

**SCHOOL DISTRICT OF THE  
TOWN OF GUTTENBERG  
COUNTY OF HUDSON, NEW JERSEY  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2019**

**School District  
of**

# **Town of Guttenberg**

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

**Comprehensive Annual Financial Report  
Year Ended June 30, 2019**

# **Comprehensive Annual Financial Report**

**of the**

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

**Year Ended June 30, 2019**

**Prepared by**

**Jolene Mantineo  
Board Secretary/Business Administrator**

# OUTLINE OF CAFR

## INTRODUCTORY SECTION

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

## FINANCIAL SECTION

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

### BASIC FINANCIAL STATEMENTS

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

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

#### B. Fund Financial Statements:

##### Governmental Funds:

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

##### Proprietary Funds:

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

##### Fiduciary Funds:

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

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

## OUTLINE OF CAFR

### Required Supplementary Information - Part II

#### C. Budgetary Comparison Schedules:

C-1	Budgetary Comparison Schedule - General Fund. . . . .	69
C-1a	Not Applicable	
C-2	Budgetary Comparison Schedule - Special Revenue Fund. . . . .	74

#### Notes to the Required Supplementary Information

C-3	Budgetary Comparison Schedule. . . . .	75
-----	--	----

### Required Supplementary Information - Part III

#### L. Schedules Related to Accounting and Reporting for Pensions (GASB 68)

L-1	Schedule of the District's Proportionate Share of the Net Pension Liability – PERS. . . . .	76
L-2	Schedule of District Contributions – PERS. . . . .	77
L-3	Schedule of the District's Proportionate Share of the Net Pension Liability – TPAF. . . . .	78
L-4	Notes to Required Schedules of Supplementary Information - Part III. . . . .	79

#### M. Schedules Related to Accounting and Reporting for OPEB (GASB 75)

M-1	Schedule of Changes in the District's Proportionate Share of the State OPEB Liability. . . . .	80
-----	---	----

#### Other Supplementary Information

#### D. School Level Schedules:

Not Applicable

#### E. Special Revenue Fund:

E-1	Combining Schedule of Program Revenues and Expenditures - Budgetary Basis. . . . .	81
E-1a	Combining Schedule of Program Revenues and Expenditures - Budgetary Basis. . . . .	82
E-2	Schedule of Preschool Education Aid - Budgetary Basis. . . . .	83

## OUTLINE OF CAFR

### F. Capital Projects Fund:

F-1	Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance Budgetary Basis. . . . .	84
F-1a	Schedule of Project Revenues, Expenditures, Project Balances. . . . .	85

### G. Proprietary Funds:

#### Enterprise Fund:

G-1	Combining Statement of Net Position. . . . .	86
G-2	Combining Statement of Revenues, Expenses and Changes in Fund Net Position - Enterprise Funds. . . . .	87
G-3	Combining Statement of Cash Flows - Enterprise Funds. . . . .	88

#### Internal Service Fund:

Not Applicable

### H. Fiduciary Funds:

H-1	Combining Statement of Fiduciary Net Position. . . . .	89
H-2	Combining Statement of Changes in Fiduciary Net Position. . . . .	90
H-3	Student Activity Agency Fund - Schedule of Receipts and Disbursements. . . . .	91
H-4	Payroll Agency Fund - Schedule of Receipts and Disbursements. . . . .	92

### J. Statistical Section (Unaudited)

#### Financial Trends

##### Introduction to the Statistical Section

J-1	Net Position by Component. . . . .	93
J-2	Changes in Net Position. . . . .	94
J-3	Fund Balances - Governmental Funds. . . . .	97
J-4	Changes in Fund Balances - Governmental Funds. . . . .	98
J-5	General Fund Other Local Revenue by Source. . . . .	100

#### Revenue Capacity

J-6	Assessed Value and Estimated Actual Value of Taxable Property. . . . .	101
J-7	Direct and Overlapping Property Tax Rates. . . . .	102
J-8	Principal Property Taxpayers. . . . .	103
J-9	Property Tax Levies and Collections. . . . .	104

## OUTLINE OF CAFR

### Debt Capacity

J-10	Ratios of Outstanding Debt by Type.....	105
J-11	Ratios of General Bonded Debt Outstanding.....	106
J-12	Ratios of Overlapping Governmental Activities Debt.....	107
J-13	Legal Debt Margin Information.....	108
J-14	Demographic and Economic Statistics.....	109
J-15	Principal Employers.....	110

### J. Statistical Section (Unaudited)

#### Operating Information

J-16	Full-time Equivalent District Employees by Function/Program.....	111
J-17	Operating Statistics.....	112
J-18	School Building Information.....	113
J-19	Schedule of Allowable Maintenance Expenditures by School Facility.....	114
J-20	Insurance Schedule.....	115

### K. SINGLE AUDIT SECTION

K-1	Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards.....	116
K-2	Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Federal and State Program and Internal Control Over Compliance in Accordance with the Uniform Guidance and N.J. OMB Circular Letter 15-08.....	118
K-3	Schedule of Expenditures of Federal Awards - Schedule A.....	121
K-4	Schedule of Expenditures of State Financial Assistance - Schedule B.....	122
K-5	Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance.....	124
K-6	Schedule of Findings and Questioned Costs.....	127
K-7	Schedule of Financial, Federal and State Findings.....	129
K-8	Summary Schedule of Prior Audit Findings.....	132

## **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

November 22, 2019

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, 2019, 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 Title 2 U.S. Code of Regulations Part 200, Uniform Administrative Requirements, Cost Principals, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey States Office of Management and Budget Circular 15-08 "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." 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 2018-2019 fiscal year with an enrollment of 991 students, which are 8 above the previous year's enrollment. The following details the changes in the student enrollment of the District over the last five years.

