

**SCHOOL DISTRICT OF THE
TOWN OF GUTTENBERG
COUNTY OF HUDSON, NEW JERSEY
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2015**

**School District
of**

Town of Guttenberg

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

**Comprehensive Annual Financial Report
Year Ended June 30, 2015**

Comprehensive Annual Financial Report

of the

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

Year Ended June 30, 2015

Prepared by

**Jolene Mantineo
Board Secretary/Business Administrator**

OUTLINE OF CAFR

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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 10, 2015

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, 2015, 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 2014-2015 fiscal year with an enrollment of 950 students, which are 4 below the previous year's enrollment. The following details the changes in the student enrollment of the District over the last five years.

<u>Fiscal Year</u>	<u>Enrollment Student Enrollment</u>	<u>Percentage Change</u>
2014-2015	950	{.42%}
2013-2014	954	{1.13%}
2012-2013	965	{ 1.5%}
2011-2012	980	.72%
2010-2011	973	{.71%}
2009-2010	980	{.2 %}

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, 2015.

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.

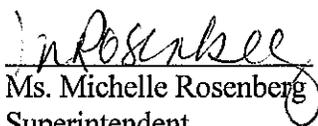
OTHER INFORMATION:

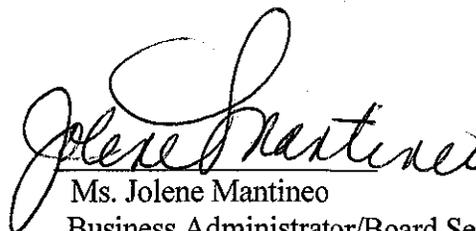
Independent Audit- State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Ferraioli, Wielkotz, Cerullo and Cuva, P.A., was selected by the Board. In addition to meeting the requirements set forth in state statutes, 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.

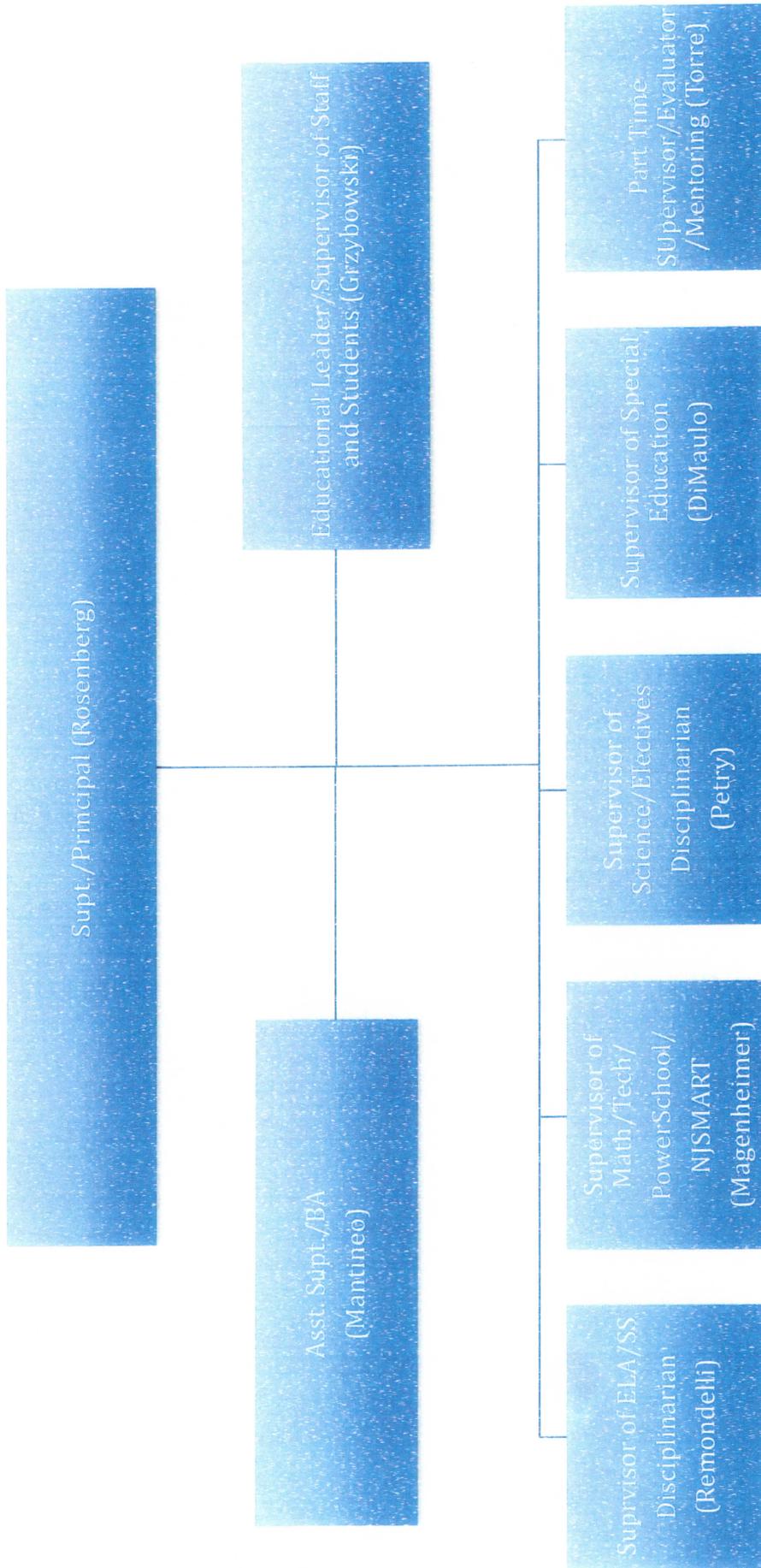
ACKNOWLEDGEMENTS:

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. Michelle Rosenberg
Superintendent


Ms. Jolene Mantineo
Business Administrator/Board Secretary



BOARD OF EDUCATION

ANNA L. KLEIN SCHOOL

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BOARD OF EDUCATION
GUTTENBERG, NEW JERSEY

ROSTER OF OFFICIALS
January 7, 2015

<u>MEMBERS OF THE BOARD OF EDUCATION</u>	<u>TERMS EXPIRES</u>
Rebecca Vazquez-President	12/2015
Marisol Acosta	12/2016
Michael Baruch-Vice President	12/2017
Rocio Day	12/2015
Delores Loppe	12/2017
Gonzalo E. Perez	12/2017
Elsa Schwarz	12/2016
Sari F. Zukerman	12/2016
Juana Malave- Unexpired term	12/2015

OTHER OFFICIALS

Michelle Rosenberg

Superintendent

Jolene Mantineo

Business Administrator/Board
Secretary

John L. Schettino, Esq.

Board Attorney

GUTTENBERG BOARD OF EDUCATION

CONSULTANTS & ADVISORS

JUNE 30, 2015

Attorney

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

District Auditor

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

Board Accountant

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

Architect

DI CARA RUBINO
30 Galesi Drive (west wing)
Wayne, NJ 07470

FINANCIAL SECTION

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

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

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

Newton Office
100B Main Street
Newton, NJ 07860
973-579-3212
Fax 973-579-7128

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Town of Guttenberg School District, in the County of Hudson, State of New Jersey, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

Opinions

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, 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, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Information and schedules related to accounting and reporting for pensions (GASB 68) identified in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Guttenberg Board of Education's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the schedule of expenditures of state financial assistance as required by NJ OMB 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

In our opinion, the combining and individual nonmajor fund financial statements, the schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the schedule of expenditures of state financial assistance as required by NJ OMB 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2015 on our consideration of the Town of Guttenberg Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of

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

our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Guttenberg Board of Education's internal control over financial reporting and compliance.

Steven D. Wielkatz

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

Ferraioli, Wielkatz, Cerullo & Cova, P.A.

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

December 10, 2015

**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, 2015
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, 2015. The intent of this discussion and analysis is to look at the District’s financial performance as a whole and should not be interpreted as a replacement for the audit which consists of the financial statements and other supplemental information that presents all the District’s revenues and expenditures by program for the General Fund, Special Revenue Fund, Debt Service and Enterprise Fund.

FINANCIAL HIGHLIGHTS

- In total, net position increased by \$1,677,794. Net position of governmental activities increased \$1,669,123 while net position of business-type activities increased by \$8,671.
- General revenues accounted for \$19,781,339 in revenue or 93 percent of all district revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$1,649,521 or 7 percent of total revenues of \$21,430,860.
- The School District had \$19,753,066 in expenses related to governmental and business-type activities; only \$1,649,521 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily grants, entitlements and property taxes) of \$19,781,339 were adequate to provide for these programs.

USING THIS ANNUAL REPORT

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

District-Wide Financial Statements

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

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

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED (CONTINUED)**

USING THIS ANNUAL REPORT, (continued)

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

- Governmental Activities – All of the school district's programs and services are reported here including instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- Business-type Activity – This service is provided on a charge for goods and services basis to recover all the expenses of the goods or services provided. The Food Service and School Age Child Care Funds are reported as business activities.

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

Fund Financial Statements

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

Governmental Funds

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

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

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
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 program 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, 2015
UNAUDITED (CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS

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

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

The School District's net position's were \$22,642,993 at June 30, 2015 and \$2,133,599 at June 30, 2014. Restricted items of net position are reported separately to show legal constraints that limit the School District's ability to use those items of net position for day-to-day operations. Our analysis below focuses on the net position for 2015 compared to 2014 (Table 1) and change in net position (Table 2) of the School District.

Table 1
Net Position
June 30,

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2015</u>	<u>Restated 2014</u>	<u>2015</u>	<u>Restated 2014</u>	<u>2015</u>	<u>Restated 2014</u>
Assets						
Current and Other Assets	3,911,788	3,613,801	164,606	175,431	4,076,394	3,789,232
Capital Assets	<u>4,000,335</u>	<u>2,815,568</u>	<u>16,156</u>	<u>21,428</u>	<u>4,016,491</u>	<u>2,836,996</u>
Total Assets	<u>7,912,123</u>	<u>6,429,369</u>	<u>180,762</u>	<u>196,859</u>	<u>8,092,885</u>	<u>6,626,228</u>
Deferred Outflows:						
Resources Related to PERS	<u>204,697</u>	_____	_____	_____	<u>204,697</u>	_____
Total Deferred Outflows	<u>204,697</u>	_____	_____	_____	<u>204,697</u>	_____
Liabilities						
Other Liabilities	807,775	626,704		24,768	807,775	651,472
Noncurrent Liabilities	<u>3,537,415</u>	<u>3,841,202</u>	_____	_____	<u>3,537,415</u>	<u>3,841,202</u>
Total Liabilities	<u>4,345,190</u>	<u>4,467,906</u>	_____	<u>24,768</u>	<u>4,345,190</u>	<u>4,492,674</u>
Deferred Inflows:						
Resources Related to PERS	<u>140,999</u>	_____	_____	_____	<u>140,999</u>	_____
Total Deferred Inflows	<u>140,999</u>	_____	_____	_____	<u>140,999</u>	_____
Net Position						
Invested in Capital Assets-						
Net of Related Debt	3,761,335	2,336,569	16,156	21,428	3,777,491	2,357,997
Restricted	3,404,521	3,172,593	32,055	32,055	3,436,576	3,204,648
Unrestricted	<u>(3,535,225)</u>	<u>(3,547,654)</u>	<u>132,551</u>	<u>118,608</u>	<u>(3,402,674)</u>	<u>(3,429,046)</u>
Total Net Position	<u>3,630,631</u>	<u>1,961,508</u>	<u>180,762</u>	<u>172,091</u>	<u>3,811,393</u>	<u>2,133,599</u>

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED (CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

Table 2 below shows the changes in net position for fiscal year 2015.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Revenues						
Program Revenues:						
Charges for Services and Sales			54,623	49,084	54,623	49,084
Operating Grants and Contributions	1,162,137	1,210,779	432,761	373,423	1,594,898	1,584,202
General Revenues:						
Taxes:						
Property taxes, levied for general purposes	10,668,805	10,459,613			10,668,805	10,459,613
Property taxes, levied for debt services	243,377	256,003			243,377	256,003
Local Share - Capital Project Fund	1,036,546				1,036,546	
Federal and State Aid not Restricted	7,233,297	5,908,220			7,233,297	5,908,220
Federal and State - Restricted for Capital Projects	365,174				365,174	
Miscellaneous Income	<u>232,635</u>	<u>125,013</u>	<u>1,505</u>	<u> </u>	<u>234,140</u>	<u>125,013</u>
Total Revenues and Transfers	<u>20,941,971</u>	<u>17,959,628</u>	<u>488,889</u>	<u>422,507</u>	<u>21,430,860</u>	<u>18,382,135</u>

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED (CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Functions/Program Expenses						
Instruction:						
Regular	5,365,573	4,844,899			5,365,573	4,844,899
Special Education	730,823	674,274			730,823	674,274
Other Special Instruction	936,955	653,184			936,955	653,184
Other Instruction	179,549	51,488			179,549	51,488
Support Services:						
Tuition	5,115,833	4,974,817			5,115,833	4,974,817
Student & Instruction Related Services	2,255,474	2,440,489			2,255,474	2,440,489
School Administrative Services	139,430	155,128			139,430	155,128
General Administrative Services	451,504	456,959			451,504	456,959
Central Services	386,608	418,985			386,608	418,985
Administrative Information Technology	129,376	123,858			129,376	123,858
Plant Operations and Maintenance	823,904	876,366			823,904	876,366
Pupil Transportation	182,233	171,554			182,233	171,554
Unallocated Benefits	2,299,526	1,117,086			2,299,526	1,117,086
Non-depreciable Capital Outlay	33,482	49,602			33,482	49,602
Food Service			480,218	414,772	480,218	414,772
Debt Services:						
Interest and Other Charges	13,444	26,944			13,444	26,944
Other Financing Uses:						
Repayment of NCLB Grant Monies						
PY Uncollectible Receiv- ables - NCLB		199,657				199,657
Fund Deficit in SACC Program		18,612		(18,612)		
Unallocated depreciation	<u>229,134</u>	<u>224,737</u>		<u>3,428</u>	<u>229,134</u>	<u>228,165</u>
Total Expenses and Transfers	<u>19,272,848</u>	<u>17,478,639</u>	<u>480,218</u>	<u>399,588</u>	<u>19,753,066</u>	<u>17,878,227</u>
Increase or (Decrease) in						
Net Position	<u>1,669,123</u>	<u>480,989</u>	<u>8,671</u>	<u>22,919</u>	<u>1,677,794</u>	<u>503,908</u>

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
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 \$19,753,066. However, the amount that our taxpayers ultimately financed for these activities through School District taxes was only \$10,912,182 because some of the cost was paid by those who benefitted from the programs \$54,623 by other governments and organizations who subsidized certain programs with grants and contributions \$10,229,915, and by miscellaneous sources \$234,140.

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

- ✓ Food service revenues exceeded expenses by \$8,671.
- ✓ Charges for services provided totaled \$54,623. 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 \$432,761.

The following schedules present a summary of governmental fund revenues for the fiscal year ended June 30, 2015, and the amount and percentages of increases/(decreases) relative to the prior year:

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2014</u>	<u>Percent of Increase/ (Decrease)</u>	<u>Prior Year</u>
Local Source	\$12,181,363	61.3%	\$1,340,736	12.37%	\$10,840,627
State Source	6,665,138	33.5%	614,044	10.15%	6,051,094
Federal Source	1,032,798	5.2%	(35,107)	(3.29)%	1,067,905
	<u>\$19,879,299</u>	<u>100.0%</u>	<u>\$1,919,673</u>	10.69%	<u>\$17,959,626</u>

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2014</u>	<u>Percent of Increase/ (Decrease)</u>	<u>Prior Year</u>
Current Expenditures:					
Instruction	\$7,232,942	36.8%	\$989,055	15.84%	6,243,887
Undistributed	10,700,032	54.5%	75,148	0.71%	10,624,884
Debt Service	260,194	1.3%	(13,500)	(4.93)%	273,694
Capital Outlay	1,447,383	7.4%	1,218,433	532.18%	228,950
Other Financing Uses		0.0%	(218,269)	(100.00)%	218,269
	<u>\$19,640,551</u>	<u>100.0%</u>	<u>\$2,050,867</u>	<u>11.66%</u>	<u>\$17,589,684</u>

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

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED (CONTINUED)**

MAJOR GOVERNMENTAL FUNDS BUDGETING AND OPERATING HIGHLIGHTS

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

During the fiscal year ended June 30, 2015, 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 \$547,639 for increases in federal and state grant awards.

General Fund

The general fund actual revenue was \$17,062,320. That amount is \$1,345,788 above the final amended budget of \$15,716,332. The variance between the actual revenues and final budget was the result of non-budgeted on-behalf payments of \$1,107,025 for TPAF social security reimbursements and on-behalf pension payments and a \$238,963 excess in miscellaneous anticipated revenues and other state aids.

The actual expenditures of the general fund were \$16,816,500 including transfers which is \$323,553 less than the final amended budget of \$17,140,053. The variance between the actual expenditures and final budget was due to non-budgeted on-behalf TPAF social security and pension payments of \$1,107,025 and \$1,430,578 of unexpended budgeted funds.

