital Reserve	1
Maintenance Reserve	1
Excess Surplus - Designated for Subsequent Year's Expenditures	291,946
Excess Surplus - Current Year	1,158,445

**Committed Fund Balance:**

Year-End Encumbrances	334,701
Unassigned Fund Balance	331,186

**Reconciliation to Governmental Funds Statement (GAAP):**

Less: Last State Aid Payment not recognized, GAAP Basis	2,116,280
Fund Balance per Governmental Funds (GAAP)	<u>(402,725)</u>
	<u>1,713,555</u>

**TOWN OF GUTTENBERG BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2012**

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
State Sources	178,500	238	178,738	153,296	(25,442)
Federal Sources		1,402,615	1,402,615	1,238,320	(164,295)
<b>Total Revenues</b>	<b>178,500</b>	<b>1,402,853</b>	<b>1,581,353</b>	<b>1,391,616</b>	<b>(189,737)</b>
<b>EXPENDITURES:</b>					
<b>Instruction:</b>					
Salaries of Teachers	101,873	433,617	535,490	535,490	-
Other Salaries for Instruction		131,625	131,625	131,625	-
Other Purchased Services		19,590	19,590	-	19,590
General Supplies		74,307	74,307	50,258	24,049
<b>Total instruction</b>	<b>101,873</b>	<b>659,139</b>	<b>761,012</b>	<b>717,373</b>	<b>43,639</b>
<b>Support services:</b>					
Salaries of Supervisors of Instruction		3,500	3,500	3,500	-
Salaries of Program Directors		3,500	3,500	3,500	-
Salaries of Other Professional Staff		143,710	143,710	135,972	7,738
Personal Services - Employee Benefits	76,627	186,779	263,406	214,507	48,899
Other Purchased Professional & Technical Services		370,663	370,663	312,996	57,667
Other Purchased Services		28,725	28,725	1,965	26,760
Supplies and Materials		6,837	6,837	1,803	5,034
<b>Total support services</b>	<b>76,627</b>	<b>743,714</b>	<b>820,341</b>	<b>674,243</b>	<b>146,098</b>
<b>Total Expenditures</b>	<b>178,500</b>	<b>1,402,853</b>	<b>1,581,353</b>	<b>1,391,616</b>	<b>189,737</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**TOWN OF GUTTENBERG BOARD OF EDUCATION**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**Note to Required Supplementary Information**  
**For the Fiscal Year Ended June 30, 2012**

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

		General Fund	Special Revenue Fund
<b>Sources/inflows of resources</b>			
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1],[C-2]	15,439,297	1,391,616
<b>Difference - budget to GAAP:</b>			
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		366,191	21,420
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).		(402,725)	(17,850)
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	15,402,763	1,395,186
<b>Uses/outflows of resources</b>			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1],[C-2]	14,242,808	1,391,616
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	14,242,808	1,391,616

**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, 2012

	Total Brought Forward (Ex. E-La)	Title I Improving Basic Programs	Title I Improving Basic Programs Carryover	Preschool Education Aid	Totals 2012
<b>REVENUES</b>					
State Sources	140	-	-	153,156	153,296
Federal Sources	399,101	664,722	174,497	-	1,238,320
<b>Total Revenues</b>	<b>399,241</b>	<b>664,722</b>	<b>174,497</b>	<b>153,156</b>	<b>1,391,616</b>
<b>EXPENDITURES:</b>					
<b>Instruction:</b>					
Salaries of Teachers	96,106	302,756	31,410	105,218	535,490
Other Salaries for Instruction	12,791	30,063	82,376	6,395	131,625
Other Purchased Services	-	-	-	-	-
General Supplies	17,877	21,295	10,446	640	50,258
Other Objects	-	-	-	-	-
<b>Total Instruction</b>	<b>126,774</b>	<b>354,114</b>	<b>124,232</b>	<b>112,253</b>	<b>717,373</b>
<b>Support Services:</b>					
Salaries of Supervisors of Instruction	-	-	-	3,500	3,500
Salaries of Program Directors	-	3,500	-	-	3,500
Salaries of Other Professional Staff	135,972	-	-	-	135,972
Personal Services - Employee Benefits	48,168	121,494	7,442	37,403	214,507
Purchased Professional & Technical Services	86,984	184,852	41,160	-	312,996
Other Purchased Services	1,203	762	1,663	-	1,965
Supplies and Materials	140	-	-	-	1,803
<b>Total support services</b>	<b>272,467</b>	<b>310,608</b>	<b>50,265</b>	<b>40,903</b>	<b>674,243</b>
<b>Facilities acquisition and const. serv.:</b>					
Instructional Equipment	-	-	-	-	-
Non- Instructional Equipment	-	-	-	-	-
<b>Total facilities acquisition and const. serv.</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditures</b>	<b>399,241</b>	<b>664,722</b>	<b>174,497</b>	<b>153,156</b>	<b>1,391,616</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

TOWN OF GUTTENBERG BOARD OF EDUCATION

Special Revenue Fund

Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
For the Fiscal Year Ended June 30, 2012

	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 carryover	Total Carried Forward
<b>REVENUES</b>					
State Sources	140			140	
Federal Sources	319,921	54,349	15,741	9,090	399,101
<b>Total Revenues</b>	<b>320,061</b>	<b>54,349</b>	<b>15,741</b>	<b>9,090</b>	<b>399,241</b>
<b>EXPENDITURES:</b>					
<b>Instruction:</b>					
Salaries of Teachers	62,170	33,661	275		96,106
Other Salaries for Instruction	12,791				12,791
Other Purchased Services	-				-
General Supplies	14,655	3,222			17,877
Other Objects	-				-
<b>Total instruction</b>	<b>89,616</b>	<b>36,883</b>	<b>275</b>	<b>-</b>	<b>126,774</b>
<b>Support services:</b>					
Salaries of Supervisors of Instruction	-				-
Salaries of Program Directors	-				-
Salaries of Other Professional Staff	129,577	6,395			135,972
Personal Services - Employee Benefits	37,038	9,600	1,530		48,168
Purchased Professional & Technical Services	62,487	1,471	13,936	9,090	86,984
Other Purchased Services	1,203				1,203
Supplies and Materials	140				140
<b>Total support services</b>	<b>230,445</b>	<b>17,466</b>	<b>15,466</b>	<b>9,090</b>	<b>272,467</b>
<b>Facilities acquisition and const. serv.:</b>					
Instructional Equipment	-				-
Non-Instructional Equipment	-				-
<b>Total facilities acquisition and const. serv.</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditures</b>	<b>320,061</b>	<b>54,349</b>	<b>15,741</b>	<b>9,090</b>	<b>399,241</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**TOWN OF GUTTENBERG BOARD OF EDUCATION**  
**Special Revenue Fund**  
**Combining Schedule of Program Revenues and Expenditures - Budgetary Basis**  
**For the Fiscal Year Ended June 30, 2012**