<u>Fiscal Year</u>	<u>Enrollment Student Enrollment</u>	<u>Percentage Change</u>
2018-2019	991	.82
2017-2018	983	{.07%}
2016-2017	990	1.23%
2015-2016	978	2.95%
2014-2015	950	{.42%}
2013-2014	954	{1.13%}

**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, 2019.

**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.

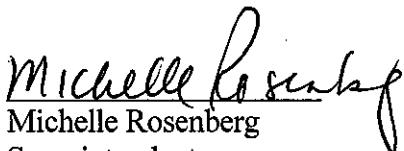
**OTHER INFORMATION:**

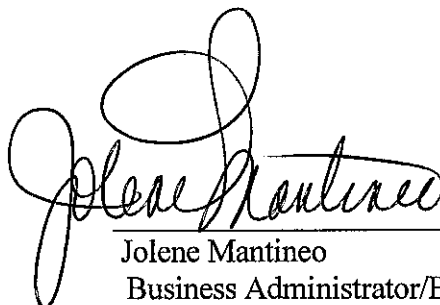
**Independent Audit-** State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Ferraioli, Wielkottz, Cerullo and Cuva, P.A., was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of Title 2 U.S. Code of Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award (Uniform Guidance) and State Treasury Circular Letter 15-08 OMB. The auditors reports related specifically to the single audit are included in the single audit section of this report.

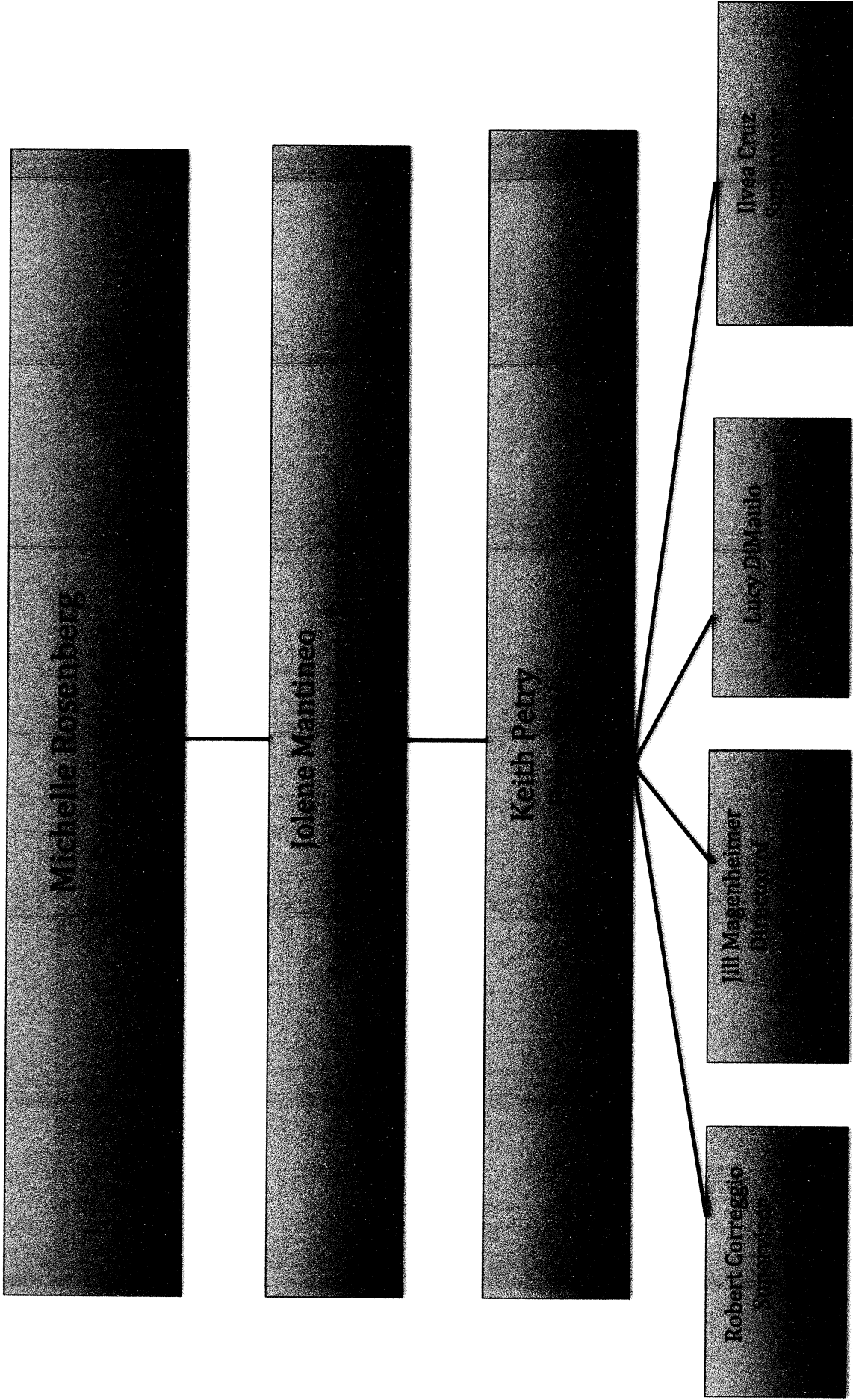
**ACKNOWLEDGEMENTS:**

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:

  
Michelle Rosenberg  
Superintendent

  
Jolene Mantineo  
Business Administrator/Board Secretary



# 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

**\*\*\*\*REVISED\*\*\*\***  
**BOARD OF EDUCATION**  
**GUTTENBERG, NEW JERSEY**

**ROSTER OF OFFICIALS**  
**May 9, 2019**

<u>MEMBERS OF THE BOARD OF EDUCATION</u>	<u>TERMS EXPIRES</u>
Ruth Olsen- Board President	12/2020
Lorena Rivarola- Vice President	12/2020
Rebecca Acosta	12/2019
Michael Baruch	12/2020
Nicole Fundora	12/2019
Maria T. Mattiace	12/2021
Marisol Montanez	12/2019
Jean Sosnowski	12/2019
Mark R. Rogers	12/2019

OTHER OFFICIALS

Michelle Rosenberg

Superintendent

Jolene Mantineo

Business Administrator/Board  
Secretary

**GUTTENBERG BOARD OF EDUCATION**

**CONSULTANTS & ADVISORS**

**JUNE 30, 2019**

**Attorney**

JOHN SCETTINO  
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, Wielkotz, Cerullo & Cuva, P.A.