Special Revenue Fund

The special revenue fund actual revenue was \$1,162,137. That amount is above the original budget estimate of \$803,213 and below the final amended budget of \$1,350,852. The \$547,639 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 \$188,715 variance between the final amended budget and the June 30, 2015 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 \$1,162,137, which is above the original budget of \$803,213 and below the final amended budget of \$1,350,852. The \$547,639 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 \$188,715 variance between the final amended budget and the June 30, 2015 actual results was due to the anticipation of fully expending federal and state grant programs. Expenditures will be incurred in the next fiscal year.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED (CONTINUED)**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2015 the School District had \$7,441,474 invested in sites, buildings and equipment. Of this amount, \$3,424,983 in depreciation has been taken over the years. We currently have a net book value of \$4,016,491. Total depreciable additions for the year were \$12,181, which consisted of various equipment purchases and site and building improvements.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2015</u>	<u>*Restated 2014</u>	<u>2015</u>	<u>*Restated 2014</u>	<u>2015</u>	<u>*Restated 2014</u>
Land	9,957	9,957			9,957	9,957
Construction in Progress	1,401,720				1,401,720	
Site Improvements	148,544	161,592			148,544	161,592
Buildings and Improvements	2,316,960	2,445,770			2,316,960	2,445,770
Machinery and Equipment	123,154	198,249	16,156	21,428	139,310	219,677
	<u>4,000,335</u>	<u>2,815,568</u>	<u>16,156</u>	<u>21,428</u>	<u>4,016,491</u>	<u>2,836,996</u>

*Balances restated for 2014

Debt Administration

At June 30, 2015, the District had \$3,537,415 of long term debt. Of this amount, \$799,947 is for compensated absences; \$112,690 is for the unfunded pension liability; \$239,000 of serial bonds for school improvements; \$19,800 is the deferral of the annual PERS contribution; and \$2,365,978 for the net pension PERS liability.

At June 30, 2015, the school district's overall legal debt margin was \$26,586,123. For more detailed information, please refer to the Notes to the Basic Financial Statements.

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

	<u>2015</u>	<u>2014</u>
1994 School Improvement Bonds	<u>\$239,000</u>	<u>\$479,000</u>

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED (CONTINUED)**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The economy in the State of New Jersey is slowly improving. The current State of New Jersey revenue estimates have declined to the point that the legislature and governor have approved a State Aid funding bill for the 2015-2016 school year that is slightly above the funding level of the 2014-2015 school year.

These factors were considered in preparing the Town of Guttenberg Board of Education's budgets for the 2015-2016 fiscal year.

REQUESTS FOR INFORMATION

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

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

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

TOWN OF GUTTENBERG BOARD OF EDUCATION
Statement of Net Position
June 30, 2015

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash, cash equivalents and investments	3,472,072	142,833	3,614,905
Receivables, net	439,715	18,955	458,670
Inventory		2,818	2,818
Restricted assets:			
Capital reserve account - cash	1		1
Capital assets:			
Land and construction in progress	1,411,677		1,411,677
Other capital assets, net	2,588,658	16,156	2,604,814
Total Assets	<u>7,912,123</u>	<u>180,762</u>	<u>8,092,885</u>
Deferred Outflow of Resources:			
Deferred outflows of resources related to PERS	<u>204,697</u>		<u>204,697</u>
Total Deferred Outflows	<u>204,697</u>	<u>-</u>	<u>204,697</u>
LIABILITIES			
Accounts payable and accrued liabilities	666,679		666,679
Payable to federal government	32,311		32,311
Unearned revenue	108,785		108,785
Noncurrent liabilities:			
Due within one year	262,888		262,888
Due beyond one year	3,274,527		3,274,527
Total liabilities	<u>4,345,190</u>	<u>-</u>	<u>4,345,190</u>
Deferred Inflow of Resources:			
Deferred inflows of resources related to PERS	<u>140,999</u>		<u>140,999</u>
Total Deferred Inflows	<u>140,999</u>	<u>-</u>	<u>140,999</u>
NET POSITION			
Net investment in capital assets	3,761,335	16,156	3,777,491
Restricted for:			
Capital Reserve	1		1
Other Purposes	3,404,520	32,055	3,436,575
Unrestricted (Deficit)	<u>(3,535,225)</u>	<u>132,551</u>	<u>(3,402,674)</u>
Total net position	<u>3,630,631</u>	<u>180,762</u>	<u>3,811,393</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, 2015

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:								
Instruction:								
Regular	3,937,898	1,427,675		847,866		(4,517,707)		(4,517,707)
Special education	580,629	150,194				(730,823)		(730,823)
Other special instruction	936,955					(936,955)		(936,955)
Other instruction	179,549					(179,549)		(179,549)
Support services:								
Tuition	5,115,833			314,271		(5,115,833)		(5,115,833)
Student & instruction related services	2,064,670	190,804				(1,941,203)		(1,941,203)
General administrative services	410,474	41,030				(451,504)		(451,504)
School administrative services	89,767	49,663				(139,430)		(139,430)
Central services	319,951	66,657				(386,608)		(386,608)
Administrative information technology	111,114	18,262				(129,376)		(129,376)
Plant operations and maintenance	694,309	129,595				(823,904)		(823,904)
Pupil transportation	182,233					(182,233)		(182,233)
Unallocated benefits	2,299,526					(2,299,526)		(2,299,526)
Non-depreciable capital outlay	33,482					(33,482)		(33,482)
Debt Services:								
Interest and Other Charges		13,444				(13,444)		(13,444)
Unallocated depreciation		229,134				(229,134)		(229,134)
Total governmental activities	<u>16,956,390</u>	<u>2,316,458</u>	<u>-</u>	<u>1,162,137</u>	<u>-</u>	<u>(18,110,711)</u>	<u>-</u>	<u>(18,110,711)</u>
Business-type activities:								
Food Service	480,218		54,623	432,761			7,166	7,166
Total business-type activities	<u>480,218</u>		<u>54,623</u>	<u>432,761</u>	<u>-</u>	<u>-</u>	<u>7,166</u>	<u>7,166</u>
Total primary government	<u>17,436,608</u>		<u>54,623</u>	<u>1,594,898</u>	<u>-</u>	<u>(18,110,711)</u>	<u>7,166</u>	<u>(18,103,545)</u>
General revenues:								
Taxes:								
Property taxes, levied for general purposes						10,668,805		10,668,805
Property taxes, levied for debt services						243,377		243,377
Local share, Capital Projects Fund						1,036,546		1,036,546
Federal and State aid not restricted						7,233,297		7,233,297
Federal and State aid restricted for Capital Projects						365,174		365,174
Miscellaneous Income						232,635	1,505	234,140
Total general revenues, special items, extraordinary items and transfers						<u>19,779,834</u>	<u>1,505</u>	<u>19,781,339</u>
Change in Net Position						<u>1,669,123</u>	<u>8,671</u>	<u>1,677,794</u>
Net Position—beginning (restated)						<u>1,961,508</u>	<u>172,091</u>	<u>2,133,599</u>
Net Position—ending						<u>3,630,631</u>	<u>180,762</u>	<u>3,811,393</u>

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, 2015

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents	3,329,564			3,329,564
Interfund receivables	125,280			125,280
Receivables from other governments	86,627	290,100		376,727
Restricted cash and cash equivalents	1			1
Total assets	<u>3,541,472</u>	<u>290,100</u>	<u>-</u>	<u>3,831,572</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	444,182	86,712		530,894
Payable to federal government		32,311		32,311
Interfund payables		62,292		62,292
Unearned revenue		108,785		108,785
Total liabilities	<u>444,182</u>	<u>290,100</u>	<u>-</u>	<u>734,282</u>
Fund Balances:				
Restricted for:				
Excess surplus - designated for subsequent year's expenditures	1,606,845			1,606,845
Excess surplus - current year	1,541,418			1,541,418
Capital reserve account	1			1
Assigned to:				
Other Purposes	113,749			113,749
Assigned to:				
Unreserved, reported in:				
General fund	(164,723)			(164,723)
Capital projects fund				-
Total Fund balances	<u>3,097,290</u>	<u>-</u>	<u>-</u>	<u>3,097,290</u>
Total liabilities and fund balances	<u>3,541,472</u>	<u>290,100</u>	<u>-</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$7,349,436 and the accumulated depreciation is \$3,349,101.	4,000,335
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	(6,722)
Accounts payable for subsequent Pension payment is not a payable in the funds	(129,063)
Deferred outflows and inflows of resources are applicable to future periods and therefore are not reported in the funds.	
Deferred outflows of resources related to PERS Pension Liability	204,697
Deferred inflows of resources related to PERS Pension Liability	(140,999)
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)	(3,537,415)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of internal service funds are included in governmental activities in the statement of net assets	<u>142,508</u>
Net position of governmental activities	<u>3,630,631</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, 2015

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES					
Local sources:					
Local tax levy	10,668,805			243,377	10,912,182
Miscellaneous	232,635				232,635
Local share			1,036,546		1,036,546
Total - Local Sources	<u>10,901,440</u>	-	<u>1,036,546</u>	<u>243,377</u>	<u>12,181,363</u>
State sources	6,133,192	149,955	365,174	16,817	6,665,138
Federal sources	20,616	1,012,182			1,032,798
Total revenues	<u>17,055,248</u>	<u>1,162,137</u>	<u>1,401,720</u>	<u>260,194</u>	<u>19,879,299</u>
EXPENDITURES					
Current:					
Regular instruction	4,537,749	847,866			5,385,615
Special education instruction	730,823				730,823
Other special instruction	936,955				936,955
Other instruction	179,549				179,549
Support services and undistributed costs:					
Tuition	5,115,833				5,115,833
Student & instruction related services	1,941,203	314,271			2,255,474
General administrative services	451,504				451,504
School administrative services	139,430				139,430
Central services	386,608				386,608
Administrative information technology	129,376				129,376
Plant operations and maintenance	824,385				824,385
Pupil transportation	182,233				182,233
Unallocated Benefits	108,164				108,164
On-behalf contributions	1,107,025				1,107,025
Capital Outlay	45,663		1,401,720		1,447,383
Debt Service:					
Principal				240,000	240,000
Interest and other Charges				20,194	20,194
Total expenditures	<u>16,816,500</u>	<u>1,162,137</u>	<u>1,401,720</u>	<u>260,194</u>	<u>19,640,551</u>
Excess (Deficiency) of revenues over expenditures	<u>238,748</u>	-	-	-	<u>238,748</u>
Net change in fund balances	238,748	-	-	-	238,748
Fund balance—July 1	<u>2,858,542</u>	-	-	-	<u>2,858,542</u>
Fund balance—June 30	<u>3,097,290</u>	-	-	-	<u>3,097,290</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, 2015

Total net change in fund balances - governmental funds (from B-2) 238,748

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

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

	Depreciation expense	(229,134)	
	Depreciable Capital outlays	1,413,901	1,184,767

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

Principal payment on serial bonds	240,000	
Payment of unfunded pension liability	20,042	
Payment of deferred PERS pension contribution	1,534	

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.(-) 6,750

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 (+).

	Increase in compensated absences payable		(5,561)
--	--	--	---------

District pension contributions are reported as expenditures in the governmental funds when made.

However, per GASB No. 68 they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changed in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.

	District Pension Contributions	104,177	
	Less: Pension Expense	(121,815)	
	Decrease in Pension Expense		(17,638)

Per GASB No. 68, Non-employer contributing entities are required to record any increases in revenue and expense for On-behalf TPAF pension payments paid by the State of New Jersey on the Statement of Activities that are in excess of those amounts reported in the fund financial statements.

	Increase in On-behalf State Aid TPAF Pension	1,044,630	
	Increase in On-behalf TPAF Pension Expense	(1,044,630)	

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.

481

Change in net position of governmental activities

1,669,123

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

TOWN OF GUTTENBERG BOARD OF EDUCATION
Combining Statement of Net Position
Enterprise Funds
June 30, 2015

	Business-Type Activities - Enterprise Fund		Governmental Activities - Internal Service Fund
	Food Service Program	Totals	
ASSETS			
Current assets:			
Cash and cash equivalents	142,833	142,833	142,508
Accounts receivable:			
State	271	271	
Federal	18,684	18,684	
Inventories	2,818	2,818	
Total current assets	<u>164,606</u>	<u>164,606</u>	<u>142,508</u>
Noncurrent assets:			
Capital assets:			
Equipment	92,038	92,038	
Less accumulated depreciation	<u>(75,882)</u>	<u>(75,882)</u>	
Total capital assets (net of accumulated depreciation)	<u>16,156</u>	<u>16,156</u>	
Total assets	<u><u>180,762</u></u>	<u><u>180,762</u></u>	<u><u>142,508</u></u>
NET POSITION			
Net investment in capital assets	16,156	16,156	
Restricted contributed capital	32,055	32,055	
Unrestricted	132,551	132,551	142,508
Total net assets	<u><u>180,762</u></u>	<u><u>180,762</u></u>	<u><u>142,508</u></u>

TOWN OF GUTTENBERG BOARD OF EDUCATION
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets
Enterprise Funds
For the Fiscal Year Ended June 30, 2015

	Business-Type Activities - Enterprise Funds		Governmental Activities - Internal Service Fund
	Food Service Program	Total Enterprise	
Operating revenues:			
Charges for services:			
Daily sales - reimbursable programs	35,772	35,772	
Daily sales - non-reimbursable programs	18,851	18,851	
Total operating revenues	<u>54,623</u>	<u>54,623</u>	<u>-</u>
Operating expenses:			
Cost of sales	219,163	219,163	
Salaries	194,217	194,217	
Supplies and materials	1,339	1,339	
Cleaning, repair and maintenance	8,195	8,195	
Utilities	5,555	5,555	
Employee benefits	32,149	32,149	
Purchased property services	14,328	14,328	
Depreciation	5,272	5,272	
Total Operating Expenses	<u>480,218</u>	<u>480,218</u>	<u>-</u>
Operating income (loss)	<u>(425,595)</u>	<u>(425,595)</u>	<u>-</u>
Nonoperating revenues (expenses):			
State sources:			
State school lunch program	6,304	6,304	
Federal sources:			
National school lunch program	324,199	324,199	
National school breakfast program	17,446	17,446	
Food distribution program	32,292	32,292	
Fresh fruit and vegetable program	52,520	52,520	
Interest and investment revenue (expenses)	1,505	1,505	481
Total nonoperating revenues (expenses)	<u>434,266</u>	<u>434,266</u>	<u>481</u>
Income (loss) before contributions & transfers	8,671	8,671	481
Transfers in (out)		-	
Change in net position	<u>8,671</u>	<u>8,671</u>	<u>481</u>
Total net position—beginning,	<u>172,091</u>	<u>172,091</u>	<u>142,027</u>
Total net position—ending	<u><u>180,762</u></u>	<u><u>180,762</u></u>	<u><u>142,508</u></u>

TOWN OF GUTTENBERG BOARD OF EDUCATION
Combining Statement of Cash Flows
Enterprise Funds
For the Fiscal Year Ended June 30, 2015

	Business-Type Activities - Enterprise Funds		Governmental Activities - Internal Service Fund
	Food Service Program	Total Enterprise	
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	54,623	54,623	
Payments to Outside Food Service Management Company	(401,095)	(401,095)	
Payments to employees	(57,499)	(57,499)	
Payments for cleaning, repair and maintenance	(8,195)	(8,195)	
Payments for miscellaneous supplies	(1,530)	(1,530)	
Payments for supplies	(64)	(64)	
Net cash provided by (used for) operating activities	<u>(413,760)</u>	<u>(413,760)</u>	<u>-</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
State Sources	6,924	6,924	
Federal Sources	403,064	403,064	
Operating subsidies and transfers to other funds		-	-
Due to General Fund		-	
Net cash provided by (used for) non-capital financing activities	<u>409,988</u>	<u>409,988</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends (expenses)	1,505	1,505	481
Net cash provided by (used for) investing activities	<u>1,505</u>	<u>1,505</u>	<u>481</u>
Net increase (decrease) in cash and cash equivalents	(2,267)	(2,267)	481
Balances—beginning of year	145,100	145,100	142,027
Balances—end of year	<u>142,833</u>	<u>142,833</u>	<u>142,508</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss) provided by:	(425,595)	(425,595)	-
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation and net amortization	5,272	5,272	
Food Distribution Program	32,292	32,292	
(Increase) decrease in inventories	(961)	(961)	
Increase (decrease) in accounts payable	(24,768)	(24,768)	
Total adjustments	<u>11,835</u>	<u>11,835</u>	<u>-</u>
Net cash provided by (used for) operating activities	<u>(413,760)</u>	<u>(413,760)</u>	<u>-</u>

TOWN OF GUTTENBERG BOARD OF EDUCATION
Combining Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2015

	Private Purpose Scholarship Fund	Agency Fund
	<u> </u>	<u> </u>
ASSETS		
Cash and cash equivalents	15,764	196,378
Deposits		7,688
Total assets	<u>15,764</u>	<u>204,066</u>
LIABILITIES		
Payable to student groups		60,336
Payroll deductions and withholdings		79,434
Net salaries and wages		1,308
Interfund Payable - General Fund		62,988
Total liabilities		<u>204,066</u>
NET POSITION		
Reserved for Scholarships	<u>15,764</u>	

Exhibit B-8

TOWN OF GUTTENBERG BOARD OF EDUCATION
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2015

	Private Purpose Scholarship Fund
ADDITIONS	
Contributions:	
Interest Earned	64
Total Contributions	<u>64</u>
DEDUCTIONS	
Account closed to General Fund	103
Scholarship payments	1,100
Total deductions	<u>1,203</u>
Change in net assets	(1,139)
Net position—beginning of the year	16,903
Net position—end of the year	<u><u>15,764</u></u>

NOTES TO THE FINANCIAL STATEMENTS

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

The Board of Education (“Board”) of the Town of Guttenberg School District (“District”) is an instrumentality of the State of New Jersey, established to function as an educational institution. The Town of Guttenberg School District is a Type II district located in the County of Hudson, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms. The purpose of the District is to educate students in grades K-8. A superintendent is appointed by the Board and is responsible for the administrative control of the District. Under existing statutes, the Board’s duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property.