	Total Brought Forward (Ex. E-1c)	Non-Public Nursing	Title III, English Language Acq. and Language Enhancement	Title III, English Language Acq. and Language Enhancement Carryover	Total Carried Forward
<b>REVENUES</b>					
State Sources	-	140			140
Federal Sources	283,683		20,524	15,714	319,921
<b>Total Revenues</b>	<b>283,683</b>	<b>140</b>	<b>20,524</b>	<b>15,714</b>	<b>320,061</b>
<b>EXPENDITURES:</b>					
<b>Instruction:</b>					
Salaries of Teachers	56,955		12,791	5,215	62,170
Other Salaries for Instruction	-				12,791
Other Purchased Services	-				-
General Supplies	10,458		4,197		14,655
Other Objects	-				-
<b>Total instruction</b>	<b>67,413</b>	<b>-</b>	<b>16,988</b>	<b>5,215</b>	<b>89,616</b>
<b>Support services:</b>					
Salaries of Supervisors of Instruction	-				-
Salaries of Program Directors	-				-
Salaries of Other Professional Staff	129,577				129,577
Personal Services - Employee Benefits	33,502		3,536		37,038
Purchased Professional & Technical Services	51,988			10,499	62,487
Other Purchased Services	1,203				1,203
Supplies and Materials	-	140			140
<b>Total support services</b>	<b>216,270</b>	<b>140</b>	<b>3,536</b>	<b>10,499</b>	<b>230,445</b>
<b>Facilities acquisition and const. serv.:</b>					
Instructional Equipment	-				-
Non - Instructional Equipment	-				-
<b>Total facilities acquisition and const. serv.</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditures</b>	<b>283,683</b>	<b>140</b>	<b>20,524</b>	<b>15,714</b>	<b>320,061</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**TOWN OF GUTTENBERG BOARD OF EDUCATION**  
**Special Revenue Fund**  
**Combining Schedule of Program Revenues and Expenditures - Budgetary Basis**  
**For the Fiscal Year Ended June 30, 2012**

	IDEA Part B, Basic	I.D.E.A. Preschool	Total Carried Forward
<b>REVENUES</b>			
State Sources	274,189	9,494	283,683
Federal Sources	-	-	-
<b>Total Revenues</b>	<b>274,189</b>	<b>9,494</b>	<b>283,683</b>
<b>EXPENDITURES:</b>			
<b>Instruction:</b>			
Salaries of Teachers	56,955	-	56,955
Other Salaries for Instruction	-	-	-
Other Purchased Services	9,464	994	10,458
General Supplies	-	-	-
Other Objects	-	-	-
<b>Total instruction</b>	<b>66,419</b>	<b>994</b>	<b>67,413</b>
<b>Support services:</b>			
Salaries of Supervisors of Instruction	-	-	-
Salaries of Program Directors	129,577	-	129,577
Salaries of Other Professional Staff	33,502	-	33,502
Personal Services - Employee Benefits	43,488	8,500	51,988
Purchased Professional & Technical Services	1,203	-	1,203
Other Purchased Services	-	-	-
Supplies and Materials	-	-	-
<b>Total support services</b>	<b>207,770</b>	<b>8,500</b>	<b>216,270</b>
<b>Facilities acquisition and const. serv.:</b>			
Instructional Equipment	-	-	-
Non-Instructional Equipment	-	-	-
<b>Total facilities acquisition and const. serv.</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditures</b>	<b>274,189</b>	<b>9,494</b>	<b>283,683</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>

**TOWN OF GUTTENBERG BOARD OF EDUCATION**  
**Special Revenue Fund**  
**Schedule of Preschool Education Aid**  
**Budgetary Basis**  
**For the Fiscal Year ended June 30, 2012**

	Total		Variance
	Budget	Actual	
<b>EXPENDITURES:</b>			
Instruction:			
Salaries of teachers	\$ 105,218	105,218	
Other salaries for instruction	6,395	6,395	
General Supplies	640	640	
<b>Total instruction</b>	<u>112,253</u>	<u>112,253</u>	
<b>SUPPORT SERVICES:</b>			
Salaries of Supervisors of Instruction	3,500	3,500	
Personal services - employee benefits	37,403	37,403	
<b>Total support services</b>	<u>40,903</u>	<u>40,903</u>	
<b>Total expenditures</b>	<u>\$ 153,156</u>	<u>153,156</u>	

**Calculation of Budget and Carryover**

Total Revised 2011-12 Preschool Education Aid Allocation	\$ 178,500
Add: Actual ECPA/PEA Carryover (June 30, 2011)	17,016
Add: Budgeted transfer from General Fund 2011-2012	
Total Preschool Education Aid Funds Available for 2011-2012 Budget	<u>195,516</u>
Less: 2010-11 Budgeted Preschool Education Aid (Including prior year budgeted carryover)	<u>153,156</u>
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2012	42,360
 Add: June 30, 2012 Unexpended Preschool Education Aid 2012-13 Carryover - Preschool Education Aid Programs	 <u>42,360</u>
 2011-12 Preschool Education Aid Carryover Budgeted for Preschool Programs 2012-13	 <u>\$</u>

**PROPRIETARY FUNDS**

**TOWN OF GUTTENBERG BOARD OF EDUCATION**  
**Combining Statement of Net Assets**  
**Enterprise Funds**  
**June 30, 2012**

	<u>Enterprise Fund</u>		<u>Internal Service Fund</u>	<u>Totals</u>
	<u>Food Service Program</u>	<u>School Age Child Care</u>	<u>Building Maintenance</u>	
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	79,880		141,627	221,507
Accounts receivable:				
State	344			344
Federal	16,488			16,488
Inventories	2,392			2,392
Total current assets	<u>99,104</u>		<u>141,627</u>	<u>240,731</u>
Noncurrent assets:				
Capital assets:				
Equipment	103,258			103,258
Less accumulated depreciation	<u>(43,526)</u>			<u>(43,526)</u>
Total capital assets (net of accumulated depreciation)	<u>59,732</u>			<u>59,732</u>
Total assets	<u>158,836</u>		<u>141,627</u>	<u>300,463</u>
<b>LIABILITIES</b>				
Current liabilities:				
Cash Deficit		16,801		16,801
Accounts payable	4,103			4,103
Interfund payable		1,811		1,811
Total current liabilities	<u>4,103</u>	<u>18,612</u>		<u>22,715</u>
Total liabilities	<u>4,103</u>	<u>18,612</u>		<u>22,715</u>
<b>NET ASSETS</b>				
Invested in capital assets net of related debt	59,732			59,732
Restricted contributed capital	32,055			32,055
Unrestricted	62,946	(18,612)	141,627	185,961
Total net assets	<u>154,733</u>	<u>(18,612)</u>	<u>141,627</u>	<u>277,748</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, 2012**