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

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

Newton Office  
100B Main Street  
Newton, 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, 2019, 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 opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the 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.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, 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, 2019, 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, schedules related to accounting and reporting for pensions, and schedules related to accounting and reporting for other post-employment benefits 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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 22, 2019 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,

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

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

*Steven D. Wielkotz*

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

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

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

November 22, 2019

**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, 2019**

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, 2019. 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 \$1,711,901. Net position of governmental activities increased \$1,663,975 while net position of business-type activities increased by \$47,926.
- General revenues accounted for \$24,021,283 in revenue or 92 percent of all district revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$1,986,900 or 8 percent of total revenues of \$26,015,759.
- The School District had \$24,303,858 in expenses related to governmental and business-type activities; only \$1,986,900 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily grants, entitlements and property taxes) of \$24,021,283 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, 2019  
(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 Fund is reported as a business activity.

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, 2019  
(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, 2019  
(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 \$25,891,272 at June 30, 2019 and \$24,179,371 at June 30, 2018. 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 2019 compared to 2018 (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>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Assets</b>						
Current and Other Assets	4,415,277	4,961,095	107,225	116,675	4,522,502	5,077,770
Capital Assets	<u>26,663,442</u>	<u>25,027,092</u>	<u>41,452</u>	<u>31,634</u>	<u>26,704,894</u>	<u>25,058,726</u>
Total Assets	<u>31,078,719</u>	<u>29,988,187</u>	<u>148,677</u>	<u>148,309</u>	<u>31,227,396</u>	<u>30,136,496</u>
<b>Deferred Outflows:</b>						
Resources Related to PERS	<u>879,425</u>	<u>1,333,056</u>	_____	_____	<u>879,425</u>	<u>1,333,056</u>
<b>Total Deferred Outflows</b>	<u>879,425</u>	<u>1,333,056</u>	_____	_____	<u>879,425</u>	<u>1,333,056</u>
<b>Liabilities</b>						
Current Liabilities	1,532,728	2,016,763		47,558	1,532,728	2,064,321
Noncurrent Liabilities	<u>3,382,911</u>	<u>4,282,727</u>	_____	_____	<u>3,382,911</u>	<u>4,282,727</u>
Total Liabilities	<u>4,915,639</u>	<u>6,299,490</u>	_____	<u>47,558</u>	<u>4,915,639</u>	<u>6,347,048</u>
<b>Deferred Inflows:</b>						
Resources Related to PERS	<u>1,299,910</u>	<u>943,133</u>	_____	_____	_____	<u>943,133</u>
<b>Total Deferred Inflows</b>	<u>1,299,910</u>	<u>943,133</u>	_____	_____	_____	<u>943,133</u>
<b>Net Position</b>						
Net invested in Capital Assets	26,663,442	25,027,092	41,452	31,634	26,704,894	25,058,726
Restricted	3,292,282	3,226,924	32,055	32,055	3,324,337	3,258,979
Unrestricted	<u>(4,213,129)</u>	<u>(4,175,396)</u>	<u>75,170</u>	<u>37,062</u>	<u>(4,137,959)</u>	<u>(4,138,334)</u>
Total Net Position	<u>25,742,595</u>	<u>24,078,620</u>	<u>148,677</u>	<u>100,751</u>	<u>25,891,272</u>	<u>24,179,371</u>



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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(CONTINUED)**

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

Table 2 below shows the changes in net position for fiscal year 2019.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Revenues</b>						
Program Revenues:						
Charges for Services and Sales			56,878	56,994	56,878	56,994
Operating Grants and Contributions	1,539,464	1,416,220	390,558	386,316	1,930,022	1,802,536
General Revenues:						
Taxes:						
Property taxes, levied for general purposes	11,321,822	11,099,825			11,321,822	11,099,825
Property taxes, levied for debt services						
Local Share - Capital Project Fund	1,631,417	4,610,288			1,631,417	4,610,288
Federal and State Aid not Restricted	10,989,449	10,649,013			10,989,449	10,649,013
Federal and State - Restricted for Capital Projects		730,348				730,348
Miscellaneous Income	<u>78,595</u>	<u>66,682</u>	<u>7,576</u>	<u>4,112</u>	<u>86,171</u>	<u>70,794</u>
Total Revenues and Transfers	<u>25,560,747</u>	<u>28,572,376</u>	<u>455,012</u>	<u>447,422</u>	<u>26,015,759</u>	<u>29,019,798</u>