The Board also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is whether:

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

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

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

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

A. Basis of Presentation:

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

District-wide Financial Statements:

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

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

Fund Financial Statements:

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

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

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, 2015**

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

PROPRIETARY FUNDS

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

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

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

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

FIDUCIARY FUNDS

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

B. Measurement Focus:

District-wide Financial Statements

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

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

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

B. Measurement Focus: (continued)

Fund Financial Statements

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

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

C. Basis of Accounting:

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

Revenues - Exchange and Non-exchange Transactions

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

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

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, 2015**

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

D. Budgets/Budgetary Control: (continued)

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

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

E. Encumbrances:

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds, other than the special revenue fund, are reported as reservations of fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

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

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

F. Cash, Cash Equivalents and Investments:

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

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

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

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, 2015, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year in which services are consumed.

J. Short-Term Interfund Receivables/Payables:

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

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

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

K. Capital Assets:

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

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

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

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

L. Compensated Absences:

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

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

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

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

M. Unearned Revenue:

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

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

N. Accrued Liabilities and Long-term Obligations:

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

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

O. Accounting and Financial Reporting for Pensions:

In fiscal year 2015, the District implemented GASB 68. This Statement amends GASB Statement No. 27. It improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local government employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces the requirement of Statement No. 27, *Accounting for Pension by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement. This statement is effective for periods beginning after June 15, 2014.

The District has also implemented GASB Statement 71, Pension Transition for Contributions made Subsequent to the Measurement Date—an amendment to GASB No. 68. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, Accounting and Financial Reporting for Pensions. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

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

O. Accounting and Financial Reporting for Pensions: (continued)

Statement 68 requires a state or local government employer (or nonemployer contributing entity in a special funding situation) to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. If a state or local government employer or nonemployer contributing entity makes a contribution to a defined benefit pension plan between the measurement date of the reported net pension liability and the end of the government's reporting period, Statement 68 requires that the government recognize its contribution as a deferred outflow of resources.

In addition, Statement 68 requires recognition of deferred outflows of resources and deferred inflows of resources for changes in the net pension liability of a state or local government employer or nonemployer contributing entity that arise from other types of events. At transition to Statement 68, if it is not practical for an employer or nonemployer contributing entity to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, paragraph 137 of Statement 68 required that beginning balances for deferred outflows of resources and deferred inflows of resources not be reported. Consequently, if it is not practical to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, contributions made after the measurement date of the beginning net pension liability could not have been reported as deferred outflows of resources at transition. This could have resulted in a significant understatement of an employer or nonemployer contributing entity's beginning net position and expense in the initial period of implementation.

This Statement amends paragraph 137 of Statement 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Statement 68, as amended, continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts.

P. 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.

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

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

P. Fund Balances: (continued)

- **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.
- **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.

Q. Net Position:

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

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

R. 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.

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

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

S. Extraordinary and Special Items:

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board and that are either unusual in nature or infrequent in occurrence. The following extraordinary items occurred during the year ended June 30, 2015:

The District transferred \$199,657 from its General Fund to the Special Revenue Fund to liquidate the prior years' receivables related to unclaimed No Child Left Behind entitlements. The State Department of Education advised that as prior year entitlements have since been closed at the federal level, the District could not report and request reimbursement of expenditures that the District had failed to report related to prior years. In addition, the District also transferred \$18,612 from its General Fund to the School Age Child Care program to fund the deficit related to that program's operations. The District ceased operations of the School Age Child Care program at the end of fiscal year 2010. Upon liquidation of the deficit, all accounts related to the School Age Child Care program were closed. Both of the above mentioned amounts were expensed in the current year as an other financing use.

T. 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.

U. 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.

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

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

V. Recent Accounting Pronouncements:

The Governmental Accounting Standards Board (GASB) issued Statement No. 68, “Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27”. This statement, which is effective for fiscal periods beginning after June 15, 2014 and was implemented by the District for the year ended June 30, 2015.

The Governmental Accounting Standards Board (GASB) issued Statement No. 71 “Pension Transition for Contributions Made Subsequent to the Measurement Date-an-amendment of GASB Statement No. 68”. The provisions of this statement are required to be applied simultaneously with the provisions of Statement 68 which is effective for periods beginning after June 15, 2014 and was implemented by the District for the year ended June 30, 2015.

The Government Accounting Standards Board issued GASB Statement No. 72, *Fair Value Measurement and Application*. This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of *fair value* is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement also provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The District is currently reviewing what effect, if any, this Statement might have on future financial statements.

The Government Accounting Standards Board issued GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68 and Amendments to Certain Provisions of GASB Statements 67 and 68*. This Statement is effective for fiscal years beginning after June 15, 2015 – except those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement 68, which are effective for financial statements for fiscal years beginning after June 15, 2016. The District is currently reviewing what effect, if any, this Statement might have on future financial statements.

The Government Accounting Standards Board issued GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. This Statement applies to OPEB plans and basically parallels GASB Statement 67 and replaces GASB Statement 43 and is effective for fiscal years beginning after June 15, 2016. The District is currently reviewing what effect, if any, this Statement might have on future financial statements.

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

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

V. Recent Accounting Pronouncements: (continued)

The Government Accounting Standards Board issued GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. This Statement applies to government employers who provided OPEB plans to their employees and basically parallels GASB Statement 68 and replaces GASB Statement 45. The Statement is effective for fiscal years beginning after June 15, 2017. The District is currently reviewing what effect, if any, this Statement might have on future financial statements.

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, 2015, \$-0- of the District's bank balance of \$3,445,488 was exposed to custodial credit risk.

Investments

Investment Rate Risk

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

Credit Risk

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

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

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

Concentration of Credit Risk

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

NOTE 4. RECEIVABLES

Receivables at June 30, 2015, 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	\$81,903	\$271	\$82,174
Federal Aid	294,824	18,684	313,508
Due from Other Funds	<u>125,280</u>	<u> </u>	<u>62,988</u>
Gross Receivables	502,007	18,955	458,670
Less: Allowance for Uncollectibles	<u> </u>	<u> </u>	<u> </u>
Total Receivables, Net	<u><u>\$502,007</u></u>	<u><u>\$18,955</u></u>	<u><u>\$458,670</u></u>

NOTE 5. INTERFUND BALANCES AND ACTIVITY

Balances due to/from other funds at June 30, 2015, consisted of the following:

\$62,292	Due to the General Fund from the Special Revenue for short-term loans.
58,243	Due to the General Fund from the Payroll Agency Account for monies in excess of that required to cover payroll deductions and withholdings due and June health benefits deductions not turned over prior to year end.
<u>4,745</u>	Due to the General Fund from the Net Payroll Account for prior year outstanding checks voided by resolution.
<u><u>\$125,280</u></u>	

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 6. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2015 was as follows:

	<u>Balance</u> <u>6/30/14</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>6/30/15</u>
Governmental Activities				
Capital Assets Not Being Depreciated				
Land	9,957			9,957
Construction in Progress		<u>1,401,720</u>		<u>1,401,720</u>
Total Capital Assets Not Being Depreciated	<u>9,957</u>	<u>1,401,720</u>		<u>1,411,677</u>
Capital Assets Being Depreciated				
Sites and Improvements	317,787			317,787
Buildings and Improvements	4,764,309			4,764,309
Machinery and Equipment	<u>843,482</u>	<u>12,181</u>		<u>855,663</u>
Total Capital Assets, Being Depreciated	<u>5,925,578</u>	<u>12,181</u>		<u>5,937,759</u>
Less Accumulated Depreciation:				
Sites and Improvements	(156,195)	(13,048)		(169,243)
Buildings and Improvements	(2,318,539)	(128,810)		(2,447,349)
Machinery and Equipment	<u>(645,233)</u>	<u>(87,276)</u>		<u>(732,509)</u>
Total Accumulated Depreciation	<u>(3,119,967)</u>	<u>(229,134)</u>		<u>(3,349,101)</u>
Total Capital Assets, Being Depreciated, Net of Accumulated Depreciation	<u>2,805,611</u>	<u>(216,953)</u>		<u>2,588,658</u>
Governmental Activities Capital Assets, Net	<u>2,815,568</u>	<u>1,184,767</u>		<u>4,000,335</u>
	<u>Balance</u> <u>6/30/14</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>6/30/15</u>
Business-Type Activity				
Equipment	92,038			92,038
Less Accumulated Depreciation for Equipment	<u>(70,610)</u>	<u>(5,272)</u>		<u>(75,882)</u>
Business-Type Activity Capital Assets, Net	<u>21,428</u>	<u>(5,272)</u>		<u>16,156</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, 2015**

NOTE 7. LONG-TERM OBLIGATION ACTIVITY

Changes in long-term obligations for the year ended June 30, 2015 were as follows:

	Balance June 30, 2014			Balance June 30, 2015	Amount Due Within One Year
	<u>Restated</u>	<u>Issued</u>	<u>Retired</u>		
Net Pension Liability PERS	\$2,413,705	\$	\$47,727	\$2,365,978	\$
Unfunded Pension Liability	132,732		20,042	112,690	20,042
Deferred PERS Pension Contribution	21,334		1,534	19,800	3,846
Compensated Absences Payable	794,386	22,221	16,660	799,947	
Bonds Payable	479,000		240,000	239,000	239,000
Total	<u>\$3,841,157</u>	<u>\$22,221</u>	<u>\$325,963</u>	<u>\$3,537,415</u>	<u>\$262,888</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, 2015 consisted of the following:

<u>Issue</u>	<u>Issue Date</u>	<u>Interest Rates</u>	<u>Date of Maturity</u>	<u>Principal Balance June 30, 2015</u>
School Improvement Bonds	07/01/1994	5.625%	07/01/2015	<u>\$239,000</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>
2016	<u>\$239,000</u>	<u>\$6,722</u>	<u>\$245,722</u>

B. Bonds Authorized But Not Issued:

As of June 30, 2015 the Board has no authorized but not issued bonds.

C. Capital Leases

The District had no capital leases outstanding at June 30, 2015.

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 8. OPERATING LEASES

The District has commitments to lease copying equipment and the rental of office space for the Board of Education which expire in October 2019. Total operating lease payments made during the year ended June 30, 2015 were \$63,358. Future minimum lease payments are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2016	\$67,470
2017	69,800
2018	24,090
2019	<u>5,320</u>
	<u><u>\$166,680</u></u>

NOTE 9. PENSION PLANS:

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

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, 2015**

NOTE 9. PENSION PLANS: (continued)

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

Contribution Requirements Fund Based Statements - 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, 2015 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 AND DCRP, equal to the required contributions for each year as reported in the fund based statements, were as follows:

Year		
<u>Ending</u>	<u>PERS</u>	<u>DCRP</u>
6/30/15	\$104,177	\$ -0-
6/30/14	110,521	-0-
6/30/13	98,802	-0-

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 9. PENSION PLANS: (continued)

The State of New Jersey contribution to TPAF (paid on-behalf of the District) for normal and post retirement benefits have been included in the fund-based statements as revenues and expenditures in accordance with GASB 24, paragraphs 7 through 13, as follows:

Year	Pension	Post-Retirement Medical	NCGI
<u>Ending</u>	<u>Contributions</u>	<u>Contributions</u>	<u>Premium</u>
6/30/15	\$250,769	\$426,738	\$18,042
6/30/14	179,971	321,132	15,886
6/30/13	281,349	334,872	14,803

In addition, the post-retirement medical benefits are included in the district-wide financial statements.

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$411,476 during the year ended June 30, 2015 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been included in the fund-based statements as revenues and expenditures in accordance with GASB 24, paragraphs 7 through 13.

ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE DISTRICT-WIDE STATEMENTS PER - GASB NO. 68

Public Employees Retirement System (PERS)

At June 30, 2015, the District reported a liability of \$2,365,978 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2014, the District's proportion was .0126369266 percent, which was an increase of .0000000765 percent from its proportion measured as of June 30, 2013.

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 9. PENSION PLANS: (continued)

For the year ended June 30, 2015, the District recognized pension expense of \$121,815. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of assumptions	\$74,399	\$
Net difference between projected and actual earnings on pension plan investments		140,999
Changes in proportion and differences between District contributions and proportionate share of contributions	1,235	
District contributions subsequent to the measurement date	<u>129,063</u>	<u> </u>
Total	<u>\$204,697</u>	<u>\$140,999</u>

The \$129,063 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2015, the plan measurement date is June 30, 2014) will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2016	\$(21,574)
2017	(21,574)
2018	(21,574)
2019	13,676
Thereafter	6,018

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 9. PENSION PLANS: (continued)

Additional Information

Local Group Collective balances at December 31, 2014 and 2013 are as follows:

	<u>Dec. 31, 2014</u>	<u>Dec. 31, 2013</u>
Collective deferred outflows of resources	\$952,194,675	Not Available
Collective deferred inflows of resources	1,479,224,662	Not Available
Collective net pension liability	\$18,722,735,003	\$19,111,986,911
District's Proportion	.0126369266%	.0126292740%

Actuarial Assumptions

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013, which rolled forward to June 30, 2014. The total pension liability for the July 1, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

Inflation	3.01 Percent
Salary Increases:	
2012-2021	2.15-4.40 Percent (based on age)
Thereafter	3.15-5.40 Percent (based on age)
Investment Rate of Return	7.90 Percent

The actuarial assumptions used in the June 30, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011.

Mortality Rates

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback one year for females) with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA.

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 9. PENSION PLANS: (continued)

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.80%
Core Bond	1.00%	2.49%
Intermediate Term Bonds	11.20%	2.26%
Mortgages	2.50%	2.17%
High Yield Bonds	5.50%	4.82%
Inflation Indexed Bonds	2.50%	3.51%
Broad U.S. Equities	25.90%	8.22%
Developed Foreign Markets	12.70%	8.12%
Emerging Market Equities	6.50%	9.91%
Private Equity	8.25%	13.02%
Hedge Funds/Absolute Returns	12.25%	4.92%
Real Estate (Property)	3.20%	5.80%
Commodities	2.50%	5.35%
	<u>100.00%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 5.39% and 5.55% as of June 30, 2014 and 2013, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 4.29% and 4.63% as of June 30, 2014 and 2013, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 9. PENSION PLANS: (continued)

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate

The following presents the collective net pension liability of the participating employers as of June 30, 2014 respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 -percentage point lower or 1- percentage-point higher than the current rate:

	June 30, 2014		
	1%	At Current	1%
	Decrease <u>4.39%</u>	Discount Rate <u>5.39%</u>	Increase <u>6.39%</u>
District's proportionate share of the pension liability	\$2,976,481	\$2,365,978	\$1,853,311

Pension Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS).

Teachers Pensions and Annuity Fund (TPAF)

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer.

The portion of the TPAF Net Pension Liability that was associated with the District recognized at June 30, 2015 was as follows:

Net Pension Liability:	
District's proportionate share	\$ -0-
State's proportionate share associated with the District	<u>24,744,440</u>
	<u>\$24,744,440</u>

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 9. PENSION PLANS: (continued)

The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013. The net pension liability associated with the District was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2014, the proportion of the TPAF net pension liability associated with the District was .04262973754%.

For the year ended June 30, 2015, the District recognized on-behalf pension expense and revenue of \$1,313,441 for contributions provided by the State in the District-Wide Financial Statements.

Actuarial Assumptions

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013, which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	2.50%
Salary Increases:	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment Rate of Return	7.90%

Mortality Rates

Mortality rates were based on the RP-2000 Health Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement. The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2012.

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 9. PENSION PLANS: (continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2014 are summarized in the table on the following page:

Asset Class	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.50%
Core Fixed Income	0.00%	2.19%
Core Bonds	1.00%	1.38%
Short-Term Bonds	0.00%	1.00%
Intermediate-Term Bonds	11.20%	2.60%
Long-Term Bonds	0.00%	3.23%
Mortgages	2.50%	2.84%
High Yield Bonds	5.50%	4.15%
Non-US Fixed Income	0.00%	1.41%
Inflation-Indexed Bonds	2.50%	1.30%
Broad US Equities	25.90%	5.88%
Large Cap US Equities	0.00%	5.62%
Mid Cap US Equities	0.00%	6.39%
Small Cap US Equities	0.00%	7.39%
Developed Foreign Equities	12.70%	6.05%
Emerging Market Equities	6.50%	8.90%
Private Equity	8.25%	9.15%
Hedge Funds Absolute Return	12.25%	3.85%
Real Estate (Property)	3.20%	4.43%
Real Estate (REITS)	0.00%	5.58%
Commodities	2.50%	3.60%
Long Credit Bonds	0.00%	3.74%
	<u>100.00%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 4.68% and 4.95% as of June 30, 2014 and 2013, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 4.29% and 4.63% as of June 30, 2014 and 2013, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 9. PENSION PLANS: (continued)

at the current member contribution rates and that contributions from employers will be made based on the average of the last five years. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2027. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2027, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability,

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

Because the District's proportionate share of the net pension liability is zero, consideration of potential changes in the discount rate is not applicable to the District.