	Enterprise Funds		Internal Service Fund	Totals
	Food Service Program	School Age Child Care	Building Maintenance	
Operating revenues:				
Charges for services:				
Daily sales - reimbursable programs	54,767			54,767
Total operating revenues	54,767	-	-	54,767
Operating expenses:				
Cost of sales	181,303			181,303
Salaries	180,605			180,605
Supplies and materials	40,420			40,420
Cleaning, repair and maintenance	9,757			9,757
Utilities	10,321			10,321
Employee benefits	23,651			23,651
Purchased property services	18,109			18,109
Depreciation	3,410			3,410
Total Operating Expenses	467,576	-	-	467,576
Operating income (loss)	(412,809)	-	-	(412,809)
Nonoperating revenues (expenses):				
State sources:				
State school lunch program	6,898			6,898
Federal sources:				
National school lunch program	312,314			312,314
National school breakfast program	12,168			12,168
Food distribution program	32,083			32,083
Prior year refund - Previous food service company				-
Interest and investment revenue (expense)			(177)	(177)
Total nonoperating revenues (expenses)	363,463	-	(177)	363,286
Income (loss) before contributions & transfers	(49,346)	-	(177)	(49,523)
Transfers in (out)				
Change in net assets	(49,346)	-	(177)	(49,523)
Total net assets—beginning	204,079	(18,612)	141,804	327,271
Total net assets—ending	154,733	(18,612)	141,627	277,748

**TOWN OF GUTTENBERG BOARD OF EDUCATION**  
**Combining Statement of Cash Flows**  
**Enterprise Funds**  
**For the Fiscal Year Ended June 30, 2012**

	<u>Enterprise Funds</u>		<u>Internal Service Funds</u>	<u>Totals</u>
	<u>Food Service Program</u>	<u>School Age Child Care</u>	<u>Building Maintenance</u>	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	54,767			54,767
Payments to Outside Food Service Management Company	(168,286)			(168,286)
Payments to employees	(204,256)			(204,256)
Payments for utilities	(10,321)			(10,321)
Payments for cleaning, repair and maintenance	(7,653)			(7,653)
Payments for supplies	(38,659)			(38,659)
Net cash provided by (used for) operating activities	<u>(374,408)</u>	-	-	<u>(374,408)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
State Sources	6,565			6,565
Federal Sources	308,478			308,478
Net cash provided by (used for) non-capital financing activities	<u>315,043</u>	-	-	<u>315,043</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Purchases of capital assets	(15,971)			(15,971)
Net cash provided by (used for) capital and related financing activities	<u>(15,971)</u>	-	-	<u>(15,971)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest and dividends			(177)	(177)
Net cash provided by (used for) investing activities	-	-	(177)	(177)
Net increase (decrease) in cash and cash equivalents	(75,336)	-	(177)	(75,513)
Balances—beginning of year	155,216	(16,801)	141,804	280,219
Balances—end of year	<u>79,880</u>	<u>(16,801)</u>	<u>141,627</u>	<u>204,706</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>				
Operating income (loss) provided by:	(412,809)	-	-	(412,809)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation and net amortization	3,410			3,410
Food Distribution Program	32,083			32,083
(Increase) decrease in inventories	804			804
Increase (decrease) in accounts payable	2,104			2,104
Total adjustments	<u>38,401</u>	-	-	<u>38,401</u>
Net cash provided by (used for) operating activities	<u>(374,408)</u>	-	-	<u>(374,408)</u>

**FIDUCIARY FUND**

**GUTTENBERG BOARD OF EDUCATION**  
**Combining Statement of Fiduciary Net Assets**  
**Fiduciary Funds**  
**June 30, 2012**

	<u>Unemployment Compensation Trust Fund</u>	<u>Private Purpose Scholarship Fund</u>	<u>Agency Fund</u>
<b>ASSETS</b>			
Cash and cash equivalents	15,307	20,003	135,424
Deposits			7,688
Total assets	<u>15,307</u>	<u>20,003</u>	<u>143,112</u>
<b>LIABILITIES</b>			
Payable to student groups			7,781
Payroll deductions and withholdings			62,291
Interfund payable			82,578
Net salaries and wages			(9,538)
Total liabilities			<u>143,112</u>
<b>NET ASSETS</b>			
Held in trust for unemployment claims and other purposes	<u>15,307</u>		
Reserved for Scholarships		<u>20,003</u>	

**GUTTENBERG BOARD OF EDUCATION**  
**Combining Statement of Changes in Fiduciary Net Assets**  
**Fiduciary Funds**  
**For the Fiscal Year Ended June 30, 2012**

	<u>Unemployment Compensation Trust Fund</u>	<u>Private Purpose Scholarship Fund</u>
<b>ADDITIONS</b>		
Contributions:		
Donations		5,000
Total Contributions	-	5,000
<b>DEDUCTIONS</b>		
Scholarship payments		2,100
Total deductions	-	2,100
Change in net assets	-	2,900
Net assets—beginning of the year	15,307	17,103
Net assets—end of the year	<u>15,307</u>	<u>20,003</u>

**GUTTENBERG BOARD OF EDUCATION  
 Student Activity Agency Fund  
 Schedule of Receipts and Disbursements  
 for the Fiscal Year ended June 30, 2012**

	<u>Balance July 1, 2011</u>	<u>Cash Receipts</u>	<u>Cash Disbursed</u>	<u>Balance June 30, 2012</u>
Anna L. Klein School:				
Anna L. Klein School Funds	115	5,400	1,200	4,315
Anna L. Klein Student Activity	1,816	1,436	2,243	1,009
Graduating Class Fund	215	6,964	5,708	1,471
Student Council Account	527	337	-	864
Anna L. Klein Yearbook Account	259	2,446	2,583	122
	<u>2,932</u>	<u>16,583</u>	<u>11,734</u>	<u>7,781</u>

**GUTTENBERG BOARD OF EDUCATION  
Payroll Agency Fund  
Schedule of Receipts and Disbursements  
for the Fiscal Year ended June 30, 2012**

	<u>Balance July 1, 2011</u>	<u>Cash Receipts</u>	<u>Cash Disbursed</u>	<u>Balance June 30, 2012</u>
Net Payroll	(2,496)	4,231,897	4,238,939	(9,538)
Payroll Deductions and Withholdings	<u>86,140</u>	<u>2,823,862</u>	<u>2,847,711</u>	<u>62,291</u>
	<u><u>83,644</u></u>	<u><u>7,055,759</u></u>	<u><u>7,086,650</u></u>	<u><u>52,753</u></u>