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(CONTINUED)**

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Functions/Program Expenses</b>						
Instruction:						
Regular	5,612,540	4,905,189			5,612,540	4,905,189
Special Education	1,503,573	1,176,342			1,503,573	1,176,342
Other Special Instruction	927,622	979,383			927,622	979,383
Other Instruction	85,122	65,655			85,122	65,655
Support Services:						
Tuition	6,063,454	5,846,445			6,063,454	5,846,445
Health Services	193,902	183,929			193,902	183,929
Student & Instruction Related Services	2,777,214	2,523,399			2,777,214	2,523,399
School Administrative Services	327,729	305,469			327,729	305,469
General Administrative Services	766,951	514,009			766,951	514,009
Central Services	404,622	366,742			404,622	366,742
Administrative Information Technology	146,199	139,557			146,199	139,557
Plant Operations and Maintenance	1,249,596	916,960			1,249,596	916,960
Pupil Transportation	217,093	252,183			217,093	252,183
Unallocated Benefits	2,683,829	5,136,687			2,683,829	5,136,687
Charter Schools	44,465				44,465	
Non-depreciable Capital Outlay	135,411	187,021			135,411	187,021
Food Service			407,086	450,833	407,086	450,833
Unallocated depreciation	<u>757,450</u>	<u>431,989</u>			<u>757,450</u>	<u>431,989</u>
Total Expenses and Transfers	<u>23,896,772</u>	<u>23,930,959</u>	<u>407,086</u>	<u>450,833</u>	<u>24,303,858</u>	<u>24,381,792</u>
Increase or (Decrease) in Net Position	<u>1,663,975</u>	<u>4,641,417</u>	<u>47,926</u>	<u>(3,411)</u>	<u>1,711,901</u>	<u>4,638,006</u>

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(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 \$24,303,858. However, the amount that our taxpayers ultimately financed for these activities through School District taxes was only \$11,321,822 because some of the cost was paid by those who benefitted from the programs \$56,878 by other governments and organizations who subsidized certain programs with grants and contributions \$14,550,888, and by miscellaneous sources \$86,171.

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 \$47,926.
- ✓ Charges for services provided totaled \$56,878. 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 \$390,558.

The following schedules present a summary of governmental fund revenues for the fiscal year ended June 30, 2019, 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 2018</u>	<u>Percent of Increase/ (Decrease)</u>	<u>Prior Year</u>
Local Source	\$13,031,834	54.0%	(\$2,795,847)	(17.66)%	\$15,827,681
State Source	9,724,997	40.3%	1,269,361	15.01%	8,455,636
Federal Source	<u>1,393,549</u>	<u>5.7%</u>	<u>192,498</u>	16.03%	<u>1,201,051</u>
	<u>\$24,150,380</u>	<u>100.0%</u>	<u>(\$1,333,988)</u>	(5.23)%	<u>\$25,484,368</u>

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2018</u>	<u>Percent of Increase/ (Decrease)</u>	<u>Prior Year</u>
Current Expenditures:					
Instruction	7,555,145	31.2%	\$408,691	5.72%	\$7,146,454
Undistributed	14,139,700	58.3%	1,185,895	9.15%	12,953,805
Capital Outlay	<u>2,541,511</u>	<u>10.5%</u>	<u>(3,184,173)</u>	(55.61)%	<u>5,725,684</u>
	<u>\$24,236,356</u>	<u>100.0%</u>	<u>(\$1,589,587)</u>	(6.16)%	<u>\$25,825,943</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, 2019  
(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, 2019, the School District amended the budgets of these major governmental funds several times. Revisions in the budget were made to recognize revenues that were not anticipated and to prevent over-expenditures in specific line item accounts. Several of these revisions bear notation:

- TPAF, which is the state's contribution to the pension fund, is neither a revenue item nor an expenditure item to the district but is required to be reflected in the financial statements.
- The special revenue fund was increased by \$1,173,938 for increases in federal and state grant awards.

**General Fund**

The general fund actual revenue was \$21,138,711. That amount is \$2,230,284 above the final amended budget of \$18,908,427. The variance between the actual revenues and final budget was the result of non-budgeted on-behalf payments of \$2,097,566 for TPAF social security reimbursements and on-behalf pension payments and a \$132,718 excess in miscellaneous anticipated revenues and other state aids.

The actual expenditures of the general fund were \$21,065,475 including transfers which is \$298,677 more than the final amended budget of \$20,766,798. The variance between the actual expenditures and final budget was due to non-budgeted on-behalf TPAF social security and pension payments of \$2,097,566 and \$1,798,889 of unexpended budgeted funds.

**Special Revenue Fund**

The special revenue fund actual revenue was 1,539,464. That amount is above the original budget estimate of \$471,839 and below the final amended budget of \$1,645,777. The \$1,173,938 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 \$106,313 variance between the final amended budget and the June 30, 2019 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 \$1,539,464, which is above the original budget of \$471,839 and below the final amended budget of \$1,645,777. The \$1,173,938 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 \$106,313 variance between the final amended budget and the June 30, 2019 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, 2019  
(CONTINUED)**

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

At the end of fiscal year 2019 the School District had \$31,299,546 invested in sites, buildings and equipment. Of this amount, \$4,594,652 in depreciation has been taken over the years. We currently have a net book value of \$26,704,894. Total depreciable additions for the year were \$2,418,484, 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>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Land	9,957	9,957			9,957	9,957
Site Improvements	3,174	3,356			3,174	3,356
Buildings and Improvements	26,427,986	24,819,994			26,427,986	24,819,994
Machinery and Equipment	222,325	193,785	41,452	31,634	263,777	225,419
	<u>26,663,442</u>	<u>25,027,092</u>	<u>41,452</u>	<u>31,634</u>	<u>26,704,894</u>	<u>25,058,726</u>

**Debt Administration**

At June 30, 2019, the District had \$3,382,911 of long term debt. Of this amount, \$596,595 is for compensated absences; \$32,836 is for the unfunded pension liability; \$12,068 is the deferral of the annual PERS contribution; and \$2,741,412 for the net pension PERS liability.

At June 30, 2019, the school district's overall legal debt margin was \$33,288,257. For more detailed information, please refer to the Notes to the Basic Financial Statements.

**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 2019-2020 school year that is slightly above the funding level of the 2018-2019 school year.