NOTE 10. POST-RETIREMENT BENEFITS

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required Teachers' Pension and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2014, there were 103,432 retirees receiving post-retirement medical benefits, and the State contributed \$1.04 billion 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 employer paid 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. The State paid \$165.8 million toward Chapter 126 benefits for 18,122 eligible retired members in Fiscal Year 2014.

NOTE 11. DEFERRED COMPENSATION

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

Metropolitan Life Insurance Co.
AXA Equitable

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 12. RISK MANAGEMENT

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

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

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

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

NOTE 13. INVENTORY

Inventory in the Food Service Fund at June 30, 2015 consisted of the following:

Food	\$2,135
Supplies	<u>683</u>
	<u>\$2,818</u>

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

NOTE 14. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Town of Guttenberg Board of Education by inclusion of \$1 on October 4, 2000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 14. CAPITAL RESERVE ACCOUNT, (continued)

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, 2014 to June 30, 2015 fiscal year is as follows:

Beginning Balance, July 1, 2014	<u>\$1.00</u>
Ending Balance, June 30, 2015	<u>\$1.00</u>

NOTE 15. FUND BALANCE APPROPRIATED

General Fund [Exhibit B-1] - Of the \$3,097,290 General Fund fund balance at June 30, 2015, \$113,749 is reserved for encumbrances; \$3,148,262 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7 \$1,606,845 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2016); \$1 has been reserved in the Capital Reserve Account; \$(164,722) is unreserved and undesignated.

NOTE 16. DEFICIT FUND BALANCES

The District has a deficit fund balance of \$164,722 in the General Fund as of June 30, 2015 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, 2015**

NOTE 16. 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 \$164,722 is less than the last state aid payment.

NOTE 17. CALCULATION OF EXCESS SURPLUS

In accordance with *N.J.S.A.* 18A:7F-7 as amended, the designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2015 is \$3,148,262. Of this amount, \$1,541,417 is the result of current year's operations.

NOTE 18. CAPITAL PROJECTS

On April 24, 2013, the Guttenberg Board of Education entered into a shared services agreement with the Town of Guttenberg to address the recreational and cultural needs of the community and at the same time address the overcrowding issues within the school's district's current educational space. This Shared Services Agreement authorized additions and alterations to the Anna L. Klein school for the construction of a Community Center and increases in educational space. The \$20,233,320 project is to be funded through a State of New Jersey's School's Development Authority Grant in the amount of \$3,651,737 received by the Board of Education and a local match from the Town of Guttenberg authorized in Bond Ordinance 2-2012 in the amount of \$16,581,583, adopted by the Mayor and Council on May 24, 2012.

NOTE 19. RESTATEMENT:

Net position for June 30, 2014 was restated in the amount of \$1,961,508 to reflect the net pension liability at June 30, 2013 for the Public Employee Retirement System (PERS) as per Governmental Accounting Standards Board ("GASB") number 68 and for a correction in how the compensated absences liability was calculated in the prior year. This resulted in restatement of net position as of June 30, 2014 as follows:

	<u>Governmental Activities</u>
Net Position at June 30, 2014	\$4,334,773
Prior Period Adjustment for Net Pension Liability	(2,413,705)
Correction in Compensated Absence Liability - Prior Period	<u>40,440</u>
Net Position at June 30, 2014 - Restated	<u><u>\$1,961,508</u></u>

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 20. CONTINGENT LIABILITIES

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

Litigation - The District is a party defendant in some lawsuits, none of a kind unusual for a school district of its size and scope of operation. In the opinion of the Board's Attorney the potential claims against the District not covered by insurance policies would not materially affect the financial condition of the District.

NOTE 21. RELATED PARTY TRANSACTION

The District renewed a lease agreement to rent office space from a family member of the Business Administrator. This agreement was dated April 15, 2015 for a two-year period beginning June 1, 2015 through May 31, 2017. Yearly rental costs are \$20,220 for the first year and \$21,420 for the second year.

NOTE 22. SUBSEQUENT EVENTS

The Board has evaluated subsequent events through December 10, 2015, the date which the financial statements were available to be issued and no other items were noted for disclosure.

**REQUIRED SUPPLEMENTARY
INFORMATION - PART II**

BUDGETARY COMPARISON SCHEDULES

GUTTENBERG BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2015

Exhibit C-1

Page 1 of 4

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final To Actual
REVENUES:					
Local Sources:					
Local Tax Levy	10,668,805		10,668,805	10,668,805	
Miscellaneous				232,635	232,635
Total - Local Sources	10,668,805		10,668,805	10,901,440	232,635
State Sources:					
Special Education Aid	807,468		807,468	807,468	
Equalization Aid	3,594,240		3,594,240	3,594,240	
Security Aid	197,684		197,684	197,684	
Transportation Aid	7,250		7,250	7,250	
Under-Adequacy Aid	400,877		400,877	400,877	
Per Pupil Growth Aid	12,860		12,860	12,860	
PARCC Readiness Aid	12,860		12,860	12,860	
TPAF Pension Contributions (On-Behalf - Non Budgeted)				250,769	250,769
TPAF Postretirement Medical Contributions (On-Behalf - Non Budgeted)				426,738	426,738
TPAF Non-Contributory Insurance (On-Behalf - Non Budgeted)				18,042	18,042
TPAF Social Security (Reimbursed - Non-Budgeted)				411,476	411,476
Total - State Sources	5,033,239		5,033,239	6,140,264	1,107,025
Federal Sources:					
Medical Assistance Program (SEMI)	14,288		14,288	20,616	6,328
Total - Federal Sources	14,288		14,288	20,616	6,328
TOTAL REVENUES	15,716,332		15,716,332	17,062,320	1,345,988
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
Salaries of Teachers:					
Kindergarten - Salaries of Teachers	248,980	275	249,255	249,255	
Grades 1-5 - Salaries of Teachers	1,461,761	(921)	1,460,840	1,427,477	33,363
Grades 6-8 - Salaries of Teachers	1,172,685	(15,021)	1,157,664	1,104,341	53,323
Regular Programs - Home Instruction:					
Salaries of Teachers	12,000		12,000		12,000
Other Purchased Services (400-500 series)					
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	114,604		114,604	104,838	9,766
Other Purchased Services (400-500 series)	20,000	11,048	31,048	31,048	
General Supplies	342,363	(289)	342,074	143,802	198,272
Textbooks	176,562	(55,215)	121,347	29,271	92,076
TOTAL REGULAR PROGRAMS - INSTRUCTION	3,548,955	(60,123)	3,488,832	3,090,032	398,800
SPECIAL EDUCATION - INSTRUCTION					
Learning and/or Language Disabilities:					
Salaries of Teachers	206,675	56,737	263,412	263,412	
Total Learning and/or Language Disabilities	206,675	56,737	263,412	263,412	
Multiple Disabilities					
Salaries of Teachers	54,838		54,838	54,838	
Total Multiple Disabilities	54,838		54,838	54,838	
Resource Room/Resource Center:					
Salaries of Teachers	161,826	51,969	213,795	213,795	
Total Resource Room/Resource Center	161,826	51,969	213,795	213,795	
Autism:					
Salaries of Teachers	53,880	(5,296)	48,584	48,584	
Total Autism	53,880	(5,296)	48,584	48,584	
TOTAL SPECIAL EDUCATION - INSTRUCTION	477,219	103,410	580,629	580,629	
Basic Skills/Remedial-Instruction					
Salaries of Teachers	421,700	(37,886)	383,814	381,046	2,768
Total Basic Skills/Remedial-Instruction	421,700	(37,886)	383,814	381,046	2,768
Bilingual Education - Instruction					
Salaries of Teachers	450,951	(6,798)	444,153	444,153	
Other Salaries	3,000		3,000	2,870	130
General Supplies	55,536	(19,000)	36,536	35,537	999
Textbooks	30,000	(29,110)	890	586	304
Total Bilingual Education - Instruction	539,487	(54,908)	484,579	483,146	1,433

GUTTENBERG BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final To Actual
School-Sponsored Cocurricular Activities - Instruction					
Salaries	12,000	9,470	21,470	21,470	
Other Purchased Services (400-500 series)	30,000	(3,806)	26,194	26,038	156
Total School-Sponsored Cocurricular Activities - Instruction	42,000	5,664	47,664	47,508	156
School-Sponsored Athletics - Instruction					
Salaries	7,000		7,000	7,000	
Purchased Services - (300-500 series)	8,000	(1,000)	7,000	7,000	
Total School-Sponsored Athletics - Instruction	15,000	(1,000)	14,000	14,000	
Total Distributed Expenditures	5,044,361	(44,843)	4,999,518	4,596,361	403,157
Undistributed Expenditures - Instruction					
Tuition to other LEAs within the state - regular	4,437,500	(367,133)	4,070,367	3,802,771	267,596
Tuition to other LEAs within the state - Special	395,274	446,682	841,956	835,656	6,300
Tuition to CSSD & Regular Day Schools	343,000	(79,549)	263,451	252,502	10,949
Tuition to Priv.Sch. For the Disabled W/I State	337,099	4,500	341,599	214,456	127,143
Tuition to Charter Schools	4,500	7,500	12,000	10,448	1,552
Total Undistributed Expenditures - Instruction	5,517,373	12,000	5,529,373	5,115,833	413,540
Undist. Expend. - Health Services					
Salaries	128,034	2,228	130,262	130,262	
Purchased Professional and Technical Services	8,500	(2,228)	6,272	4,269	2,003
Supplies and Materials	4,065		4,065	3,816	249
Total Undistributed Expenditures - Health Services	140,599		140,599	138,347	2,252
Undist. Expenditures - Speech, OT, PT & Related Serv.					
Salaries	207,836	262	208,098	208,098	
Purchased Professional - Educational Services	325,000	(262)	324,738	324,738	
Total Undist. Expend. - Speech, OT, PT & Related Serv.	532,836		532,836	532,836	
Undist. Expend. - Guidance					
Salaries of Other Professional Staff	146,670	8,082	154,752	154,752	
Salaries of Secretarial and Clerical Assistants	71,921	4,569	76,490	76,490	
Purchased Professional - Educational Services	2,500	(462)	2,038		2,038
Supplies and Materials	17,500	(12,188)	5,312		5,312
Total Undist. Expend. - Guidance	238,591	1	238,592	231,242	7,350
Undistributed Expenditures - Other Supp. Svcs. Students - Special					
Salaries of Other Professional Staff	101,642	63,009	164,651	162,537	2,114
Salaries of Secretarial and Clerical Assistants	23,575	16	23,591	23,591	
Special Education Aides	323,848	(58,782)	265,066	265,066	
Supplies and Materials	8,400	(4,243)	4,157	4,117	40
Total Undistributed Expenditures - Other Supp. Svcs. Students - Special	457,465		457,465	455,311	
Undist. Expend. - Improvement of Instructional Service:					
Salaries of Other Professional Staff	90,000	14,450	104,450	102,161	2,289
Mentor Program		550	550		550
Total Undist. Expend. - Improvement of Instructional Service:	90,000	15,000	105,000	102,161	2,839
Undist. Expend. - Instructional Staff Training Services					
Salaries - Supervisors	430,960		430,960	429,761	1,199
Purchased Professional - Educational Services	105,000	(15,000)	90,000	51,545	38,455
Total Undist. Expend. - Instructional Staff Training Services	535,960	(15,000)	520,960	481,306	39,654
Undist. Expend. - Support Serv. - General Administration					
Salaries	212,529	(34,830)	177,699	174,642	3,057
Salaries of Attorneys	51,000		51,000	51,000	
Salaries Secretary		57,853	57,853	57,853	
Audit Fees	36,000		36,000	29,000	7,000
Expenditure & Internal Control Audit Fees	22,000		22,000	22,000	
Purchased Technical Services	40,000		40,000		40,000
Communications/telephone	48,000		48,000	32,961	15,039
BOE Other Purchased Services	10,000		10,000	7,255	2,745
Board Expenses	1,003	10,000	11,003	11,003	
Architectural Engineering Services	30,000	(23,157)	6,843		6,843
Misc. Purchased Services (400-500 series)	30,000		30,000	11,859	18,141
General Supplies	10,000	(10,000)			
BOE In-House Training/Meeting Supplies	5,000		5,000	2,726	2,274
Miscellaneous expenditures	4,000		4,000	3,041	959
BOE Membership Dues and Fees	7,000	134	7,134	7,134	
Total Undist. Expend. - Supp. Serv. - General Administration	506,532		506,532	410,474	96,058
Undist. Expend. - Support Serv. - School Administration					
Main Office Copy Machine		8,000	8,000	7,980	20
Salaries of Secretarial and Clerical assistants	68,900	887	69,787	69,787	
Purchased Professional and Technical Services	8,000	(8,000)			
Supplies and materials	12,000		12,000	12,000	
Total Undist. Expend. - Support Serv. - School Administration	88,900	887	89,787	89,767	20
Undistributed Expenditures - Central Services:					
Salaries	247,377	200	247,577	242,666	4,911
Purchased Technical Services	20,000	(200)	19,800	13,098	6,702
Misc. Purchased Services (400-500 series)	5,000		5,000	841	4,159
Supplies and Materials	10,000		10,000	9,996	4
Miscellaneous expenditures	50,000	5,401	55,401	53,350	2,051
Total Undists Expend. - Central Services	332,377	5,401	337,778	319,951	17,827

GUTTENBERG BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final To Actual
Undist. Expend. - Admin. Info. Tech.					
Salaries	95,000		95,000	86,147	8,853
Purchased Technical Services	35,000		35,000	15,230	19,770
Supplies and Materials	28,271		28,271	9,737	18,534
Total Undist. Expend. - Admin. Info. Technology	158,271		158,271	111,114	47,157
Undist. Expend. - Required Maint. for School Facilities					
Salaries	88,407		88,407	75,646	12,761
Cleaning, Repair and Maintenance Services	120,000		120,000	35,801	84,199
Total Undist. Expend. - Required Maint. for School Facilities	208,407		208,407	111,447	96,960
Undist. Expend. - Custodial Services					
Salaries	168,094		168,094	162,494	5,600
Salaries of Non-Instructional Aides	20,000		20,000	19,859	141
Rental of Land & Bldg. Oth. Than Lease Purch Agreement	19,008	218	19,226	19,226	
Water	26,000	(13,000)	13,000	10,966	2,034
Other Purchased Property Services	6,000	7,000	13,000	9,430	3,570
Miscellaneous Purchased Services		6,000	6,000	1,704	4,296
Insurance	150,000	(218)	149,782	139,624	10,158
General Supplies	85,000		85,000	41,553	43,447
Energy (Natural Gas)	60,000		60,000	34,959	25,041
Energy (Electricity)	130,000		130,000	98,528	31,472
Total Undist. Expend. - Other Oper. & Maint. of Plant Svcs.	664,102		664,102	538,343	125,759
Undist. Expend. - Security					
Salaries	45,000		45,000	45,000	
Total Undistributed Expenditures - Security	45,000		45,000	45,000	
Total Undistributed Expend.-Oper & Maint of Plant Svcs.	917,509		917,509	694,790	222,719
Undistributed Expenditures - Student Transportation Svcs					
Contract Serv. (Spec Ed Stds) - Joint Agreecents	275,000		275,000	182,233	92,767
	275,000		275,000	182,233	92,767
Total Undistributed Expenditures	9,791,413	18,289	9,809,702	8,865,365	
ALLOCATED BENEFITS					
Regular Programs - Instruction - Employee Benefit					
Social Security Contributions	154,000		154,000	139,615	14,385
T.P.A.F. Contributions - ERIP	55,000	(34,925)	20,075	20,075	
Unemployment Compensation	50,000	(14,773)	35,227	34,527	700
Health Benefits	730,857	511,345	1,242,202	1,238,729	3,473
Tuition Reimbursement	8,000	4,171	12,171	12,171	
Other Employee Benefits	2,600		2,600	2,600	
Total Regular Programs - Instruction	1,000,457	465,818	1,466,275	1,447,717	18,558
Special Programs - Instruction - Employee Benefit					
Health Benefits	368,942	(220,717)	148,225	148,194	31
Other Employee Benefits	2,000		2,000	2,000	
Total Special Programs - Instruction - Employee Benefits	370,942	(220,717)	150,225	150,194	31
Health Services - Employee Benefits					
Health Benefits	30,291	5,884	36,175	36,175	
Other Employee Benefits	800		800		800
Total Health Services - Employee Benefits	31,091	5,884	36,975	36,175	800
Other Support Serv. - Speech, OT, PT, & Rel. Svc - Employee Benefits					
Health Benefits	29,502	7,026	36,528	36,528	
Other Employee Benefits		400	400	60	340
Total Other Support Services- Employee Benefits	29,502	7,426	36,928	36,588	340
Other Support Services - Guidance - Employee Benefits:					
Health Benefits	82,370	4,099	86,469	86,469	
Other Employee Benefits	2,400	(2,400)			
Total Other Support Services - Guidance - Employee Benefits	84,770	1,699	86,469	86,469	
Other Support Services - Child Study Team - Employee Benefits					
Health Benefits	214,724	(183,352)	31,372	31,372	
Other Employee Benefits	1,400	(1,200)	200	200	
Total Other Support Svcs - Child Study Team - Employee Benefits	216,124	(184,552)	31,572	31,572	
Improvement of Instruction Services - Employee Benefit					
Health Benefits	49,651	(49,651)			
Other Employee Benefits	2,400	(2,400)			
Total Improvement of Instruction Services	52,051	(52,051)			
Support Services - General Admin - Employee Benefit					
Social Security Contributions	25,000		25,000	4,272	20,728
Health Benefits	30,180	6,332	36,512	36,512	
Other Employee Benefits	1,000	(754)	246	246	
Total Support Services - General Admin - Employee Benefit	56,180	5,578	61,758	41,030	20,728
Support Services - School Admin - Employee Benefits					
Social Security Contributions	7,500	(2,315)	5,185	5,154	31
Health Benefits	42,624	1,885	44,509	44,509	
Other Employee Benefits	800	(800)			
Total Support Services - School Admin - Employee Benefits	50,924	(1,230)	49,694	49,663	31
Support Services - Central Services - Employee Benefits					
Social Security Contributions	13,500	(1,474)	12,026	12,026	
Health Benefits	47,073	7,358	54,431	54,431	
Other Employee Benefits	1,400	(1,200)	200	200	
Total Support Services - Central Services - Employee Benefits	61,973	4,684	66,657	66,657	