**LONG-TERM DEBT**

**TOWN OF GUTTENBERG BOARD OF EDUCATION**  
**General Long Term Debt Account Group**  
**Statement of Serial Bonds**  
**June 30, 2012**

ISSUE	Date of Issue	Amount of Issue	Annual Maturities Date	Annual Maturities Amount	Interest Rate	Balance July 1, 2011	Retired	Balance June 30, 2012
School Improvement Bonds, Repair to Boiler and Removal of Asbestos at the Anna L. Klein School	7/1/1994	3,399,000	7/1/2012 7/1/13-14 7/1/2015	200,000 240,000 239,000	5.625%	1,119,000	200,000	919,000
						<u>1,119,000</u>	<u>200,000</u>	<u>919,000</u>

**TOWN OF GUTTENBERG BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**Debt Service Fund**  
**For the Fiscal Year Ended June 30, 2012**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	240,688		240,688	240,688	
State Sources:					
Debt Service Aid Type II	16,631		16,631	16,631	
Total - State Sources	16,631		16,631	16,631	
<b>Total Revenues</b>	<b>257,319</b>		<b>257,319</b>	<b>257,319</b>	
<b>EXPENDITURES:</b>					
Regular Debt Service:					
Interest	57,319		57,319	57,319	
Redemption of Principal	200,000		200,000	200,000	
Total Regular Debt Service	257,319		257,319	257,319	
<b>Total expenditures</b>	<b>257,319</b>		<b>257,319</b>	<b>257,319</b>	
Excess (Deficiency) of Revenues Over (Under) Expenditures					
Fund Balance, July 1	1		1	1	
Fund Balance, June 30	1		1	1	
<b>Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures</b>					
Budgeted Fund Balance					

**STATISTICAL SECTION**

## STATISTICAL SECTION (UNAUDITED) - INTRODUCTION

### J SERIES

#### Contents

#### Page

#### **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)

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Governmental activities</b>									
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	\$ 1,945,793
Restricted	171,212	209,977	1,243,578	2,067,515	2,647,731	2,032,942	366,442	685,195	1,864,012
Unrestricted	(380,355)	(691,986)	(897,173)	(872,488)	(650,857)	(1,209,549)	(1,265,856)	(1,169,914)	(1,049,890)
<b>Total governmental activities net assets</b>	<b>\$ 101,282</b>	<b>\$ (112,365)</b>	<b>\$ 759,097</b>	<b>\$ 1,864,173</b>	<b>\$ 2,808,050</b>	<b>\$ 2,589,404</b>	<b>\$ 932,645</b>	<b>\$ 1,414,044</b>	<b>\$ 2,759,915</b>
<b>Business-type activities</b>									
Invested in capital assets, net of related debt									
Restricted	32,055	32,055	32,055	32,055	32,055	32,055	32,055	32,055	32,055
Unrestricted		297,123	96,898	123,246	149,915	182,632	178,068	106,241	44,334
<b>Total business-type activities net assets</b>	<b>\$ 32,055</b>	<b>\$ 337,966</b>	<b>\$ 147,212</b>	<b>\$ 170,451</b>	<b>\$ 195,763</b>	<b>\$ 263,228</b>	<b>\$ 255,541</b>	<b>\$ 185,467</b>	<b>\$ 136,121</b>
<b>District-wide</b>									
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	\$ 2,005,525
Restricted	203,267	242,032	1,275,633	2,099,570	2,679,806	2,064,997	398,497	717,250	1,896,067
Unrestricted	(380,355)	(394,863)	(800,275)	(749,242)	(500,942)	(1,026,917)	(1,087,788)	(1,063,673)	(1,005,556)
<b>Total district net assets</b>	<b>\$ 133,337</b>	<b>\$ 225,601</b>	<b>\$ 906,309</b>	<b>\$ 2,034,624</b>	<b>\$ 3,003,813</b>	<b>\$ 2,852,632</b>	<b>\$ 1,188,186</b>	<b>\$ 1,599,511</b>	<b>\$ 2,896,036</b>

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	2003	2006	2007	2008	2009	2010	2011	2012
<b>Expenses</b>									
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	\$ 4,323,879	\$ 4,600,926
Special education	146,064	203,995	208,407	253,538	253,348	314,041	812,324	426,616	454,719
Other special education	232,931	231,755	234,861	239,112	319,123	346,089	959,974	511,494	1,074,001
Other instruction	60,748	35,101	900	-	-	-	-	14,403	90,344
<b>Support Services:</b>									
Tuition	3,380,717	3,854,474	3,334,832	4,511,287	4,343,405	4,157,153	4,955,575	5,657,035	4,601,239
Student & instruction related services	1,141,947	1,349,447	1,401,793	1,366,602	1,443,084	2,025,191	1,999,616	1,756,452	1,519,420
General administrative services	437,421	413,920	392,392	433,121	509,133	468,842	476,171	487,660	452,274
School administrative services	438,961	365,054	359,521	378,524	420,927	428,315	393,283	446,212	340,190
Central Administration	-	253,896	239,808	255,022	306,517	293,891	276,933	282,501	324,412
Business administrative services	257,182	-	12,612	24,083	-	-	-	-	-
Administrative Information Technology	-	63,566	67,162	81,534	123,062	102,974	151,511	66,802	110,509
Plant operations and maintenance	710,138	411,264	444,423	625,195	721,227	701,187	741,515	541,852	747,347
Pupil transportation	344,574	422,072	362,164	314,737	303,173	319,188	365,479	356,367	243,864
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	789,850
Special Schools	3,211	3,182	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	51,871
Unallocated depreciation	134,390	120,781	116,461	104,746	96,063	121,763	148,131	157,242	160,970
Capital Outlay - nondepreciable	-	8,251	1,809	-7,205	7,984	142,407	30,305	-	-
<b>Total governmental activities expenses</b>	<b>12,004,518</b>	<b>11,986,575</b>	<b>11,943,689</b>	<b>12,832,854</b>	<b>13,485,202</b>	<b>15,920,731</b>	<b>16,994,849</b>	<b>15,973,205</b>	<b>15,561,936</b>