These factors were considered in preparing the Town of Guttenberg Board of Education's budgets for the 2019-2020 fiscal year.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(CONTINUED)**

**REQUESTS FOR INFORMATION**

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

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

# **BASIC FINANCIAL STATEMENTS**

**DISTRICT-WIDE FINANCIAL STATEMENTS**



**GUTTENBERG BOARD OF EDUCATION**  
**Statement of Net Position**  
**June 30, 2019**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	3,141,110	109,843	3,250,953
Receivables, net	1,245,533	23,263	1,268,796
Internal balances	28,633	(28,633)	-
Inventory		2,752	2,752
Restricted assets:			
Capital reserve account - cash	1		1
Capital assets:			
Land and construction in progress	9,957		9,957
Other Capital assets, net	26,653,485	41,452	26,694,937
Total Assets	<u>31,078,719</u>	<u>148,677</u>	<u>31,227,396</u>
Deferred Outflow of Resources:			
Deferred outflows of resources related to PERS	879,425	-	879,425
Total Deferred Outflows	<u>879,425</u>	<u>-</u>	<u>879,425</u>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	1,261,830	-	1,261,830
Payable to local government	224,769		224,769
Unearned Revenue	46,129		46,129
Noncurrent liabilities:			
Due within one year	138,427		138,427
Due beyond one year	3,244,484		3,244,484
Total liabilities	<u>4,915,639</u>	<u>-</u>	<u>4,915,639</u>
Deferred Inflow of Resources:			
Deferred inflows of resources related to PERS	1,299,910		1,299,910
Total Deferred Inflows	<u>1,299,910</u>	<u>-</u>	<u>1,299,910</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	26,663,442	41,452	26,704,894
Restricted for:			
Capital projects	1		1
Other purposes	3,292,281	32,055	3,324,336
Unrestricted (Deficit)	(4,213,129)	75,170	(4,137,959)
Total net position	<u>25,742,595</u>	<u>148,677</u>	<u>25,891,272</u>

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

**GUTTENBERG BOARD OF EDUCATION**  
Statement of Activities  
Fiscal Year Ended June 30, 2019

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	4,300,730	1,311,810		829,987		(4,782,553)		(4,782,553)
Special education	656,246	847,327				(1,503,573)		(1,503,573)
Other special instruction	824,723	102,899				(927,622)		(927,622)
Other instruction	79,069	6,053				(85,122)		(85,122)
Support services:								
Tuition	6,063,454					(6,063,454)		(6,063,454)
Health Services	150,405	43,497				(193,902)		(193,902)
Student & instruction related services	2,305,007	472,207		663,666		(2,113,548)		(2,113,548)
School administrative services	219,615	108,114				(327,729)		(327,729)
General administrative services	662,870	104,081				(766,951)		(766,951)
Central Services	318,197	86,425				(404,622)		(404,622)
Information Technology	118,561	27,638				(146,199)		(146,199)
Plant operations and maintenance	1,133,881	115,715				(1,249,596)		(1,249,596)
Pupil transportation	217,093					(217,093)		(217,093)
Unallocated benefits	2,683,829					(2,683,829)		(2,683,829)
Transfer to Charter Schools	44,465			45,811		(44,465)		(44,465)
Capital outlay - non-depreciable	135,411					(89,600)		(89,600)
Interest on long term debt								
Unallocated depreciation		757,450				(757,450)		(757,450)
Total governmental activities	19,913,556	3,983,216	-	1,539,464	-	(22,357,308)	-	(22,357,308)
Business-type activities:								
Food Service	407,086						40,350	40,350
Total business-type activities	407,086			390,558			40,350	40,350
Total primary government	20,320,642			1,930,022		(22,357,308)	40,350	(22,316,958)
General revenues:								
Taxes:								
Property taxes, levied for general purposes						11,321,822		11,321,822
Local share, Capital Projects Fund						1,631,417		1,631,417
Federal and State aid not restricted						10,989,449		10,989,449
Miscellaneous Income						78,595	7,576	86,171
Total general revenues, special items, extraordinary items and transfers						24,021,283	7,576	24,028,859
Change in Net Position						1,663,975	47,926	1,711,901
Net Position—beginning						24,078,620	100,751	24,179,371
Net Position—ending						25,742,595	148,677	25,891,272

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

**FUND FINANCIAL STATEMENTS**

**GUTTENBERG BOARD OF EDUCATION**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2019**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash and cash equivalents	2,994,272			2,994,272
Accounts Receivable -				
Intergovernmental - State	454,072	16,037	182,587	652,696
Intergovernmental - Federal	2,321	589,794		592,115
Interfund receivables	422,711			422,711
Restricted cash and cash equivalents	1			1
Total assets	<u>3,873,377</u>	<u>605,831</u>	<u>182,587</u>	<u>4,661,795</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Unearned Revenue	46,129			46,129
Accounts payable	933,219	212,475		1,145,694
Payable to Local Government	42,182		182,587	224,769
Interfund payables		393,356		393,356
Total liabilities	<u>1,021,530</u>	<u>605,831</u>	<u>182,587</u>	<u>1,809,948</u>
Fund Balances:				
Restricted for:				
Excess Surplus - current year	1,205,794			1,205,794
Excess Surplus - prior year - designated for subsequent year's expenditures	1,223,552			1,223,552
Capital reserve	1			1
Assigned to:				
Year End Encumbrances	698,994			698,994
Designated by the Board of Education for Subsequent year's expenditures	17,103			17,103
Unassigned:				
General fund	<u>(293,597)</u>			<u>(293,597)</u>
Total Fund balances	<u>2,851,847</u>	<u>-</u>	<u>-</u>	<u>2,851,847</u>
Total liabilities and fund balances	<u>3,873,377</u>	<u>605,831</u>	<u>182,587</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 \$31,214,337 and the accumulated depreciation is \$4,550,895.	26,663,442
Accounts payable for subsequent Pension payment is not a payable in the funds	(116,136)
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	879,425
Deferred inflows of resources related to PERS Pension Liability	(1,299,910)
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds	(3,382,911)
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	146,838
Net position of governmental activities	<u>25,742,595</u>