GUTTENBERG BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final To Actual
Support Services - Admin. Info. Tech. - Employee Benefits					
Social Security Contributions	6,001	408	6,409	6,407	2
Health Benefits	7,684	4,171	11,855	11,855	
Other Employee Benefits	600	(600)			
Total Support Services - Admin. Info. Tech. - Employee Benefits	<u>14,285</u>	<u>3,979</u>	<u>18,264</u>	<u>18,262</u>	<u>2</u>
Operation and Maintenance of Plant Svcs - Employee Benefits					
Social Security Contributions	18,000	(819)	17,181	12,424	4,757
Other Employee Benefits	3,200	(3,200)			
Health Benefits	94,280	22,891	117,171	117,171	
Total Operation and Maintenance of Plant Svcs - Employee Benefits	<u>115,480</u>	<u>18,872</u>	<u>134,352</u>	<u>129,595</u>	<u>4,757</u>
TOTAL ALLOCATED BENEFITS	<u>2,083,779</u>	<u>55,390</u>	<u>2,139,169</u>	<u>2,093,922</u>	<u>45,247</u>
UNALLOCATED BENEFITS					
Unallocated Benefits - Employee Benefits					
Other Retirement Contributions - PERS	125,000	(16,836)	108,164	108,164	
Total Unallocated Benefits - Employee Benefits	<u>125,000</u>	<u>(16,836)</u>	<u>108,164</u>	<u>108,164</u>	
Total Personal Services - Employee Benefits	<u>2,208,779</u>	<u>38,554</u>	<u>2,247,333</u>	<u>2,202,086</u>	<u>45,247</u>
On-behalf TPAF Pension and Post Retirement Medical Contributions (non-budgeted)				677,507	(677,507)
On-behalf TPAF Non-Contributory Insurance (non-budgeted)				18,042	(18,042)
Reimbursed TPAF Social Security Contributions (non-budgeted)				411,476	(411,476)
TOTAL ON-BEHALF CONTRIBUTIONS				<u>1,107,025</u>	<u>(1,107,025)</u>
TOTAL UNDISTRIBUTED EXPENDITURES	<u>12,000,192</u>	<u>56,843</u>	<u>12,057,035</u>	<u>12,174,476</u>	<u>(117,441)</u>
TOTAL GENERAL CURRENT EXPENSE	<u>17,044,553</u>	<u>12,000</u>	<u>17,056,553</u>	<u>16,770,837</u>	<u>285,716</u>
CAPITAL OUTLAY					
Equipment:					
Grades 1-5	25,000		25,000	24,963	37
Equipment - Undistributed:					
Supp Serv. - Students Spl.	3,500		3,500	2,809	691
School Administration	12,000		12,000	3,530	8,470
Equipment - Req. Maint. for School Facilities	15,000		15,000	14,361	639
Equipment Custodial Services	8,000		8,000	8,000	
Admin. Info. Tech.	20,000		20,000	20,000	
Total Equipment	<u>83,500</u>		<u>83,500</u>	<u>45,663</u>	<u>37,837</u>
TOTAL CAPITAL OUTLAY	<u>83,500</u>		<u>83,500</u>	<u>45,663</u>	<u>37,837</u>
GENERAL FUND					
Transfer of funds to charter schools	12,000	(12,000)			
TOTAL EXPENDITURES	<u>17,140,053</u>		<u>17,140,053</u>	<u>16,816,500</u>	<u>323,553</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,423,721)</u>		<u>(1,423,721)</u>	<u>245,820</u>	<u>1,669,541</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	<u>(1,423,721)</u>		<u>(1,423,721)</u>	<u>245,820</u>	<u>1,669,541</u>
Fund Balance, July 1	<u>3,330,382</u>		<u>3,330,382</u>	<u>3,330,382</u>	<u>1,616,028</u>
Fund Balance, June 30	<u>1,906,661</u>		<u>1,906,661</u>	<u>3,576,202</u>	<u>3,285,569</u>
Recapitulation of excess (deficiency) of revenues under expenditures					
Adjustment for Prior Year Encumbrances	(15,093)		(15,093)	(15,093)	
Budgeted Withdrawal of Maintenance Reserve	(1,408,628)		(1,408,628)	260,913	1,669,541
Budgeted Fund Balance	<u>(1,423,721)</u>		<u>(1,423,721)</u>	<u>245,820</u>	<u>1,669,541</u>
Recapitulation					
Restricted Fund Balance:					
Capital Reserve				1	
Excess Surplus - Designated for Subsequent Year's Expenditures				1,606,845	
Excess Surplus - Current Year				1,541,418	
Assigned Fund Balance:					
Year-End Encumbrances				113,749	
Unassigned Fund Balance				<u>314,189</u>	
Reconciliation to Governmental Funds Statement (GAAP):				<u>3,576,202</u>	
Less: Last State Aid Payment not recognized, GAAP Basis				(478,912)	
Fund Balance per Governmental Funds (GAAP)				<u>3,097,290</u>	

TOWN OF GUTTENBERG BOARD OF EDUCATION
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
REVENUES:					
State Sources	212,716	-	212,716	149,955	(62,761)
Federal Sources	590,497	497,639	1,088,136	1,012,182	(75,954)
Local Sources		50,000	50,000		(50,000)
Total Revenues	803,213	547,639	1,350,852	1,162,137	(188,715)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	548,680	180,857	729,537	680,326	49,211
Other Salaries for Instruction	22,722	-	22,722	9,941	12,781
Other Purchased Services	152,712	(18,830)	133,882	126,882	7,000
General Supplies	32,000	81,616	113,616	30,717	82,899
Total instruction	756,114	243,643	999,757	847,866	151,891
Support services:					
Salaries of Other Professional Staff		51,997	51,997	50,523	1,474
Personal Services - Employee Benefits	36,735	154,850	191,585	173,826	17,759
Other Purchased Professional & Technical Services	7,864	75,801	83,665	69,240	14,425
Other Purchased Services		15,148	15,148	15,148	-
Cont. Serv-Trans.	2,500	-	2,500		2,500
Supplies and Materials		6,200	6,200	5,534	666
Total support services	47,099	303,996	351,095	314,271	36,824
Total Expenditures	803,213	547,639	1,350,852	1,162,137	188,715
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-

TOWN OF GUTTENBERG BOARD OF EDUCATION
Required Supplementary Information
Budgetary Comparison Schedule
Note to Required Supplementary Information - Part II
For the Fiscal Year Ended June 30, 2015

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

		General Fund	Special Revenue Fund
Sources/inflows of resources			
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1],[C-2]	17,062,320	1,162,137
Difference - budget to GAAP:			
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		471,840	16,799
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).		(478,912)	(16,799)
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	17,055,248	1,162,137
Uses/outflows of resources			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1],[C-2]	16,816,500	1,162,137
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	16,816,500	1,162,137

**REQUIRED SUPPLEMENTARY
INFORMATION - PART III**

TOWN OF GUTTENBERG BOARD OF EDUCATION
Schedules of Required Supplementary Information
Schedule of District's Share of Net Pension Liability - PERS
*Last 10 Fiscal Years**

	2015
Districts proportion of the net pension liability (asset)	0.0126369266%
District's proportionate share of the net pension liability (asset)	\$ 2,365,978
District's covered payroll - PERS	\$ 1,105,455
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	214.03%
Plan fiduciary net position as a percentage of the total pension liability	52.08%

* GASB requires that ten years of information be presented. However, since fiscal year 2015 was the first year of GASB 68 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

TOWN OF GUTTENBERG BOARD OF EDUCATION
Schedules of Required Supplementary Information
Schedule of District's Contributions - PERS
*Last 10 Fiscal Years**

	2015
Contractually required contribution	\$ 104,177
Contributions in relation to the contractually required contribution	\$ (104,177)
Contribution deficiency (excess)	\$ -
District's covered payroll - PERS	\$ 1,105,455
Contributions as a percentage of covered payroll	9.42%

* GASB requires that ten years of information be presented. However, since fiscal year 2015 was the first year of GASB 68 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

TOWN OF GUTTENBERG BOARD OF EDUCATION
Schedules of Required Supplementary Information
Schedule of District's Share of Net Pension Liability - TPAF
*Last 10 Fiscal Years**

	2015
Districts proportion of the net pension liability (asset)	0.04262973754%
District's proportionate share of the net pension liability (asset)	\$ -
State's proportionate share of the net pension liability Associated with the District (asset)	\$ 24,744,440
District's covered payroll - TPAF	\$ 5,690,343
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	0.00%
Plan fiduciary net position as a percentage of the total pension liability	33.64%

* GASB requires that ten years of information be presented. However, since fiscal year 2015 was the first year of GASB 68 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

TOWN OF GUTTENBERG BOARD OF EDUCATION
Note to Required Schedules of Supplementary Information - Part III
For the Year Ended June 30, 2015

PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)

Change in benefit terms

None

Change in assumptions

The calculation of the discount rate used to measure the total pension liability is dependent upon the long-term expected rate of return, and the municipal bond index rate. There was a change in the municipal bond index rate from the prior measurement date (4.63%) to the current measurement date (4.29%), resulting in a change in the discount rate from 5.55% to 5.39%. This change in the discount rate is considered to be a change in actuarial assumptions under GASBS No. 68.

TEACHERS PENSION AND ANNUITY FUND (TPAF)

Change in benefit terms

Change in assumptions

The calculation of the discount rate used to measure the total pension liability is dependent upon the long-term expected rate of return, and the municipal bond index rate. There was a change in the municipal bond index rate from the prior measurement date (4.63%) to the current measurement date (4.29%), resulting in a change in the discount rate from 4.95% to 4.68%. This change in the discount rate is considered to be a change in actuarial assumptions under GASBS No. 68.

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, 2015

	Total Brought Forward (Ex. E-1a)	Title I Improving Basic Programs	Title I Improving Basic Programs Carryover	Preschool Education Aid	Totals 2015
REVENUES					
State Sources	-			149,955	149,955
Federal Sources	337,635	648,581	25,966		1,012,182
Total Revenues	337,635	648,581	25,966	149,955	1,162,137
EXPENDITURES:					
Instruction:					
Salaries of Teachers	70,994	505,193	301	103,838	680,326
Other Salaries for Instruction	-			9,941	9,941
Other Purchased Services	126,882				126,882
General Supplies	13,577	4,679	12,461		30,717
Total instruction	211,453	509,872	12,762	113,779	847,866
Support Services:					
Salaries of Other Professional Staff	50,523				50,523
Personal Services - Employee Benefits	17,477	120,173		36,176	173,826
Purchased Professional & Technical Services	40,740	17,700	10,800		69,240
Other Purchased Services	12,468	276	2,404		15,148
Supplies and Materials	4,974	560			5,534
Total support services	126,182	138,709	13,204	36,176	314,271
Total Expenditures	337,635	648,581	25,966	149,955	1,162,137
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-

TOWN OF GUTTENBERG BOARD OF EDUCATION
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2015

	Total Brought Forward (Ex. E-1b)	Title II, Part A Teacher & Principal Training & Recruiting	Title III Immigrant	Title III, English Language Acq. and Language Enhancement	Total Carried Forward
REVENUES					
State Sources	-				-
Federal Sources	261,961	50,479	11,914	13,281	337,635
Total Revenues	261,961	50,479	11,914	13,281	337,635
EXPENDITURES:					
Instruction:					
Salaries of Teachers	-	49,713	8,000	13,281	70,994
Other Salaries for Instruction	-				-
Other Purchased Services	126,882				126,882
General Supplies	9,663		3,914		13,577
Total instruction	136,545	49,713	11,914	13,281	211,453
Support services:					
Salaries of Other Professional Staff	50,523				50,523
Personal Services - Employee Benefits	16,711	766			17,477
Purchased Professional & Technical Services	40,740				40,740
Other Purchased Services	12,468				12,468
Supplies and Materials	4,974				4,974
Total support services	125,416	766	-	-	126,182
Total Expenditures	261,961	50,479	11,914	13,281	337,635
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-

TOWN OF GUTTENBERG BOARD OF EDUCATION

Special Revenue Fund

**Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2015**

	Total Brought Forward (Ex. E-1c)	IDEA Part B, Basic	IDEA Part B, Basic Carryover	I.D.E.A. Preschool	Total Carried Forward
REVENUES					
State Sources	-				-
Federal Sources	1,362	234,365	18,141	8,093	261,961
Total Revenues	1,362	234,365	18,141	8,093	261,961
EXPENDITURES:					
Instruction:					
Salaries of Teachers	-				-
Other Salaries for Instruction	-				-
Other Purchased Services	-	126,882			126,882
General Supplies	-	6,663		3,000	9,663
Total instruction	-	133,545	-	3,000	136,545
Support services:					
Salaries of Other Professional Staff	-	50,523			50,523
Personal Services - Employee Benefits	-	10,010	6,701		16,711
Purchased Professional & Technical Services	1,362	22,845	11,440	5,093	40,740
Other Purchased Services	-	12,468			12,468
Supplies and Materials	-	4,974			4,974
Total support services	1,362	100,820	18,141	5,093	125,416
Total Expenditures	1,362	234,365	18,141	8,093	261,961
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-

TOWN OF GUTTENBERG BOARD OF EDUCATION

Special Revenue Fund

**Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2015**

	I.D.E.A. Preschool Carryover	Total Carried Forward
REVENUES		
State Sources	-	-
Federal Sources	1,362	1,362
Total Revenues	1,362	1,362
EXPENDITURES:		
Instruction:		
Salaries of Teachers		-
Other Salaries for Instruction		-
Other Purchased Services		-
General Supplies		-
Total instruction	-	-
Support services:		
Salaries of Other Professional Staff		-
Personal Services - Employee Benefits		-
Purchased Professional & Technical Services	1,362	1,362
Other Purchased Services		-
Supplies and Materials		-
Total support services	1,362	1,362
Total Expenditures	1,362	1,362
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-

TOWN OF GUTTENBERG BOARD OF EDUCATION

Special Revenue Fund

Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2015

	Non-Public Technology	Non-Public Nursing	Total Carried Forward
REVENUES			
State Sources		-	-
Federal Sources		-	-
Total Revenues	-	-	-
EXPENDITURES:			
Instruction:			
Salaries of Teachers		-	-
General Supplies		-	-
Textbooks		-	-
Total instruction	-	-	-
Support services:			
Salaries of Program Directors		-	-
Salaries of Other Professional Staff		-	-
Personal Services - Employee Benefits		-	-
Purchased Professional & Technical Services		-	-
Other Purchased Services		-	-
Supplies and Materials		-	-
Total support services	-	-	-
Facilities acquisition and const. serv.:			
Instructional Equipment		-	-
Non-Instructional Equipment		-	-
Total facilities acquisition and const. serv.	-	-	-
Total Expenditures	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-

TOWN OF GUTTENBERG BOARD OF EDUCATION
Special Revenue Fund
Schedule of Preschool Education Aid
Budgetary Basis
For the Fiscal Year ended June 30, 2015

	<u>Budget</u>	<u>Total Actual</u>	<u>Variance</u>
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$ 103,895	103,838	57
Other Salaries of Instructor	22,722	9,941	12,781
Other Purchased Services (400-500 series)	7,000		7,000
General Supplies	32,000		32,000
Total instruction	<u>165,617</u>	<u>113,779</u>	<u>51,838</u>
SUPPORT SERVICES:			
Personal services - employee benefit	36,735	36,176	559
Other Purchased Professional Services	7,864		7,864
Contr. Serv-Trans. (Field Trips)	2,500		2,500
Total support services	<u>47,099</u>	<u>36,176</u>	<u>10,923</u>
Total expenditures	<u>\$ 212,716</u>	<u>149,955</u>	<u>62,761</u>

Calculation of Budget and Carryover

Total Revised 2014-15 Preschool Education Aid Allocatio	\$ 167,994
Add: Actual ECPA/PEA Carryover (June 30, 2014)	56,714
Add: Budgeted transfer from General Fund 2014-2015	
Total Preschool Education Aid Funds Available for 2014-2015 Budget	<u>224,708</u>
Less: 2014-15 Budgeted Preschool Education Aid (Including prior year budgeted carryover)	212,716
Add: Prior year accounts payable cancelled	
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 201	<u>11,992</u>
Add: June 30, 2015 Unexpended Preschool Education Aid	62,761
Less: 2014-15 Commissioner-approved Transfer to the General Fund	
2014-15 Carryover - Preschool Education Aid Program	<u>\$ 74,753</u>
2014-15 Preschool Education Aid Carryover Budgeted for Preschool Programs 2015-16	<u>\$ 44,722</u>