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Business-type activities:</b>									
Food service	187,400	427,322	455,909	213,181	241,264	290,486	372,780	439,701	467,576
Child Care	46,743	46,467	47,026	49,584	50,633	40,803	15,535	-	-
Total business-type activities expense	234,143	473,789	502,935	262,765	291,897	331,289	388,315	439,701	467,576
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	\$ 16,029,512
<b>Program Revenues</b>									
<b>Governmental activities:</b>									
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	1,395,186
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	1,395,186
<b>Business-type activities:</b>									
Charges for services:									
Food service	30,372	33,789	27,475	29,834	24,153	29,539	39,492	27,499	54,767
Child care	45,843	52,257	46,817	36,290	38,759	27,700	9,235	342,128	363,463
Operating grants and contributions	217,412	216,245	226,186	219,880	250,091	341,515	331,901	-	-
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	418,230
Total district program revenues	\$ 2,658,725	\$ 2,512,378	\$ 2,598,881	\$ 2,480,460	\$ 2,463,409	\$ 2,303,214	\$ 2,140,451	\$ 2,283,025	\$ 1,813,416
<b>Net (Expense)/Revenue</b>									
Governmental activities	\$ (9,639,420)	\$ (9,776,488)	\$ (9,645,286)	\$ (10,638,398)	\$ (11,334,796)	\$ (14,016,271)	\$ (15,235,026)	\$ (14,059,807)	\$ (14,166,750)
Business-type activities	59,484	(171,498)	(202,457)	23,239	21,106	67,465	(7,687)	(70,074)	(49,346)
Total district-wide net expense	\$ (9,579,936)	\$ (9,947,986)	\$ (9,847,743)	\$ (10,615,159)	\$ (11,313,690)	\$ (13,948,806)	\$ (15,242,713)	\$ (14,129,881)	\$ (14,216,096)
<b>General Revenues and Other Changes in Net Assets</b>									
<b>Governmental activities:</b>									
Property taxes levied for general purposes, net	\$ 6,083,639	\$ 6,428,245	\$ 7,320,154	\$ 8,191,499	\$ 8,519,159	\$ 8,519,159	\$ 8,702,159	\$ 9,351,794	\$ 9,930,572
Taxes levied for debt service	257,676	286,318	276,963	267,607	258,252	248,899	239,544	251,211	240,688
Unrestricted grants and contributions	2,530,788	2,803,914	2,878,017	3,151,124	3,361,901	4,939,293	4,616,634	4,914,341	5,224,401
Investment earnings	46	86	4,360	6,765	4,022	2,268	232	29	-
Miscellaneous income	40,472	44,278	57,745	126,479	135,339	88,006	19,698	23,831	116,960
Total governmental activities	8,912,621	9,562,841	10,537,239	11,743,476	12,278,673	13,797,625	13,578,267	14,541,206	15,512,621

Exhibit J-2

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Business-type activities:</b>									
Miscellaneous Income	-	-	-	-	4,206	-	-	-	-
Total business-type activities	\$ 8,912,621	\$ 9,562,841	\$ 10,537,239	\$ 11,743,474	\$ 12,282,879	\$ 13,797,625	\$ 13,578,267	\$ 14,541,206	\$ 15,512,621
<b>Change in Net Assets</b>									
Governmental activities	\$ (726,799)	\$ (213,647)	\$ 891,953	\$ 1,105,076	\$ 943,877	\$ (218,646)	\$ (1,656,759)	\$ 481,399	\$ 1,345,871
Business-type activities	59,484	(171,498)	(202,457)	23,239	25,312	67,465	(7,687)	(70,074)	(49,346)
Total district	\$ (667,315)	\$ (385,145)	\$ 689,496	\$ 1,128,315	\$ 969,189	\$ (151,181)	\$ (1,664,446)	\$ 411,325	\$ 1,296,525

Source: CAFR Schedule A-2

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

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012
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)	360,985	1,450,393
Restricted								162,052	334,701
Committed								20,353	-
Assigned								10,210	(71,539)
Unassigned									
Total general fund	\$ 816,759	\$ 469,537	\$ 1,235,437	\$ 2,098,940	\$ 2,853,250	\$ 1,822,077	\$ 73,013	\$ 553,600	\$ 1,713,555
All Other Governmental Funds									
Reserved									
Unreserved, reported in:									
Special revenue fund	(1,998)		(2,342)					(4,404)	(834)
Capital projects fund	2	2	2	1			1	1	1
Debt service fund									
Permanent fund									
Total all other governmental funds	\$ (1,996)	\$ 2	\$ (2,340)	\$ 1	\$ -	\$ -	\$ 1	\$ (4,403)	\$ (833)

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Revenues</b>										
Tax levy	\$ 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	\$ 10,171,260
Interest earnings	8,660	5,750	10,255							
Miscellaneous	51,089	34,722	34,023	57,745	126,479	135,339	89,671	19,698	23,831	116,960
State sources	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	5,348,167
Federal sources	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	1,418,881
Total revenue	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	17,055,268
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	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	4,600,926
Special education instruction	209,798	146,064	203,995	208,407	253,558	253,348	314,041	812,324	426,616	454,719
Other special instruction	244,089	232,931	231,755	234,861	239,112	319,123	346,089	959,974	511,494	1,074,001
Other instruction	72,497	60,748	35,101	900					14,403	90,344
Support Services:										
Tuition	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	4,601,239
Health Services	43,289									
Student & instruction related services	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	1,519,420
General administrative services	359,629	438,564	413,920	392,392	433,121	509,133	468,842	476,171	487,660	340,190
School Administrative services	301,003	439,961	365,054	359,521	378,524	420,927	428,315	393,283	446,212	452,274
Business and other support services	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	282,501	324,412
Administrative Information Technology			63,566	67,162	81,554	123,062	102,974	151,511	66,802	110,509
Plant operations and maintenance	515,469	656,613	387,084	427,233	606,079	717,927	692,799	741,389	541,852	747,347
Pupil transportation	335,501	344,574	422,072	362,164	314,737	303,173	319,188	365,479	356,367	243,864
Unallocated employee benefits									160,278	118,261
Allocated Benefits	930,216									
On-behalf contributions	336,300	357,445	376,408	448,146	737,019	828,046	593,597	663,516	652,326	819,021
Special Schools	10,085	3,211	3,192	2,828	3,105	2,733	3,791	4,000		
Charter Schools	1,420	36,017	1,962		37,079					
Capital outlay	31,964	5,011	8,251	1,809	188,405	66,057	1,039,025	64,484	23,946	137,897
Debt service:										
Principal	140,000	140,000	180,000	180,000	180,000	180,000	180,000	180,000	200,000	200,000
Interest and other charges	146,756	138,881	129,881	119,756	109,631	99,506	89,381	79,257	68,569	57,319
Total expenditures	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	15,891,743
Excess (Deficiency) of revenues over (under) expenditures	94,875	(588,940)	(345,224)	763,558	865,844	754,309	(1,031,173)	(1,749,063)	476,183	1,163,525