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

**GUTTENBERG BOARD OF EDUCATION**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**Fiscal Year Ended June 30, 2019**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>				
Local sources:				
Local tax levy	11,321,822			11,321,822
Miscellaneous	78,595			78,595
Local Share	-		1,631,417	1,631,417
Total - Local Sources	<u>11,400,417</u>	<u>-</u>	<u>1,631,417</u>	<u>13,031,834</u>
State sources	9,559,535	165,462		9,724,997
Federal sources	19,547	1,374,002		1,393,549
Total revenues	<u>20,979,499</u>	<u>1,539,464</u>	<u>1,631,417</u>	<u>24,150,380</u>
<b>EXPENDITURES</b>				
Current:				
Regular instruction	4,399,779	829,987		5,229,766
Special education instruction	1,421,587			1,421,587
Other special instruction	824,723			824,723
School sponsored/other instructional	79,069			79,069
Support services and undistributed costs:				
Tuition	6,063,454			6,063,454
Health services	176,783			176,783
Student & instruction related services	1,968,097	663,666		2,631,763
School administrative services	303,276			303,276
General administrative services	736,643			736,643
Central services	370,150			370,150
Information technology	134,640			134,640
Plant operations and maintenance	1,220,526			1,220,526
Pupil transportation	217,093			217,093
Unallocated benefits	143,341			143,341
On-behalf contributions	2,097,566			2,097,566
Transfer to Charter Schools	44,465			44,465
Capital outlay	864,283	45,811	1,631,417	2,541,511
Total expenditures	<u>21,065,475</u>	<u>1,539,464</u>	<u>1,631,417</u>	<u>24,236,356</u>
Excess (Deficiency) of revenues over expenditures	<u>(85,976)</u>	<u>-</u>	<u>-</u>	<u>(85,976)</u>
Net change in fund balances	(85,976)	-	-	(85,976)
Fund balance—July 1	<u>2,937,823</u>	<u>-</u>	<u>-</u>	<u>2,937,823</u>
Fund balance—June 30	<u><u>2,851,847</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>2,851,847</u></u>

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

**GUTTENBERG BOARD OF EDUCATION**  
**Reconciliation of the Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances of Governmental Funds**  
**to the Statement of Activities**  
**Fiscal Year Ended June 30, 2019**

**Total net change in fund balances - governmental funds (from B-2)** (85,976)

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	(769,750)	
	Non-Depreciable Capital Outlays - Construction in Progress	-	
	Depreciable Capital outlays	<u>2,406,100</u>	
			1,636,350

Repayment of long-term debt is reported as an expenditure in the governmental funds, but the repayment 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:

	Payment of Unfunded Pension Liability	19,885	
	Payment of Deferred PERS Pension Contribution	<u>2,220</u>	
			22,105

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

	Decrease in compensated absences payable		134,222
--	--	--	---------

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	138,491	
	Less: Pension Expense	<u>(183,055)</u>	
	Increase in Pension Expense		(44,564)

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	875,567	
	Increase in On-behalf TPAF Pension Expense	<u>(875,567)</u>	

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.

		<u>1,838</u>
--	--	--------------

Per GASB No. 75 Non-employer contributing entities are required to record an increases in revenue and expense for On-behalf TPAF post employment medical 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 Post Employment Medical Revenue	534,800	
	Increase in On-behalf State Aid TPAF Post Employment Medical Expense	<u>(534,800)</u>	

**Change in net position of governmental activities** 1,663,975

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

**GUTTENBERG BOARD OF EDUCATION**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2019**

	<u>Enterprise Fund</u> Food Service Program	<u>Internal Service Fund</u> Building Maintenance	<u>Totals</u>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	109,843	146,838	256,681
Accounts receivable:			
State	335		335
Federal	22,928		22,928
Inventories	2,752		2,752
Total current assets	<u>135,858</u>	<u>146,838</u>	<u>282,696</u>
Noncurrent assets:			
Capital assets:			
Equipment	85,209		85,209
Less accumulated depreciation:			
Equipment	<u>(43,757)</u>		<u>(43,757)</u>
Total capital assets (net of accumulated depreciation)	<u>41,452</u>	-	<u>41,452</u>
Total assets	<u><u>177,310</u></u>	<u><u>146,838</u></u>	<u><u>324,148</u></u>
<b>LIABILITIES</b>			
Current liabilities:			
Interfund - General Fund	<u>28,633</u>		<u>28,633</u>
Total current liabilities	<u>28,633</u>	-	<u>28,633</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	41,452	-	41,452
Restricted Contributed Capital	32,055		32,055
Unrestricted	75,170	146,838	222,008
Total net position	<u><u>148,677</u></u>	<u><u>146,838</u></u>	<u><u>295,515</u></u>

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

**GUTTENBERG BOARD OF EDUCATION**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Funds**  
**Fiscal Year Ended June 30, 2019**