CAPITAL PROJECTS FUND

TOWN OF GUTTENBERG BOARD OF EDUCATION
Capital Projects Fund
Summary Schedule of Revenues, Expenditures, and Changes
in Fund Balance-Budgetary Basis
Fiscal Year Ended June 30, 2015

Revenues

State Sources - SCC Grant	3,651,737
Certificates of Participation	-
Local Share	16,581,583
Transfers from Capital Reserve	-
Transfers from Capital Outlay	-
Interest earnings	-
	20,233,320

Expenditures

Purchased professional and technical services	1,068,566
Land and improvements	-
Construction services	333,154
Equipment purchases	-
	1,401,720

Net change in fund balance	18,831,600
Fund balance - beginning	-
Fund balance - ending	\$ 18,831,600

Analysis of Fund Balance

Assigned to:	
Additions and Alterations to the Anna L. Klein School	18,831,600
	\$ 18,831,600

Reconciliation to Governmental Funds Statement (GAAP):	
SDA Grant Receivable not Recognized on GAAP Basis	(3,286,563)
Local Share not Recognized on GAAP Basis	(15,545,037)
Fund Balance per Governmental Funds	\$ -

TOWN OF GUTTENBERG BOARD OF EDUCATION
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis
Additions and Alterations to the Anna L. Klein School
Fiscal Year Ended June 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues				
State Sources - SCC Grant		3,651,737	3,651,737	
Certificates of Participation			-	
Local Share		16,581,583	16,581,583	
Transfers from Capital Reserve			-	
Transfers from Capital Outlay			-	
Donations			-	
	<u>-</u>	<u>20,233,320</u>	<u>20,233,320</u>	<u>-</u>
Expenditures				
Purchased professional and technical services		1,068,566	1,068,566	
Land and improvements			-	
Construction services		333,154	333,154	
Equipment purchases			-	
	<u>-</u>	<u>1,401,720</u>	<u>1,401,720</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>18,831,600</u>	<u>18,831,600</u>	<u>-</u>
Additional project information:				
Project number	1850-050-09-0ZZW			
Grant Date	5/20/2013			
Bond authorization date	5/29/2012			
Bonds authorized	19,366,666			
Bonds issued				
Original authorization cost	20,233,320			
Additional authorized cost				
Revised authorized cost	20,233,320			
Percentage increase over original authorized cost		-		
Percentage completion		7%		
Original target completion date	8/31/2017			
Revised target completion date				

PROPRIETARY FUNDS

TOWN OF GUTTENBERG BOARD OF EDUCATION
Combining Statement of Net Position
Enterprise Funds
June 30, 2015

	<u>Enterprise Fund</u>	<u>Internal Service Fund</u>	
	<u>Food Service Program</u>	<u>Building Maintenance</u>	<u>Totals</u>
ASSETS			
Current assets:			
Cash and cash equivalents	142,833	142,508	285,341
Accounts receivable:			
State	271		271
Federal	18,684		18,684
Inventories	2,818		2,818
Total current assets	<u>164,606</u>	<u>142,508</u>	<u>307,114</u>
Noncurrent assets:			
Capital assets:			
Equipment	92,038		92,038
Less accumulated depreciation	<u>(75,882)</u>		<u>(75,882)</u>
Total capital assets (net of accumulated depreciation)	<u>16,156</u>		<u>16,156</u>
Total assets	<u>180,762</u>	<u>142,508</u>	<u>323,270</u>
NET POSITION			
Net investment in capital assets	16,156		16,156
Restricted contributed capital	32,055		32,055
Unrestricted	<u>132,551</u>	<u>142,508</u>	<u>275,059</u>
Total net position	<u>180,762</u>	<u>142,508</u>	<u>323,270</u>

TOWN OF GUTTENBERG BOARD OF EDUCATION
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Enterprise Funds
For the Fiscal Year Ended June 30, 2015

	<u>Enterprise Fund</u>	<u>Internal Service</u>	
	<u>Food Service</u>	<u>Fund</u>	
	<u>Program</u>	<u>Building</u>	<u>Totals</u>
		<u>Maintenance</u>	
Operating revenues:			
Charges for services:			
Daily sales - reimbursable programs	35,772		35,772
Daily sales - non-reimbursable programs	18,851		18,851
Total operating revenues	<u>54,623</u>	<u>-</u>	<u>54,623</u>
Operating expenses:			
Cost of sales	219,163		219,163
Salaries	194,217		194,217
Supplies and materials	1,339		1,339
Cleaning, repair and maintenance	8,195		8,195
Miscellaneous	5,555		5,555
Employee benefits	32,149		32,149
Purchased property services	14,328		14,328
Depreciation	5,272		5,272
Total Operating Expenses	<u>480,218</u>	<u>-</u>	<u>480,218</u>
Operating income (loss)	<u>(425,595)</u>	<u>-</u>	<u>(425,595)</u>
Nonoperating revenues (expenses):			
State sources:			
State school lunch program	6,304		6,304
Federal sources:			
National school lunch program	324,199		324,199
National school breakfast program	17,446		17,446
Food distribution program	32,292		32,292
Fresh Fruit and Vegetable Program	52,520		52,520
Interest and investment revenue (expense)	1,505	481	1,986
Total nonoperating revenues (expenses)	<u>434,266</u>	<u>481</u>	<u>434,747</u>
Income (loss) before contributions & transfers	8,671	481	9,152
Transfers in (out)			-
Change in net position	8,671	481	9,152
Total net position—beginning,	<u>172,091</u>	<u>142,027</u>	<u>314,118</u>
Total net position—ending	<u>180,762</u>	<u>142,508</u>	<u>323,270</u>

TOWN OF GUTTENBERG BOARD OF EDUCATION
Combining Statement of Cash Flows
Enterprise Funds
For the Fiscal Year Ended June 30, 2015

	<u>Enterprise Funds</u>	<u>Internal Service</u>	
	<u>Food Service</u>	<u>Fund</u>	
	<u>Program</u>	<u>Building</u>	<u>Totals</u>
	<u>Maintenance</u>		
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	54,623		54,623
Payments to Outside Food Service Management Company	(401,095)		(401,095)
Payments to employees	(57,499)		(57,499)
Payments for cleaning, repair and maintenance	(8,195)		(8,195)
Payments for Miscellaneous supplies	(1,530)		(1,530)
Payments for supplies	(64)		(64)
Net cash provided by (used for) operating activities	<u>(413,760)</u>	<u>-</u>	<u>(413,760)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
State Sources	6,924		6,924
Federal Sources	403,064		403,064
Net cash provided by (used for) non-capital financing activities	<u>409,988</u>	<u>-</u>	<u>409,988</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends	1,505	481	1,986
Net cash provided by (used for) investing activities	<u>1,505</u>	<u>481</u>	<u>1,986</u>
Net increase (decrease) in cash and cash equivalents	(2,267)	481	(1,786)
Balances—beginning of year	145,100	142,027	287,127
Balances—end of year	<u>142,833</u>	<u>142,508</u>	<u>285,341</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss) provided by:	(425,595)	-	(425,595)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation and net amortization	5,272		5,272
Food Distribution Program	32,292		32,292
(Increase) decrease in inventories	(961)		(961)
Increase (decrease) in accounts payable	(24,768)		(24,768)
Total adjustments	<u>11,835</u>	<u>-</u>	<u>11,835</u>
Net cash provided by (used for) operating activities	<u>(413,760)</u>	<u>-</u>	<u>(413,760)</u>

FIDUCIARY FUND

GUTTENBERG BOARD OF EDUCATION
Combining Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2015

	<u>Private Purpose Scholarship Fund</u>	<u>Agency Fund</u>
ASSETS		
Cash and cash equivalents	15,764	196,378
Deposits		7,688
Total assets	<u>15,764</u>	<u>204,066</u>
LIABILITIES		
Payable to student groups		60,336
Payroll deductions and withholdings		79,434
Net salaries and wages		1,308
Interfund Payable - General Fund		62,988
Total liabilities		<u>204,066</u>
NET POSITION		
Reserved for Scholarships	<u>15,764</u>	

GUTTENBERG BOARD OF EDUCATION
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2015

	<u>Private Purpose Scholarship Fund</u>
ADDITIONS	
Contributions:	
Prior Year Void Check	
Interest Earned	64
Total Contributions	<u>64</u>
 DEDUCTIONS	
Account closed to General Fund	103
Scholarship payments	<u>1,100</u>
Total deductions	<u>1,203</u>
Change in net position	(1,139)
Net position—beginning of the year	<u>16,903</u>
Net position—end of the year	<u><u>15,764</u></u>

**GUTTENBERG BOARD OF EDUCATION
 Student Activity Agency Fund
 Schedule of Receipts and Disbursements
 for the Fiscal Year ended June 30, 2015**

	<u>Balance July 1, 2014</u>	<u>Cash Receipts</u>	<u>Cash Disbursed</u>	<u>Balance June 30, 2015</u>
Anna L. Klein School:				
Anna L. Klein School Funds	3,965		150	3,815
Anna L. Klein Student Activity	15,470	19,262	25,326	9,406
Graduating Class Fund	3,069	11,465	6,617	7,917
Student Council Account	471	250		721
Anna L. Klein Yearbook Account	54	1,585	1,026	613
	<u>23,029</u>	<u>32,562</u>	<u>33,119</u>	<u>22,472</u>

GUTTENBERG BOARD OF EDUCATION
Payroll Agency Fund
Schedule of Receipts and Disbursements
for the Fiscal Year ended June 30, 2015

	<u>Balance July 1, 2014</u>	<u>Cash Receipts</u>	<u>Cash Disbursed</u>	<u>Balance June 30, 2015</u>
Net Payroll	1,827	5,124,896	5,120,670	6,053
Payroll Deductions and Withholdings	85,091	3,811,762	3,822,164	74,689
Interfund - General Fund	<u>35,338</u>	<u>27,650</u>	<u></u>	<u>62,988</u>
	<u>122,256</u>	<u>8,964,308</u>	<u>8,942,834</u>	<u>143,730</u>

LONG-TERM DEBT

TOWN OF GUTTENBERG BOARD OF EDUCATION
General Long Term Debt Account Group
Statement of Serial Bonds
June 30, 2015

ISSUE	Date of Issue	Amount of Issue	Annual Maturities Date	Annual Maturities Amount	Interest Rate	Balance July 1, 2014	Retired	Balance June 30, 2015
School Improvement Bonds, Repair to Boiler and Removal of Asbestos at the Anna L. Klein School	7/1/1994	3,399,000	7/1/2015	239,000	5.625%	479,000	240,000	239,000
						<u>479,000</u>	<u>240,000</u>	<u>239,000</u>

TOWN OF GUTTENBERG BOARD OF EDUCATION
General Long Term Debt Account Group
Statement of Type I Serial Bonds
June 30, 2007

ISSUE	Date of Issue	Amount of Issue	Annual Maturities Date	Annual Maturities Amount	Interest Rate	Balance July 1, 2006	Retired	Balance June 30, 2007
Emergency Replacement and Repair to Boiler and Removal of Asbestos	7/1/1994	160,000	4/1/2007	10,000	7%	-	-	-
						-	-	-

TOWN OF GUTTENBERG BOARD OF EDUCATION
Budgetary Comparison Schedule
Debt Service Fund
For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	243,377		243,377	243,377	
State Sources:					
Debt Service Aid Type II	16,817		16,817	16,817	
Total - State Sources	16,817		16,817	16,817	
Total Revenues	260,194		260,194	260,194	
EXPENDITURES:					
Regular Debt Service:					
Interest	6,722	13,472	20,194	20,194	
Redemption of Principal	253,472	(13,472)	240,000	240,000	
Total Regular Debt Service	260,194		260,194	260,194	
Total expenditures	260,194		260,194	260,194	
Excess (Deficiency) of Revenues Over (Under) Expenditures					
Fund Balance, July 1					
Fund Balance, June 30					
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Budgeted Fund Balance					

STATISTICAL SECTION

STATISTICAL SECTION (UNAUDITED)

Introduction to the Statistical Section

Financial Trends

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

Revenue Capacity

- J-6 Assessed Value and Estimated Actual Value of Taxable Property
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Debt Capacity

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Demographic and Economic Information

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STATISTICAL SECTION (UNAUDITED) - INTRODUCTION

J SERIES

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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, 2004; schedules presenting district-wide information include information beginning in that year.	

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental activities										
Net investment in capital assets	\$ 412,692	\$ 669,146	\$ 811,156	\$ 1,766,011	\$ 1,832,059	\$ 1,898,763	\$ 1,945,793	\$ 2,199,143	\$ 2,336,568	\$ 3,761,335
Restricted	1,243,578	2,067,515	2,647,751	2,032,942	366,442	685,195	1,864,012	2,764,389	3,172,592	3,404,521
Unrestricted	(897,173)	(872,488)	(650,857)	(1,209,549)	(1,265,856)	(1,169,914)	(1,049,890)	(1,052,562)	(1,174,387)	(3,535,225)
Total governmental activities net position	\$ 759,097	\$ 1,864,173	\$ 2,808,050	\$ 2,589,404	\$ 932,645	\$ 1,414,044	\$ 2,759,915	\$ 3,910,970	\$ 4,334,773	\$ 3,630,631
Business-type activities										
Net investment in capital assets	\$ 18,259	\$ 15,150	\$ 13,793	\$ 48,541	\$ 45,418	\$ 47,171	\$ 59,732	\$ 59,720	\$ 16,156	\$ 16,156
Restricted	32,055	32,055	32,055	32,055	32,055	32,055	32,055	32,055	32,055	32,055
Unrestricted	96,898	123,246	149,915	182,632	178,068	106,241	44,334	86,128	132,551	132,551
Total business-type activities net position	\$ 147,212	\$ 170,451	\$ 195,763	\$ 263,228	\$ 255,541	\$ 185,467	\$ 136,121	\$ 177,903	\$ 180,762	\$ 180,762
District-wide										
Net investment in capital assets	\$ 430,951	\$ 684,296	\$ 824,949	\$ 1,814,552	\$ 1,877,477	\$ 1,945,934	\$ 2,005,525	\$ 2,258,863	\$ 2,352,724	\$ 3,777,491
Restricted	1,275,633	2,099,570	2,679,806	2,064,997	398,497	717,250	1,896,067	2,796,444	3,204,647	3,436,576
Unrestricted	(800,275)	(749,242)	(500,942)	(1,026,917)	(1,087,788)	(1,063,673)	(1,005,556)	(966,434)	(1,041,836)	(3,402,674)
Total district net position	\$ 906,309	\$ 2,034,624	\$ 3,003,813	\$ 2,852,632	\$ 1,188,186	\$ 1,599,511	\$ 2,896,036	\$ 4,088,873	\$ 4,515,535	\$ 3,811,393

Source: CAFR Schedule A-1

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

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental activities										
Instruction										
Regular	\$ 4,193,069	\$ 3,337,367	\$ 3,664,023	\$ 5,657,989	\$ 4,963,409	\$ 4,325,879	\$ 4,600,926	\$ 4,639,636	\$ 4,844,899	\$ 5,365,573
Special education	208,407	253,558	253,348	314,041	812,324	426,616	454,719	695,252	674,274	730,823
Other special education	234,861	239,112	319,123	346,089	959,974	511,494	1,074,001	905,956	653,184	936,955
Other instruction	900	-	-	-	-	14,403	90,344	47,221	51,488	179,549
Support Services:										
Tuition	3,334,832	4,511,287	4,343,405	4,157,153	4,955,575	5,657,035	4,601,239	4,498,710	4,974,817	5,115,833
Student & instruction related services	1,401,793	1,366,602	1,443,084	2,025,191	1,999,616	1,756,452	1,519,420	1,879,036	2,457,964	2,255,474
General administrative services	392,392	433,121	509,133	468,842	476,171	487,660	452,274	342,949	456,959	451,504
School administrative services	359,521	378,524	420,927	428,315	393,283	446,212	340,190	408,945	155,128	139,430
Central Services	239,808	255,022	306,517	293,891	276,933	282,501	324,412	365,375	418,985	386,608
Business administrative services	12,612	24,083	-	-	-	-	-	-	-	-
Administrative Information Technology	67,162	81,554	123,062	102,974	151,511	66,802	110,509	133,214	123,858	129,376
Plant operations and maintenance	444,423	625,195	721,227	701,187	741,515	541,852	747,347	816,015	876,366	823,904
Pupil transportation	362,164	314,737	303,173	319,188	365,479	356,367	243,864	197,769	171,554	182,233
Business and other support services	-	-	48,910	-	-	-	-	-	-	-
Unallocated Benefits	455,953	755,989	828,046	753,592	642,428	879,746	789,850	995,799	1,117,086	2,299,526
Special Schools	2,828	3,105	2,733	3,791	4,000	-	-	-	-	-
Charter Schools	-	37,079	-	-	-	-	-	-	-	-
Debt Service:										
Interest and other charges	114,694	104,568	94,444	84,318	74,195	62,944	51,871	40,444	26,944	13,444
Unallocated depreciation	116,461	104,746	96,063	121,763	148,131	157,242	160,970	158,990	224,737	229,134
Capital Outlay - nondepreciable	1,809	7,205	7,984	142,407	30,305	-	-	134,792	49,602	33,482
Total governmental activities expenses	11,943,689	12,832,854	13,485,202	15,920,731	16,994,849	15,973,205	15,561,936	16,260,103	17,277,845	19,272,848