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Guttenberg Board of Education										
<b>Other Financing sources (uses)</b>										
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Net change in fund balances	\$ 94,875	\$ (588,940)	\$ (345,224)	\$ 763,558	\$ 865,844	\$ 754,309	\$ (1,031,173)	\$ (1,749,063)	\$ 476,183	\$ 1,163,525
Debt service as a percentage of noncapital expenditures	2.6%	2.4%	2.6%	2.5%	2.3%	2.1%	1.7%	1.5%	1.7%	1.6%

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

Exhibit J-5

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
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
2012	3,494			8,976			104,490	116,960

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,	Total Assessed Value					Less: Tax-Exempt Property	Public Utilities <sup>a</sup>	Net Valuation Taxable	Total Direct School Tax Rate <sup>b</sup>	Estimated Actual (County Equalized Value)	Assessed to Estimated Full Cash Valuation		
	Vacant Land	Residential	Qfarm	Commercial	Industrial							Apartment	
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	\$ 34,798,400	\$ 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	\$ 34,558,400	\$ 427,130,100	\$ 22,064,900	\$ 204,584	\$ 405,269,784	1.760	\$ 869,256,719	46.62%
2006	\$ 1,908,100	\$ 317,750,700		\$ 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	\$ 1,148,280,233	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%
2012	\$ 1,828,600	\$ 604,283,300		\$ 82,503,700	\$ 24,010,300	\$ 88,336,200	\$ 800,762,100	\$ 50,856,600	\$ 282,432	\$ 749,523,068	1.289	\$ 901,594,092	83.14%

Source: Municipal Tax Assessor

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

\* - Revaluation conducted  
 Reassessment occurs when ordered by the County Board of Taxation

a Taxable Value of Machinery, Implements and Equipment of 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
	General		Town of Guttenberg	Hudson County	REAP Deduction	
	Basic Rate <sup>a</sup>	Debt Service <sup>b</sup>				
2003	1.559	0.041	1.600	1.070	(0.220)	4.050
2004	1.578	0.042	1.620	1.080	(0.250)	4.280
2005	1.721	0.039	1.760	0.990	(0.250)	4.420
2006	1.946	0.034	1.980	1.000	(0.250)	4.850
2007	1.949	0.032	1.981	0.996	(0.250)	4.851
2008	2.049	0.065	2.114	1.083	(0.183)	5.211
2009	2.078	0.064	2.142	1.088	(0.133)	5.667
2010	2.245	0.062	2.307	1.142	0.000	6.152
2011	1.193	0.040	1.233	0.522	0.000	3.279
2012	1.260	0.029	1.289	0.594	0.000	3.436

Source: District Records and Municipal Tax Collector

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

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

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

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

Taxpayer	2012			2003		
	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	0.71%
6803 Boulevard East LLC	4,068,900	3	0.54%	1,818,800	4	0.45%
422-430 68th Street, LLC	2,690,500	4	0.36%			
Guttenberg Savings and Loan	2,177,000	5	0.29%	1,087,500	5	0.27%
6909 Blvd E. Inc.	2,138,600	6	0.28%	979,100	6	0.24%
63-67 69th St. Assoc. LLC	1,884,500	7	0.25%	850,000	8	0.21%
Lagattuta Partners, L.P.	1,614,400	8	0.21%	752,000	9	0.19%
Hector, Miguel A.	1,560,000	9	0.21%			
7000 Corp, NJ Corporation	1,543,200	10	0.21%			
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	7	0.21%
Total	\$ 48,522,900		6.46%	\$ 27,168,100		6.75%

Net Assessed Valuation: 751,424,418

401,999,507

Source: Municipal Tax Assessor.

**Exhibit J-9**

**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	
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
2012	\$10,171,259	\$ 10,171,259	100.00%	

Source: Municipal Tax Collector

Exhibit J-10

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

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Total District	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds <sup>b</sup>	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases				
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	
2012	1,091,862	-	-	-	1,091,862	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.

<sup>a</sup> 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.

<sup>b</sup> Includes Early Retirement Incentive Plan (ERIP) refunding

Exhibit J-11

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
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
2012	919,000	-	\$ 919,000	0.12%	Not Available

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

<sup>a</sup> See Exhibit J-6 for property tax data.

<sup>b</sup> Population data can be found in Exhibit J-13.

**Guttenberg Board of Education**  
**Ratios of Overlapping Governmental Activities Debt**  
**As of June 30, 2012**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Share of Overlapping Debt</u>
<b>Direct Debt of School District as of June 30, 2012</b>	\$	919,000
<b>Net overlapping debt of School District:</b>		
Guttenberg Town	\$ 5,116,976	
County of Hudson (1.828% of net debt)	\$ 8,776,110	
<b>Subtotal, overlapping debt</b>	<u>\$ 13,893,085</u>	
<b>Total direct and overlapping debt</b>	<u>\$ 14,812,085</u>	

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

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

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

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

Legal Debt Margin Calculation for Fiscal Year 2012

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003	
Equalized valuation basis																					
	\$ 901,534,092	\$ 933,101,387	\$ 1,015,770,475	\$ 2,850,405,954	\$ 950,135,318																
	[A]																				
Average equalized valuation of taxable property	[A/3]																				
Debt limit (3 % of average equalization value)	[B]																				
Net bonded school debt	[C]																				
Legal debt margin	[B-C]																				
	\$ 28,504,060	\$ 919,000	\$ 27,585,060	\$ 1,499,000	\$ 1,679,000	\$ 1,859,000	\$ 2,039,000	\$ 2,219,000	\$ 2,399,000	\$ 2,539,000	\$ 2,539,000	\$ 14,354,552	\$ 16,893,552	\$ 19,266,048	\$ 21,322,739	\$ 23,528,129	\$ 23,528,129	\$ 23,528,129	\$ 23,528,129	\$ 23,528,129	\$ 23,528,129
Debt limit	\$ 30,709,115	\$ 30,709,115	\$ 34,202,218	\$ 33,596,140	\$ 30,803,859	\$ 23,523,175	\$ 23,528,129	\$ 21,322,739	\$ 19,266,048	\$ 16,893,552	\$ 14,354,552	\$ 16,893,552	\$ 19,266,048	\$ 21,322,739	\$ 23,528,129	\$ 23,528,129	\$ 23,528,129	\$ 23,528,129	\$ 23,528,129	\$ 23,528,129	\$ 23,528,129
Total net debt applicable to limit	\$ 1,119,000	\$ 1,119,000	\$ 1,319,000	\$ 1,499,000	\$ 1,679,000	\$ 1,859,000	\$ 2,039,000	\$ 2,219,000	\$ 2,399,000	\$ 2,539,000	\$ 2,539,000	\$ 14,354,552	\$ 16,893,552	\$ 19,266,048	\$ 21,322,739	\$ 23,528,129	\$ 23,528,129	\$ 23,528,129	\$ 23,528,129	\$ 23,528,129	\$ 23,528,129
Legal debt margin	\$ 27,585,060	\$ 29,590,115	\$ 32,883,218	\$ 32,097,140	\$ 29,124,859	\$ 21,664,175	\$ 21,489,129	\$ 19,103,739	\$ 16,867,048	\$ 14,354,552	\$ 14,354,552	\$ 16,867,048	\$ 16,867,048	\$ 16,867,048	\$ 16,867,048	\$ 16,867,048	\$ 16,867,048	\$ 16,867,048	\$ 16,867,048	\$ 16,867,048	\$ 16,867,048
Total net debt applicable to the limit as a percentage of debt limit	3.22%	3.64%	3.86%	4.46%	5.45%	7.90%	8.67%	10.41%	12.45%	15.03%	15.03%	15.03%	15.03%	15.03%	15.03%	15.03%	15.03%	15.03%	15.03%	15.03%	15.03%