	<u>Enterprise Funds</u>	<u>Internal Service Fund</u>	
	<u>Food Service Program</u>	<u>Building Maintenance</u>	<u>Totals</u>
Operating revenues:			
Charges for services:			
Daily sales - reimbursable programs	38,545		38,545
Daily sales - non-reimbursable programs	18,333		18,333
Total operating revenues	<u>56,878</u>	<u>-</u>	<u>56,878</u>
Operating expenses:			
Cost of sales - reimbursable programs	149,587		149,587
Cost of sales - non-reimbursable programs	5,877		5,877
Salaries	183,594		183,594
Supplies and materials	12,887		12,887
Employee benefits	29,787		29,787
Cleaning repair & maintenance	300		300
Purchased services	15,186		15,186
Miscellaneous	7,302		7,302
Depreciation	2,566		2,566
Total Operating Expenses	<u>407,086</u>	<u>-</u>	<u>407,086</u>
Operating income (loss)	<u>(350,208)</u>	<u>-</u>	<u>(350,208)</u>
Nonoperating revenues (expenses):			
State sources:			
State school lunch program	5,237		5,237
Federal sources:			
National school lunch program	286,532		286,532
National school breakfast program	63,495		63,495
Food distribution program	35,294		35,294
Prior year voided checks	11		11
Interest and investment revenue	7,565	1,838	9,403
Total nonoperating revenues (expenses)	<u>398,134</u>	<u>1,838</u>	<u>399,972</u>
Change in net position	<u>47,926</u>	<u>1,838</u>	<u>49,764</u>
Total net position—beginning	<u>100,751</u>	<u>145,000</u>	<u>245,751</u>
Total net position—ending	<u>148,677</u>	<u>146,838</u>	<u>295,515</u>

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



**GUTTENBERG BOARD OF EDUCATION**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**Fiscal Year Ended June 30, 2019**

	<u>Enterprise Funds</u>	<u>Internal</u>	
	<u>Food</u>	<u>Service Fund</u>	
	<u>Service</u>	<u>Building</u>	
	<u>Program</u>	<u>Maintenance</u>	<u>Totals</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	56,878		56,878
Payments to employees	(61,102)		(61,102)
Payments to outside food service management company	(321,115)		(321,115)
Payments for supplies	(1,109)		(1,109)
Payments for miscellaneous expenditures	(3,765)		(3,765)
Net cash provided by (used for) operating activities	<u>(330,213)</u>	<u>-</u>	<u>(330,213)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
State Sources	5,284		5,284
Federal Sources	352,636		352,636
Net cash provided by (used for) non-capital financing activities	<u>357,920</u>	<u>-</u>	<u>357,920</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Purchases of capital assets	(12,384)		(12,384)
Net cash provided by (used for) capital and related financing activities	<u>(12,384)</u>	<u>-</u>	<u>(12,384)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Prior year voided checks	11		11
Interest and dividends	7,565	1,838	9,403
Net cash provided by (used for) investing activities	<u>7,576</u>	<u>1,838</u>	<u>9,414</u>
Net increase (decrease) in cash and cash equivalents	22,899	1,838	24,737
Balances—beginning of year	86,944	145,000	231,944
Balances—end of year	<u>109,843</u>	<u>146,838</u>	<u>256,681</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>			
Operating income (loss)	(350,208)	-	(350,208)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation and net amortization	2,566		2,566
Food Distribution Program	35,294		35,294
(Increase) decrease in inventories	1,060		1,060
(Increase) decrease in accounts payable	(18,925)		(18,925)
Total adjustments	<u>19,995</u>	<u>-</u>	<u>19,995</u>
Net cash provided by (used for) operating activities	<u>(330,213)</u>	<u>-</u>	<u>(330,213)</u>

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

**GUTTENBERG BOARD OF EDUCATION**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2019**

	<u>Private Purpose Scholarship Fund</u>	<u>Agency Funds</u>
<b>ASSETS</b>		
Cash and cash equivalents	12,129	18,393
Total assets	<u>12,129</u>	<u>18,393</u>
<b>LIABILITIES</b>		
Payable to student groups		17,671
Interfund Payable - General Fund		722
Total liabilities	<u>-</u>	<u>18,393</u>
<b>NET POSITION</b>		
Reserved for Scholarships	<u>12,129</u>	

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

**GUTTENBERG BOARD OF EDUCATION**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**Fiscal Year Ended June 30, 2019**

	<b>Private Purpose Scholarship Fund</b>
<b>ADDITIONS</b>	
Contributions:	
Prior Year Voided Checks	250
Total Contributions	250
Investment earnings:	
Interest	163
Net investment earnings	163
Total additions	413
<b>DEDUCTIONS</b>	
Scholarship payments	1,100
Total deductions	1,100
Change in net position	(687)
Net position—beginning of the year	12,816
Net position—end of the year	12,129

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

**NOTES TO THE FINANCIAL STATEMENTS**

**Town of Guttenberg School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2019**

**NOTE 1. 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.

**A. 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.

Governmental Accounting Standards Board publication, Codification of Governmental Accounting and Financial Reporting Standards, Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. The basic criterion for inclusion or exclusion from the financial reporting entity is the exercise of oversight responsibility over agencies, boards and commissions by the primary government. The exercise of oversight responsibility includes financial interdependency and a resulting financial benefit or burden relationship, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters. In addition, certain legally separate, tax-exempt entities that meet specific criteria (i.e. benefit of economic resources, access/entitlement to economic resources, and significance) should be included in the financial reporting entity. The combined financial statements include all funds of the District over which the Board exercises operating control. The operations of the District include an elementary school and a middle school, located in the Town of Guttenberg. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

**Town of Guttenberg School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2019**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**B. 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 - *government*, *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, 2019**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**B. Basis of Presentation: (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, 2019**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**B. Basis of Presentation: (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 Program.

**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.

**C. 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, 2019**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**C. 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.

**D. 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, 2019**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**D. 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.

**E. 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, 2019**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

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

During 2018-2019 the District appropriated additional state aid of \$1,492,337 to the following budget appropriations: Capital Outlay - Construction Services, Capital Outlay - Infrastructure Improvements, Capital Outlay - Technology Equipment, Capital Outlay - Legal Services, Capital Outlay - Purchased Professional Services, Instructional Supplies and Textbooks, Special Programs - Instruction, unused sick payment to terminated/retired staff.

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.

**F. 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.

**Town of Guttenberg School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2019**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**G. 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.

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.

**H. Tuition Payable:**

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

**I. 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.

**Town of Guttenberg School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2019**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**J. Prepaid Items:**

Payments made to vendors for services that will benefit periods beyond June 30, 2019, 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.