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Business-type activities:										
Food service	455,909	213,181	241,264	290,486	372,780	439,701	467,576	429,824	414,772	480,218
Child Care	47,026	49,584	50,633	40,803	15,535	-	-	-	-	-
Total business-type activities expense	502,935	262,765	291,897	331,289	388,315	439,701	467,576	429,824	414,772	480,218
Total district expenses	\$ 12,446,624	\$ 13,095,619	\$ 13,777,099	\$ 16,252,020	\$ 17,383,164	\$ 16,412,906	\$ 16,029,512	\$ 16,689,927	\$ 17,692,617	\$ 19,753,066
Program Revenues										
Governmental activities:										
Charges for services:										
Instruction (tuition)	\$ 60,042	\$ 9,036	\$ 543	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Plant operations and maintenance	2,238,361	2,185,420	2,149,863	1,904,460	1,759,823	1,913,398	1,395,186	1,362,151	1,228,254	1,162,137
Operating grants and contributions	2,298,403	2,194,456	2,150,406	1,904,460	1,759,823	1,913,398	1,395,186	1,362,151	1,228,254	1,162,137
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total governmental activities program revenues	\$ 4,596,806	\$ 4,378,912	\$ 4,254,712	\$ 3,813,320	\$ 3,523,646	\$ 3,826,796	\$ 2,790,372	\$ 2,724,302	\$ 2,456,508	\$ 2,324,274
Business-type activities:										
Charges for services:										
Food service	27,475	29,834	24,153	29,539	39,492	27,499	54,767	48,867	49,084	54,623
Child care	46,817	36,290	38,759	27,700	9,235	-	-	-	-	-
Operating grants and contributions	226,186	219,880	250,091	341,515	331,901	342,128	363,463	422,739	373,423	432,761
Capital grants and contributions	300,478	286,004	313,003	398,754	380,628	369,627	418,230	471,606	422,507	487,384
Total business-type activities program revenues	\$ 870,956	\$ 832,008	\$ 906,006	\$ 1,068,562	\$ 1,103,256	\$ 1,041,354	\$ 886,460	\$ 943,212	\$ 845,018	\$ 974,768
Total district program revenues	\$ 5,467,762	\$ 5,210,920	\$ 5,160,718	\$ 4,881,882	\$ 4,626,902	\$ 4,868,150	\$ 3,676,832	\$ 3,667,514	\$ 3,301,526	\$ 3,299,042
Net (Expense)/Revenue	\$ (9,645,286)	\$ (10,638,398)	\$ (11,334,796)	\$ (14,016,271)	\$ (15,235,026)	\$ (14,059,807)	\$ (14,166,750)	\$ (14,897,952)	\$ (16,049,591)	\$ (18,110,711)
Governmental activities	(202,457)	23,239	21,106	67,465	(7,687)	(70,074)	(49,346)	41,782	7,735	7,166
Business-type activities	\$ (9,847,743)	\$ (10,615,159)	\$ (11,313,690)	\$ (13,948,806)	\$ (15,242,713)	\$ (14,129,881)	\$ (14,216,096)	\$ (14,856,170)	\$ (16,041,856)	\$ (18,103,545)
Total district-wide net expense	\$ 7,320,154	\$ 8,191,499	\$ 8,519,159	\$ 8,519,159	\$ 8,702,159	\$ 9,351,794	\$ 9,930,572	\$ 10,254,523	\$ 10,459,613	\$ 10,668,805
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	276,963	267,607	258,252	248,899	239,544	251,211	240,688	230,165	256,003	243,377
Taxes levied for debt service	2,878,017	3,151,124	3,361,901	4,939,293	4,616,634	4,914,341	5,224,401	5,628,388	5,908,220	365,174
Local share, Capital Projects Fund	4,360	6,765	4,022	2,268	232	29	-	-	125,013	232,635
Unrestricted grants and contributions	57,745	126,479	135,339	88,006	19,698	23,831	116,960	36,402	(218,269)	7,233,297
Restricted grants and contributions	-	-	-	-	-	-	-	(100,471)	-	-
Investment earnings	-	-	-	-	-	-	-	-	-	-
Miscellaneous income	-	-	-	-	-	-	-	-	-	-
Other financing sources (uses)	10,537,239	11,743,474	12,278,673	13,797,625	13,578,267	14,541,206	15,512,621	16,049,007	16,530,580	19,779,834
Total governmental activities	\$ 11,472,107	\$ 12,124,866	\$ 12,677,164	\$ 13,067,788	\$ 13,326,153	\$ 14,816,117	\$ 15,951,061	\$ 16,333,145	\$ 16,794,416	\$ 18,081,846

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Business-type activities:										
Other Financing sources (uses)			4,206						18,612	1,505
Total business-type activities	\$ 10,537,239	\$ 11,743,474	\$ 12,282,879	\$ 13,797,625	\$ 13,578,267	\$ 14,541,206	\$ 15,512,621	\$ 16,049,007	\$ 16,549,192	\$ 19,781,339
Change in Net Position										
Governmental activities	\$ 891,953	\$ 1,105,076	\$ 943,877	\$ (218,646)	\$ (1,656,759)	\$ 481,399	\$ 1,345,871	\$ 1,151,055	\$ 480,989	\$ 1,669,123
Business-type activities	(202,457)	23,239	25,312	67,465	(7,687)	(70,074)	(49,346)	41,782	26,347	8,671
Total district	\$ 689,496	\$ 1,128,315	\$ 969,189	\$ (151,181)	\$ (1,664,446)	\$ 411,325	\$ 1,296,525	\$ 1,192,837	\$ 507,336	\$ 1,677,794

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.

Exhibit J-3

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund										
Reserved	\$ 1,092,072	\$ 1,919,325	\$ 2,647,751	\$ 1,937,973	\$ 224,666					
Unreserved	143,365	179,615	205,499	(115,896)	(151,653)	360,985	1,450,393	2,567,075	3,015,474	3,148,264
Restricted						162,052	334,701	55,018	15,093	
Committed						20,353	-	-	-	113,749
Assigned						10,210	(71,539)	(133,496)	(172,025)	(164,723)
Unassigned						553,600	1,713,555	2,488,597	2,858,542	3,097,290
Total general fund	\$ 1,235,437	\$ 2,098,940	\$ 2,853,250	\$ 1,822,077	\$ 73,013	\$ 553,600	\$ 1,713,555	\$ 2,488,597	\$ 2,858,542	\$ 3,097,290
All Other Governmental Funds										
Reserved										
Unreserved, reported in:										
Special revenue fund	(2,342)					(4,404)	(834)			
Capital projects fund										
Debt service fund	2	1			1	1	1	1		
Permanent fund										
Total all other governmental funds	\$ (2,340)	\$ 1	\$ -	\$ -	\$ 1	\$ (4,403)	\$ (833)	\$ 1	\$ -	\$ -

Source: CAFR Schedule B-1

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

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

	2002	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues												
Tax levy	\$ 6,079,308	\$ 6,714,563	\$ 7,597,117	\$ 8,459,106	\$ 8,777,411	\$ 8,768,058	\$ 8,941,703	\$ 9,603,005	\$ 10,171,260	\$ 10,484,688	\$ 10,715,616	\$ 10,912,182
Interest earnings	34,881	10,255									125,013	232,635
Miscellaneous	37,058	34,023	57,745	126,479	135,339	89,671	19,698	23,831	116,960	35,734		1,036,546
Local Share												
State sources	3,417,987	3,928,123	4,065,477	4,334,335	4,786,899	5,370,519	4,136,944	5,118,772	5,348,167	5,757,126	6,051,094	6,665,138
Federal sources	709,005	1,018,617	1,050,901	1,002,209	724,865	1,473,234	2,239,513	1,708,967	1,418,881	1,233,413	1,085,380	1,032,798
Total revenue	10,278,239	11,705,588	12,771,240	13,922,129	14,424,514	15,701,482	15,337,858	16,454,575	17,055,268	17,510,961	17,977,103	19,879,299
Expenditures												
Instruction												
Regular Instruction	3,029,384	3,970,747	4,213,458	3,337,367	3,705,254	5,657,989	4,963,409	4,325,879	4,600,926	4,659,724	4,864,941	5,385,615
Special education instruction	171,574	203,995	208,407	253,558	253,348	314,041	812,324	426,616	454,719	695,252	674,274	730,823
Other special instruction	206,655	231,755	234,861	239,112	319,123	346,089	959,974	511,494	1,074,001	905,956	653,184	936,955
Other instruction	62,137	35,101	900					14,403	90,344	47,221	51,488	179,549
Support Services:												
Tuition	2,758,790	3,854,474	3,334,832	4,511,287	4,343,405	4,157,153	4,955,575	5,657,035	4,601,239	4,498,710	4,974,817	5,115,833
Health Services	32,863											
Student & instruction related services	756,162	1,149,447	1,401,793	1,366,602	1,443,084	2,025,191	1,999,616	1,756,452	1,519,420	1,879,036	2,457,964	2,255,474
General administrative services	371,597	413,920	392,392	433,121	509,133	468,842	476,171	487,660	340,190	342,949	456,959	451,504
School Administrative services	280,421	365,054	359,521	378,524	420,927	428,315	393,283	446,212	452,274	408,945	155,128	139,430
Business and other support services	149,699		12,612	24,083	48,910	20,389						
Central administrative services	253,896	239,808	239,808	255,022	306,517	293,891	276,933	282,501	324,412	365,375	418,985	386,608
Administrative Information Technology	63,566	67,162	67,162	81,554	123,062	102,974	151,511	66,802	110,509	133,214	123,858	129,376
Plant operations and maintenance	387,084	427,233	427,233	606,079	717,927	692,799	741,389	541,852	747,347	816,015	876,366	824,385
Pupil transportation	262,808	422,072	362,164	314,737	303,173	319,188	365,479	356,367	243,864	197,769	171,554	182,233
Unallocated employee benefits								160,278	118,261	98,802	110,521	108,164
Allocated Benefits	698,824											
On-behalf contributions	246,032	376,408	448,146	737,019	828,046	593,597	663,516	652,326	819,021	992,445	896,207	1,107,025
Special Schools	6,548	3,192	2,828	3,105	2,733	3,791	4,000					
Charter Schools	4,011	1,962		37,079								
Capital outlay	76,126	8,251	1,809	188,405	66,057	1,039,025	64,484	23,946	137,897	347,132	228,950	1,447,383
Debt service:												
Principal	120,000	180,000	180,000	180,000	180,000	180,000	180,000	200,000	200,000	200,000	240,000	240,000
Interest and other charges	154,069	129,881	119,756	109,631	99,506	89,381	79,257	68,569	57,319	46,069	33,694	20,194
Total expenditures	9,862,302	12,050,805	12,007,682	13,056,285	13,670,205	16,732,655	17,086,921	15,978,392	15,891,743	16,634,614	17,388,896	19,640,551
Excess (Deficiency) of revenues over (under) expenditures	415,937	(345,224)	763,558	865,844	754,309	(1,031,173)	(1,749,063)	476,183	1,163,525	876,347	588,213	238,748

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

	2002	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Guttenberg Board of Education												
Net change in fund balances	\$ 415,937	\$ (345,224)	\$ 763,558	\$ 865,844	\$ 754,309	\$ (1,031,173)	\$ (1,749,063)	\$ 476,183	\$ 1,163,525	\$ 775,876	\$ 569,601	\$ 238,748
Debt service as a percentage of noncapital expenditures	2.8%	2.6%	2.5%	2.3%	2.1%	1.7%	1.5%	1.7%	1.6%	1.5%	1.6%	1.4%

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

Source: CAFR Schedule B-2

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

Fiscal Year Ended June 30,	Interest on Investments	Tuition Refunds	Close out of				Reimb - bursement	P/Y Payables Cancelled/ Void Checks	Misc.	Total
			SACC & Unemployment Trust Accounts	Insurance Dividends	Refunds					
2006	37,989	7,095					2,484	10,177	57,745	
2007	57,484	21,516		13,966	7,681	4,167		21,665	126,479	
2008	80,299					11,414	33,328	10,298	135,339	
2009	1,665						60,555	27,451	89,671	
2010		11,252						8,446	19,698	
2011					7,908	6,712		9,211	23,831	
2012	3,494			8,976				104,490	116,960	
2013	2,526	-		9,723				23,485	35,734	
2014		19,713		3,809		3,593	61,928	20,044	125,013	
2015	555	136,861	15,926	18,077		39,151	4,745	33,246	232,635	

Source: District Records

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

Guttenberg Board of Education

Year Ended Dec. 31,	Vacant Land	Residential	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax-Exempt Property	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)	Estimated Full Cash Valuation	Assessed to
2006	\$ 1,908,100	\$ 317,730,700		\$ 59,357,100	\$ 13,844,800	\$ 34,747,700	\$ 427,588,400	\$ 22,069,900	\$ 165,175	\$ 405,683,675	1.980	\$ 1,061,731,929		38.21%
2007	\$ 3,218,800	\$ 319,510,000		\$ 37,033,600	\$ 13,082,300	\$ 34,747,700	\$ 407,592,400	\$ 22,430,100	\$ 135,014	\$ 385,297,314	2.114	\$ 1,149,766,996		33.51%
2008	\$ 3,772,700	\$ 315,777,100		\$ 35,359,800	\$ 12,337,300	\$ 34,667,700	\$ 401,914,600	\$ 22,088,400	\$ 129,833	\$ 379,956,033	2.142	\$ 1,148,280,253		33.09%
2009	\$ 3,607,400	\$ 316,015,400		\$ 35,711,800	\$ 11,886,500	\$ 34,617,700	\$ 401,838,800	\$ 22,343,400	\$ 134,945	\$ 379,630,345	2.307	\$ 1,122,174,533		33.83%
2010	\$ 3,607,400	\$ 316,015,400		\$ 35,711,800	\$ 11,886,500	\$ 34,617,700	\$ 401,838,800	\$ 22,343,400	\$ 134,945	\$ 379,630,345	2.307	\$ 1,015,905,420		37.37%
2011*	\$ 1,448,600	\$ 604,155,600		\$ 82,134,100	\$ 24,697,500	\$ 88,982,000	\$ 801,417,800	\$ 50,671,500	\$ 678,118	\$ 751,424,418	1.233	\$ 933,101,387		80.53%
2012	\$ 1,828,600	\$ 604,283,300		\$ 82,503,700	\$ 24,010,300	\$ 88,336,200	\$ 800,962,100	\$ 50,856,600	\$ 282,432	\$ 750,387,932	1.289	\$ 901,534,092		83.23%
2013	\$ 2,023,700	\$ 601,790,100		\$ 81,764,300	\$ 21,413,100	\$ 91,551,200	\$ 798,542,400	\$ 51,089,100	\$ 466,808	\$ 747,920,108	1.307	\$ 876,260,572		85.35%
2014	\$ 2,398,700	\$ 600,470,300		\$ 80,894,200	\$ 21,282,100	\$ 90,677,700	\$ 795,723,000	\$ 51,089,100	\$ 617,530	\$ 745,251,430	1.358	\$ 904,717,609		82.37%
2015	\$ 2,145,700	\$ 601,229,600		\$ 80,909,200	\$ 21,591,400	\$ 90,909,500	\$ 796,785,400	\$ 51,090,000	\$ 133,508	\$ 745,828,908	1.358	\$ 915,819,614		81.44%

Source: Municipal Tax Assessor

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

* - Revaluation conducted

Reassessment occurs when ordered by the County Board of Taxation

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

b Tax rates are per \$100

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

Fiscal Year Ended June 30,	Guttenberg Board of Education			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Town of Guttenberg	Hudson County	REAP Deduction	
2006	1.946	0.034	1.980	2.120	1.000	(0.250)	4.850
2007	1.949	0.032	1.981	2.124	0.996	(0.250)	4.851
2008	2.049	0.065	2.114	2.197	1.083	(0.183)	5.211
2009	2.078	0.064	2.142	2.570	1.088	(0.133)	5.667
2010	2.245	0.062	2.307	2.703	1.142	0.000	6.152
2011	1.193	0.040	1.233	1.524	0.522	0.000	3.279
2012	1.260	0.029	1.289	1.553	0.606	0.000	3.448
2013	1.285	0.022	1.307	1.561	0.615	0.000	3.483
2014	1.337	0.021	1.358	1.583	0.599	0.000	3.540
2015	1.324	0.020	1.344	1.581	0.604	0.000	3.529

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	2014			2005		
	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	3.41%	\$ 10,968,000	1	2.71%
Palisades Operations LLC	5,445,800	2	0.73%	2,866,200	3	0.71%
422-30 68th Street	4,840,000	3	0.65%			
6803 Boulevard East LLC	4,068,900	4	0.55%	1,818,800	4	0.45%
AM 68th Street. LLC	2,690,500	5	0.36%			
Guttenberg Savings and Loan	2,177,000	7	0.29%	1,087,500	5	0.27%
AL-2 Properties Corporation	2,538,600	6	0.34%	979,100	6	0.24%
63-67 69th St. Assoc. LLC	1,884,500	8	0.25%	850,000	8	0.21%
Lagattuta Partners, L.P.	1,614,400	9	0.22%	752,000	9	0.19%
JAB Realty						
The Mall at the Galaxy				6,250,000	2	1.54%
Transco Gas Pipe Line Corp				733,100	10	0.18%
J and N Kinkella	1,459,300	10	0.36%	863,400	7	0.21%
Total	\$ 52,119,000		7.16%	\$ 27,168,100		6.71%

Net Assessed Valuation: 745,251,430

405,269,784

Source: Municipal Tax Assessor.