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

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

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

Year	Population <sup>a</sup>	Personal Income (thousands of dollars)	Per Capita		Unemployment Rate <sup>d</sup>
			Personal Income <sup>c</sup>	Personal Income <sup>c</sup>	
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	11,299	Not Available	Not Available		10.10%
2012	Not Available	Not Available	Not Available		Not Available

**Source:**

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

Exhibit J-15

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

Employer	2012		2003		Rank (Optional)	Percentage of Total Employment
	Employees	Percentage of Total Employment	Employees	Percentage of Total Employment		
	-	0.00%	-	0.00%		0.00%

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

Source: Town of Guttenberg

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

<u>Function/Program</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Instruction										
Regular	28.0	28.0	34.0	34.0	34.0	35.0	35.0	53.0	*	*
Special education	6.0	7.0	8.0	8.0	8.0	8.0	8.0	10.0	*	*
Other special education										
Vocational										
Other instruction	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										
Student & instruction related services	6.5	6.5	6.5	6.5	6.5	7.0	8.5	12.0	*	*
General administrative services	2.0	2.0	2.0	1.5	1.5	2.0	2.0	3.0	*	*
School administrative services	4.0	4.0	4.0	3.5	3.5	4.0	3.5	4.0	*	*
Business administrative services	3.0	3.0	3.0	3.0	3.0	3.0	3.0	5.0	*	*
Plant operations and maintenance	5.0	5.0	5.0	5.0	5.0	6.0	6.0	6.0	*	*
Pupil transportation										
Special Schools										
Food Service										
Child Care										
<b>Total</b>	<b>58.5</b>	<b>60.5</b>	<b>64.5</b>	<b>63.5</b>	<b>63.5</b>	<b>67.0</b>	<b>72.0</b>	<b>102.0</b>	<b>0.0</b>	<b>0.0</b>

\* Information Not Provided by District

Source: District Personnel Records

Guttenberg Board of Education  
Operating Statistics  
Last Ten Fiscal Years

Fiscal Year	Pupil/Teacher Ratio											
	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Teaching Staff <sup>b</sup>	Elementary	Middle School	High School	Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
2003	904.0	10,656,566	11,788	24.56%	76	1:11			904	855	0.56%	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%	93.09%
2008	959.0	13,333,215	13,903	4.12%	73	1:13			955	910	1.92%	95.29%
2009	909.0	15,424,249	16,968	22.05%	73	1:12			984	925	3.04%	94.00%
2010	980.0	16,763,180	17,105	0.81%	75	1:13			1022.5	965.5	3.91%	94.43%
2011	1,022.0	15,685,877	15,348	-10.27%	*	*			*	*	*	*
2012	1,031.0	15,496,527	15,031	-2.07%	*	*			*	*	*	*

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<u>District Buildings</u>										
<u>Elementary</u>										
Anna L. Klein School										
Square Feet	86,087	86,087	86,087	86,087	86,087	86,087	90,087	90,487	90,487	90,487
Capacity (students)	772	772	772	772	772	772	872	872	872	872
Enrollment	950	937	927	942	942	959	945	982	1,022	1,031

Number of Schools at June 30, 2012

Elementary = 1

Source: District records, ASSA

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

Guttenberg Board of Education  
 General Fund  
 Last Ten Fiscal Years  
 Unaudited

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

School Facilities	Project # (s)	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Anna L. Klein School	N/A	217,797	104,122	133,114	140,003	156,886	136,310	95,016	66,784	150,629	141,285
Total School Facilities		217,797	104,122	133,114	140,003	156,886	136,310	95,016	66,784	150,629	141,285
Other Facilities											
Grand Total		\$ 217,797	\$ 104,122	\$ 133,114	\$ 140,003	\$ 156,886	\$ 136,310	\$ 95,016	\$ 66,784	\$ 150,629	\$ 141,285

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, 2012**

<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	250,000	N/A
Interim Superintendent	100,000	N/A

(1) School Alliance Insurance Fund

(2) Bollinger

(3) Western Surety Company

**SINGLE AUDIT SECTION**

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

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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, 2012 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 27, 2012. 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 Administration and 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

Management of the Board of Education of the Town of Guttenberg School District is responsible for establishing and maintaining effective 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. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting (finding 2012-1). A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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.

However, we noted certain immaterial instances of noncompliance 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 27, 2012.

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 27, 2012



# Ferraioli, Wielkottz, 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, 2012. 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, 2012. 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 item 2012-2.

### 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.

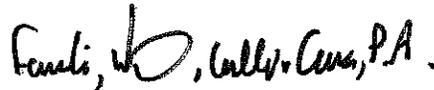
Honorable President and  
Members of the Board of Education