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

Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2006	\$7,597,117	\$ 7,597,117	100.00%	
2007	\$8,459,106	\$ 8,459,106	100.00%	
2008	\$8,777,411	\$ 8,777,411	100.00%	
2009	\$8,768,058	\$ 8,768,058	100.00%	
2010	\$9,272,354	\$ 9,190,207	99.11%	\$ 82,147
2011	\$9,603,005	\$ 9,566,608	99.62%	\$ 36,397
2012	\$10,171,259	\$ 10,171,259	100.00%	
2013	\$10,484,688	\$ 10,484,688	100.00%	
2014	\$10,715,616	\$ 10,715,616	100.00%	
2015	\$10,912,182	\$ 10,912,182	100.00%	

Source: Municipal Tax Collector

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

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds ^b	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Income ^a			
2006	2,334,196	-	-	-	2,334,196	0.64%	68	
2007	2,133,807	-	-	-	2,133,807	0.55%	58	
2008	1,933,418	-	-	-	1,933,418	0.47%	49	
2009	1,733,029	-	-	-	1,733,029	0.38%	40	
2010	1,553,029	-	-	-	1,553,029	0.32%	36	
2011	1,312,251	-	-	-	1,312,251	0.26%	29	
2012	1,091,862	-	-	-	1,091,862	0.20%	23	
2013	871,774	-	-	-	871,774	0.15%	17	
2014	611,732	-	-	-	611,732	Not Available	Not Available	
2015	351,690	-	-	-	351,690	Not Available	Not Available	

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

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

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

b Includes Early Retirement Incentive Plan (ERIP) refunding

Exhibit J-11

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2006	2,039,000	-	\$ 2,039,000	0.50%	68
2007	1,859,000	-	\$ 1,859,000	0.48%	58
2008	1,679,000	-	\$ 1,679,000	0.44%	49
2009	1,499,000	-	\$ 1,499,000	0.39%	40
2010	1,319,000	-	\$ 1,319,000	0.35%	36
2011	1,119,000	-	\$ 1,119,000	0.15%	29
2012	919,000	-	\$ 919,000	0.12%	23
2013	719,000	-	\$ 719,000	0.10%	17
2014	479,000	-	\$ 479,000	0.06%	Not Available
2015	239,000	-	\$ 239,000	0.03%	Not Available

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

a See Exhibit J-6 for property tax data.

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

**Guttenberg Board of Education
Ratios of Overlapping Governmental Activities Debt
As of June 30, 2015**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Share of Overlapping Debt</u>
Direct Debt of School District as of June 30, 2015	\$	239,000
Net overlapping debt of School District:		
Guttenberg Town	\$ 22,340,302	
County of Hudson (2.638% of net debt)	\$ 15,287,772	
Subtotal, overlapping debt	<u>\$ 37,628,074</u>	
Total direct and overlapping debt	<u>\$ 37,867,074</u>	

Sources: Hudson County Treasurer's Office (2014 Abstract of Ratables & Annual Debt Stmt)

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 2015

Equalized valuation basis	
2014	\$ 904,717,609
2013	\$ 876,260,572
2012	\$ 901,534,092
[A]	\$ 2,682,512,273
[A/B]	\$ 894,170,758
[B]	26,825,123 ^a
[C]	239,000
[B-C]	\$ 26,586,123

Average equalized valuation of taxable property
 Debt limit (3 % of average equalization value)
 Net bonded school debt
 Legal debt margin

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt limit	\$ 23,528,129	\$ 23,523,175	\$ 30,803,859	\$ 33,596,140	\$ 34,202,218	\$ 30,709,115	\$ 28,504,060	\$ 27,108,961	\$ 26,825,123	\$ 26,825,123
Total net debt applicable to limit	2,039,000	1,859,000	1,679,000	1,499,000	1,319,000	1,119,000	919,000	719,000	479,000	239,000
Legal debt margin	\$ 21,489,129	\$ 21,664,175	\$ 29,124,859	\$ 32,097,140	\$ 32,883,218	\$ 29,590,115	\$ 27,585,060	\$ 26,389,961	\$ 26,346,123	\$ 26,586,123
Total net debt applicable to the limit as a percentage of debt limit	8.67%	7.90%	5.45%	4.46%	3.86%	3.64%	3.22%	3.22%	1.79%	0.89%

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 ^a	Personal Income	Per Capita	Unemployment
		(thousands of dollars)	Personal Income ^c	Rate ^d
2006	10,551	363,081,012	34,412	4.60%
2007	10,440	386,029,440	36,976	4.00%
2008	10,464	412,773,408	39,447	5.40%
2009	10,600	454,570,400	42,884	9.70%
2010	11,189	479,157,736	42,824	9.90%
2011	11,299	507,618,874	44,926	10.10%
2012	11,356	538,013,212	47,377	10.50%
2013	11,429	571,827,157	50,033	8.60%
2014	Not Available	Not Available	Not Available	Not Available
2015	Not Available	Not Available	Not Available	Not Available

Source:

^a Population information provided by the NJ Dept of Labor and Workforce Development

^b Personal income - Hudson County - provided by NJ Dept of Labor and Workforce Development

^c Per Capita Personal Income - Hudson County - provided by NJ Dept of Labor and Workforce Development

^d Unemployment data provided by the NJ Dept of Labor and Workforce Development

Exhibit J-15

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

Employer	2014		2005		Percentage of Total Employment	Rank (Optional)	Percentage of Total Employment
	Employees	Percentage of Total Employment	Employees	Rank (Optional)			
	-	0.00%	-				0.00%

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

Source: Town of Guttenberg

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

<u>Function/Program</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Instruction										
Regular	34.0	34.0	35.0	35.0	53.0	*	*	59.0	59.0	59.0
Special education	8.0	8.0	8.0	8.0	10.0	*	*	10.0	12.0	12.0
Other special education										
Vocational										
Other instruction	2.0	2.0	2.0	6.0	9.0	*	*	10.0	10.0	10.0
Nonpublic school programs										
Adult/continuing education programs										
Support Services:										
Student & instruction related services	6.5	6.5	7.0	8.5	12.0	*	*	17.0	18.0	18.0
General administrative services	1.5	1.5	2.0	2.0	3.0	*	*	3.0	3.0	6.0
School administrative services	3.5	3.5	4.0	3.5	4.0	*	*	4.0	4.0	4.0
Business administrative services	3.0	3.0	3.0	3.0	5.0	*	*	3.0	3.0	0.0
Plant operations and maintenance	5.0	5.0	6.0	6.0	6.0	*	*	6.0	6.0	6.0
Total	63.5	63.5	67.0	72.0	102.0	0.0	0.0	112.0	115.0	115.0

* Information Not Provided by District

Source: District Personnel Records

Guttenberg Board of Education
Operating Statistics
Last Ten Fiscal Years

Pupil/Teacher Ratio

Fiscal Year	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	High School				
2006	927.0	11,706,117	12,628	7.12%	76	1:10	N/A	N/A	870	870	2.21%	94.16%
2007	942.0	12,578,249	13,353	5.74%	76	1:10	N/A	N/A	891	891	1.41%	95.09%
2008	959.0	13,333,215	13,903	4.12%	73	1:13	N/A	N/A	910	910	1.92%	95.29%
2009	909.0	15,424,249	16,968	22.05%	73	1:12	N/A	N/A	925	925	3.04%	94.00%
2010	980.0	16,763,180	17,105	0.81%	75	1:13	N/A	N/A	965.5	965.5	3.91%	94.43%
2011	1,022.0	15,685,877	15,348	-10.27%	*	*	N/A	N/A	*	*	*	*
2012	1,031.0	15,496,527	15,031	-2.07%	*	*	N/A	N/A	*	*	*	*
2013	1,010.0	16,041,413	15,883	5.67%	79	1:13	N/A	N/A	*	*	*	*
2014	1,024.0	16,886,246	16,490	3.83%	81	1:13	N/A	N/A	*	*	*	*
2015	982.0	17,932,974	18,262	10.74%	81	1:12	N/A	N/A	983	934	*	95.02%

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**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<u>District Buildings</u>										
<u>Elementary</u>										
Anna L. Klein School	86,087	86,087	86,087	90,087	90,487	90,487	90,487	90,487	90,487	90,487
Square Feet	772	772	772	872	872	872	872	872	872	872
Capacity (students)	942	942	959	945	982	1,022	1,031	1,010	1,024	982
Enrollment										

Number of Schools at June 30, 2015
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)	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Anna L. Klein School	N/A	111,447	178,316	137,270	217,797	104,122	133,114	140,003	156,886	136,310	95,016
Total School Facilities		111,447	178,316	137,270	217,797	104,122	133,114	140,003	156,886	136,310	95,016
Grand Total		\$ 111,447	\$ 178,316	\$ 137,270	\$ 217,797	\$ 104,122	\$ 133,114	\$ 140,003	\$ 156,886	\$ 136,310	\$ 95,016

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, 2015**

Type of Coverage	Coverage	Deductible
School Package Policy (1)		
Building and Contents (All Locations)	250,000,000	\$ 2,500
General Liability	5,000,000	
Automobile Liability	5,000,000	
School Board Legal Liability	5,000,000	
Employers Liability	5,000,000	
Workers' Compensation	5,000,000	
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 (1)	1,000,000	
Surety Bonds (2)		
Board Secretary/Business Administrator	250,000	N/A
Superintendent	100,000	N/A

(1) School Alliance Insurance Fund

(2) Travelers Casualty and Surety Company of America

SINGLE AUDIT SECTION

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

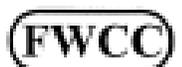
Honorable President and
Members of the Board of Education
Town of Guttenberg School District
County of Hudson, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities and each major fund and the aggregate remaining fund information of the Board of Education of the Town of Guttenberg School District, in the County of Hudson, New Jersey, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 10, 2015.

Internal Control Over Financial Reporting

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

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



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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Guttenberg Board of Education's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards or the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

We noted certain matters that were required to be reported to the Board of Education of the Town of Guttenberg School District in the separate Auditors' Management Report on Administrative Findings - Financial, Compliance and Performance dated December 10, 2015.

Purpose of this Report

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

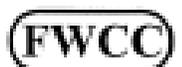
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December 10, 2015



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

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

Report on Compliance for Each Major Federal and State Program

We have audited the Board of Education of the Town of Guttenberg School District in the County of Hudson, New Jersey, compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplements* and the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Town of Guttenberg Board of Education's major federal and state programs for the year ended June 30, 2015. The Town of Guttenberg Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Town of Guttenberg Board of Education's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; in compliance with the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey Office of Management and Budget

Circular Letters 04-04 and 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* and the New Jersey State Aid/Grant Compliance Supplement. Those standards, OMB Circular A-133 and N.J. OMB Circular 04-04 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about the Town of Guttenberg Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal and State Program

In our opinion, the Town of Guttenberg Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of the Town of Guttenberg Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town of Guttenberg Board of Education's internal control over compliance with the type of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and N.J. OMB Circular 04-04 and 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Town of Guttenberg Board of Education's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal and state program on a timely basis. *A material weakness in internal control*

over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal and state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal and state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, 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 15-08, and which are described in the accompanying schedule of findings and questioned costs as items 2015-1 through 2015-4 that we consider to be significant deficiencies.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and N.J. OMB Circular 04-04 and 15-08. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal and State Awards Required by OMB Circular A-133

We have audited the financial statements of the Town of Guttenberg Board of Education as of and for the year ended June 30, 2015, and have issued our report there dated December 10, 2015 which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by OMB Circular A-133 and N.J. OMB Circular 04-04 and 15-08 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements

Honorable President and
Members of the Board of Education

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and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal and state awards is fairly stated in all material respects in relation to the financial statements as a whole.

Steven D. Wielkocz

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Certified Public Accountants
Pompton Lakes, New Jersey

December 10, 2015

TOWN OF GUTTENBERG
BOARD OF EDUCATION

Schedule of Expenditures of Federal Awards

Year ended June 30, 2015

Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2014	Carryover/(Walkover) Amount	Cash Received	Budgetary Expenditures	Prior Year Payables Cancelled/Adjustment	Cancellation of Prior Year A/R	(Accounts Receivable) at June 30, 2015	Due to Grantor at June 30, 2015	Deferred Revenue at June 30, 2015
U.S. Department of Agriculture												
Passed-through State Department of Education:												
Enterprise Fund:												
10.550		9/1/14-6/30/15	\$ 32,292			32,292	32,292					
		9/1/14-6/30/15	317,118			310,493	324,199			(13,706)		
10.555		7/1/13-6/30/14	316,590	(26,184)		26,184						
10.553		9/1/14-6/30/15	17,446			16,486	17,446			(960)		
10.553		7/1/13-6/30/14	15,023	(1,399)		1,399						
10.582		9/1/14-6/30/15	52,580	(27,583)		48,502	52,520			(4,018)		
						435,356	426,457			(18,684)		
U.S. Department of Health and Human Services												
General Fund:												
93.778		7/1/14-6/30/15	15,894			15,892	20,616			(4,724)		
						15,892	20,616			(4,724)		
U.S. Department of Education												
Passed-through State Department of Education:												
Special Revenue Fund:												
84.010A	NCLB185015	7/1/14-6/30/15	701,244		(69,891)	571,814	674,547	(127)		(196,909)	24,158	
84.010A	NCLB185014	9/1/13-8/31/14	685,644	(69,891)	69,891							
84.367	NCLB185015	9/1/14-6/30/15	64,998			22,941	50,479			(27,538)	5,695	
84.367	NCLB185014	9/1/13-8/31/14	62,743	5,695							1,145	
84.365	NCLB185015	9/1/14-6/30/15	14,297		8,444	6,813	13,281					
84.365	NCLB185014	9/1/13-8/31/14	27,808	8,444	(8,444)							
84.365	NCLB185015	9/1/14-6/30/15	12,689	(4,435)	4,335	4,335	11,914			(11,914)		
84.365	NCLB185013	9/1/12-8/31/13	16,148	(4,435)	4,335			100				
84.027A	IDEA185015	9/1/14-6/30/15	240,619		(83,669)	289,578	252,506			(47,910)	1,313	
84.027A	IDEA185014	9/1/13-8/31/14	259,703	(83,669)	83,669							
84.173	IDEA185015	9/1/14-6/30/15	8,693		(9,311)	12,937	9,455			(5,829)		
84.173	IDEA185014	9/1/13-8/31/14	9,070	(9,311)	9,311							
				(153,167)		908,418	1,012,182	(27)		(290,100)	32,311	831
				(180,750)		1,359,666	1,459,255	(27)		(313,508)	32,311	831

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

TOWN OF GUTTENBERG
BOARD OF EDUCATION

Schedule of Expenditures of State Awards

Year ended June 30, 2015

State Grantor/Program Title	Grant or State Project Numbers	Grant Period	Program or Award Amount	Balance June 30, 2014				Balance at June 30, 2015				MEMO						
				Deferred Revenue (Accounts Receivable)	Due to Grantor	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustment	Repayment of Prior Years' Balances	(Accounts Receivable)		Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures		
On Behalf TPAF Contributions Not Subject to OMB 04-04/15-08																		
TPAF - Post Retirement Medical Contribution	15-495-034-5094-001	7/1/14-6/30/15	426,738				426,738											
TPAF - Non-contributory Insurance	15-495-034-5094-007	7/1/14-6/30/15	18,042				18,042											
TPAF - Pension Contribution	15-495-034-5094-006	7/1/14-6/30/15	250,769				250,769											
							695,549											
Total State Financial Assistance							\$ 6,684,393											

See accompanying notes to schedules of expenditures for 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 \$(7,072) for the general fund and \$-0- 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	\$20,616	\$6,133,192	\$6,153,808
Special Revenue Fund	1,012,182	149,955	1,162,137
Capital Projects Fund		365,174	365,174
Debt Service Fund		16,817	16,817
Food Service Fund	<u>426,457</u>	<u>6,304</u>	<u>432,761</u>
Total Awards and Financial	<u>\$1,459,255</u>	<u>\$6,671,442</u>	<u>\$8,130,697</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, 2015. 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, 2015.

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

On-behalf State Programs for TPAF Pension and Post-Retirement Medical Benefits Contributions are not subject to a State single audit and, therefore, the amount of \$695,549 of on-behalf payments is excluded from major program determination.

**TOWN OF GUTTENBERG SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: unmodified

Internal control over financial reporting:

- | | | | |
|---|-----------|------------------------------|--|
| 1. Material weakness(es) identified? | _____ yes | _____ <u>X</u> no | |
| 2. Significant deficiencies identified that are not considered to be material weaknesses? | _____ yes | _____ <u>X</u> 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 | _____ <u>X</u> no | |
| 2. Significant deficiencies identified that are not considered to be material weaknesses? | _____ yes | _____ <u>X</u> none reported | |

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

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

Identification of major programs:

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

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, 2015
(continued)**

Section II – Financial Statement Findings

None

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

FEDERAL AWARDS

None

STATE AWARDS

None

**TOWN OF GUTTENBERG SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Status of Prior Year Findings:

Finding 2014-1:

Condition:

The District failed to accurately time activity reports for individuals which were charged to the Title I, Part A Grant.

Current Status:

Resolved

Finding 2014-2:

Condition:

The District recorded an accounts payable against Title I employee benefits that was in excess of that required, based on the liability calculation performed at year end, to reimburse the State for its share of FICA taxes and pension contributions paid on federally funded programs.

Current Status:

Resolved

Finding 2014-3:

Condition:

The District used federal grant funds to pay a retiree for accumulated sick and vacation time.

Current Status:

Resolved