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Page 3 of 3

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 27, 2012



TOWN OF GUTTENBERG  
BOARD OF EDUCATION

Schedule of Expenditures of Federal Awards

Year ended June 30, 2012

Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2011	Carryover/(Walkover) Amount	Cash Received	Budgetary Expenditures	Prior Year Payables Cancelled	(Accounts Receivable at June 30, 2012)	Deferred Revenue at June 30, 2012	Due to Grantor at June 30, 2012
<b>U.S. Department of Agriculture</b>											
Passed-through State Department of Education:											
Enterprise Fund:											
10.530		7/1/11-6/30/12	\$ 32,083			32,083	32,083				
10.555		7/1/11-6/30/12	312,313			296,472	312,314		(15,842)		
10.555		7/1/10-6/30/11	301,344	(484)		484					
10.553		7/1/11-6/30/12	12,169			11,522	12,168		(646)		
				(484)		340,561	356,565		(16,488)		
<b>Total Enterprise Fund</b>											
<b>U.S. Department of Education</b>											
General Fund:											
84.410		7/1/11-6/30/12	162,787				162,787		(162,787)		
<b>U.S. Department of Health and Human Services</b>											
General Fund:											
93.778		7/1/11-6/30/12	17,774				17,774		(17,774)		
93.778		7/1/10-6/30/11	16,113	(16,113)				(16,113)			
93.778		7/1/09-6/30/10	26,489	(26,489)				(26,489)			
				(42,602)			17,774	(42,602)	(17,774)		
<b>Total General Fund</b>											
				(42,602)			180,561	(42,602)	(180,561)		
<b>U.S. Department of Education</b>											
Passed-through State Department of Education:											
Special Revenue Fund:											
84.010A	NCLB185011	9/1/11-8/31/12	761,800		(573,370)	579,867	761,800	31,512	(853,660)	129,869	
84.010A	NCLB185010	9/1/10-8/31/11	769,026	(495,950)	573,370	98,968	77,420				
84.389	ARRA185010	9/1/09-8/31/10	543,112	(98,968)							
84.010A	NCLB185009	9/1/08-8/31/09	45,580	(45,580)		45,580					
84.389	ARRA185010	9/1/09-8/31/10	39,580	(12,639)		12,654				15	
84.367	NCLB185011	9/1/11-8/31/12	79,179		(73,376)	89,654	79,179		(99,176)	34,275	
84.367	NCLB185010	9/1/10-8/31/11	90,855	(75,376)	75,376						
84.318	NCLB185011	9/1/10-8/31/11	1,487	(8,291)		8,591				300	
84.318	NCLB185010	9/1/09-8/31/10	8,461								

TOWN OF GUTTENBERG  
BOARD OF EDUCATION

Schedule of Expenditures of Federal Awards

Year ended June 30, 2012

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2011	Carryover/(Walkover) Amount	Cash Received	Budgetary Expenditures	Prior Year Payables Cancelled	(Accounts Receivable) at June 30, 2012	Deferred Revenue at June 30, 2012	Due to Grantor at June 30, 2012
Title III - English Language Acquisition and Language Enhancement	84.365	NCLB185011	9/1/11-8/31/12	37,368			20,225	36,239		(32,858)	16,844	
Title III - English Language Acquisition and Language Enhancement	84.365	NCLB185011	9/1/10-8/31/11	35,958	(13,086)		13,972				886	
Title III - Immigrant	84.365	NCLB185009	9/1/08-8/31/09	13,190	(8,629)		9,191			(191)	753	
Title IV - Safe and Drug Free Schools	84.186	NCLB185010	9/1/09-8/31/10	11,156	(3,805)		4,073				268	
Title IV - Safe and Drug Free Schools	84.186	NCLB185007	9/1/06-8/31/07		3,497				1,445			4,942
Title V - Innovative Programs	84.298	NCLB185008	9/1/07-8/31/08	2,689	14						14	
I.D.E.A. Part B, Basic Regular	84.027A	IDEA185011	9/1/10-8/31/12	274,189			204,126	274,188		(90,673)	20,611	
I.D.E.A. Part B, Basic Regular	84.027A	IDEA185010	9/1/10-8/31/11	275,411	(161,713)		161,728				15	
ARRA - I.D.E.A. Part B, Basic Regular	84.391	ARRA185010	9/1/09-8/31/10	347,882	(167,062)		167,102				40	
I.D.E.A. Part B, Preschool	84.173	IDEA185011	9/1/11-8/31/12	9,971	(9,971)		6,434	9,494		(3,570)	510	
I.D.E.A. Part B, Preschool	84.173	IDEA185011	9/1/10-8/31/11	9,971	(7,826)		9,971					
ARRA - I.D.E.A. Part B, Preschool	84.392	ARRA185010	9/1/09-8/31/10	12,505			7,826					
Total Special Revenue Fund					(1,105,385)		1,439,962	1,238,320	1,445	(1,080,128)	204,400	4,942
Total Federal Financial Assistance					(1,148,471)		1,780,523	1,775,446	(25,044)	(1,277,177)	204,400	4,942

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 \$54,384 for the general fund and \$(4,642) 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	\$180,561	\$5,174,670	\$5,355,231
Special Revenue Fund	1,238,320	156,866	1,395,186
Debt Service Fund		16,631	16,631
Food Service Fund	<u>356,565</u>	<u>6,898</u>	<u>363,463</u>
Total Awards and Financial	<u>\$1,775,446</u>	<u>\$5,355,065</u>	<u>\$7,130,511</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, 2012. 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, 2012.

**TOWN OF GUTTENBERG SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

*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</u>	<u>N.C.L.B. Title I - Improving Basic Programs</u>
<u>84.027, 84.173</u>	<u>IDEA, Part B - Basic/IDEA, 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, 2012  
(continued)

Section I - Summary of Auditor's Results  
(continued)

**State Awards**

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

Auditee qualified as low-risk auditee? \_\_\_\_\_ yes  X  no

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

Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular Letter 04-04?  X  yes \_\_\_\_\_ no

**GMIS Number(s)**

**Name of State Program**

12-495-034-5120-078  
12-495-034-5120-089  
12-495-034-5095-002

Equalization Aid  
Special Education Categorical Aid  
Reimbursed TPAF Social Security

**TOWN OF GUTTENBERG SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
(continued)**

*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.

**Finding 2012-1:**

Evidence of failure to perform tasks that are part of internal control, such as posting transactions to the general and subsidiary ledgers in a timely manner.

**Criteria or specific requirement:**

All financial activity should be posted to the District's accounting system in a timely manner, monitored periodically and reviewed for accuracy.

**Condition:**

The District's financial records were not closed until several months after year end.

**Context:**

N/A

**Effect:**

Current financial reports, such as the Board Secretary's report, were unavailable to District officials throughout the year. Completed year-end financial statements were not available for audit until December 2012.

**Cause:**

As a result of technical problems in prior years, the District has been reluctant to post transactions into the current year until the prior year is closed out. This, along with a combination of unforeseeable events, resulted in a substantial delay in the closing of the 2011-2012 accounting year.

**Recommendation:**

The District should resolve any technical concerns with the accounting system provider and post all financial activity in a timely manner.

**Views of responsible officials and planned corrective action:**

There are plans to work with the District's accounting software provider to eliminate these problems in future periods.

**TOWN OF GUTTENBERG SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
(continued)**

*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 2012-2, 2011-1:**

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, 84.027, IDEA, Part B

**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  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

**Status of Prior Year Findings:**

**2011-1:**

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

**Status:**

Unresolved, see Finding 2012-2.

**2011-2:**

The District does not appoint grant staff annually in the board minutes.

**Status:**

Resolved

**2011-3:**

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

**Status:**

Resolved