**K. 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.

**L. 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

**Town of Guttenberg School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2019**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**M. 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.

**N. 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 1(F) regarding the special revenue fund.

**O. 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.

**Town of Guttenberg School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2019**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**P. 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.

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.

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.

**Town of Guttenberg School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2019**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**P. Accounting and Financial Reporting for Pensions: (continued)**

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.

**Q. Deferred Outflows/Inflows of Resources:**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the District has only one item that qualifies for reporting in this category, deferred amounts related to pension.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies in this category, deferred amounts related to pension.

**R. 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, 2019**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**R. 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.

**S. 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.

**T. 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. 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, 2019**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**U. 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.

**V. 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.

**W. 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.

**X. New Accounting Standards:**

During fiscal year 2019, the District adopted the following GASB Statements:

*GASB Statement No. 88, Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placement.* The objective of this Statement is to improve consistency in the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements, and to provide financial statement users with additional essential information about debt.

Other accounting standards that the District is currently reviewing for applicability and potential impact on the financial statements include:

**Town of Guttenberg School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2019**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**X. New Accounting Standards: (continued)**

GASB Statement No. 84, *Fiduciary Activities*. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus on the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify component units and postemployment benefit arrangements that are fiduciary activities.

GASB Statement No. 87, *Leases*, which improves accounting and financial reporting for leases by governments. This Statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the fundamental principle that leases are financings of the right to use an underlying asset. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. .

GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the end of a Construction*. The objectives of this Statement is to (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

GASB Statement No. 90, *Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 61*. This Statement improves the consistency and comparability of reporting a government’s majority equity interest in a legally separate organization and improves the relevance of financial statement information for certain component units. The requirements of this Statement are effective for reporting periods beginning after December 31, 2018.

GASB Statement No. 91, *Conduit Debt Obligations*. This Statement provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. This Statement is effective for reporting periods beginning after December 15, 2020.

**Town of Guttenberg School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2019**

**NOTE 2. 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, 2019, \$-0- of the District's bank balance of \$5,141,918 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.

**Concentration of Credit Risk**

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

**Town of Guttenberg School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2019**

**NOTE 3. RECEIVABLES**

Receivables at June 30, 2019, consisted of accounts and intergovernmental. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	Governmental Fund Financial <u>Statements</u>	Enterprise Fund	District Wide Financial <u>Statements</u>
State Aid	\$652,696	\$335	\$653,031
Federal Aid	592,115	22,928	615,043
Due from Other Funds	<u>422,711</u>	<u>          </u>	<u>722</u>
Gross Receivables	1,667,522	23,263	1,268,796
Less: Allowance for Uncollectibles	<u>          </u>	<u>          </u>	<u>          </u>
Total Receivables, Net	<u>\$1,667,522</u>	<u>\$23,263</u>	<u>\$1,268,796</u>

**NOTE 4. INTERFUND BALANCES AND ACTIVITY**

Interfund transfers for the year ended June 30, 2019, consisted of the following:

\$722	Due to the General Fund from the Payroll Agency Account for the accumulated balance of interest earned.
28,633	Due to the General Fund from the Proprietary Fund to reimburse for proprietary capital assets paid from General Fund in error.
<u>393,356</u>	Due to the General Fund from the Special Revenue Fund for short-term loans.
<u>\$422,711</u>	

It is anticipated that all interfunds will be liquidated during the fiscal year.

**Town of Guttenberg School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2019**

**NOTE 5. CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2019 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
<b>Governmental Activities</b>				
Capital Assets Not Being Depreciated:				
Land	9,957			9,957
Construction in Progress				
Total Capital Assets Not Being Depreciated	<u>9,957</u>		<u>0</u>	<u>9,957</u>
Capital Assets Being Depreciated:				
Sites and Improvements	61,248			61,248
Buildings and Improvements	27,731,145	2,335,982		30,067,127
Machinery and Equipment	<u>1,005,887</u>	<u>70,118</u>		<u>1,076,005</u>
Total Capital Assets, Being Depreciated	<u>28,798,280</u>	<u>2,406,100</u>		<u>31,204,380</u>
Less Accumulated Depreciation:				
Land Improvements	(57,892)	(182)		(58,074)
Buildings and Improvements	(2,911,151)	(727,990)		(3,639,141)
Equipment	<u>(812,102)</u>	<u>(41,578)</u>		<u>(853,680)</u>
Total Accumulated Depreciation	<u>(3,781,145)</u>	<u>(769,750)</u>		<u>(4,550,895)</u>
Total Capital Assets, Being Depreciated, Net of Accumulated Depreciation	<u>25,017,135</u>	<u>1,636,350</u>		<u>26,653,485</u>
Governmental Activities Capital Assets, Net	<u>25,027,092</u>	<u>1,636,350</u>	<u>0</u>	<u>26,663,442</u>
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
<b>Business-Type Activity</b>				
Equipment	72,825	12,384		85,209
Less Accumulated Depreciation for Equipment	<u>(41,191)</u>	<u>(2,566)</u>		<u>(43,757)</u>
Business-Type Activity Capital Assets, Net	<u>31,634</u>	<u>9,818</u>		<u>41,452</u>

Depreciation expense was charged to governmental functions as follows:

Instruction	
Support Services:	
Student & instruction related services	\$12,300
Unallocated Depreciation	<u>757,450</u>
	<u>\$769,750</u>

**Town of Guttenberg School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2019**

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

Changes in long-term obligations for the year ended June 30, 2019 were as follows:

	<u>Balance</u> <u>June 30, 2018</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance</u> <u>June 30, 2019</u>	<u>Amount</u> <u>Due Within</u> <u>One Year</u>
Deferred PERS Pension Contribution	\$14,288	\$	\$2,220	\$12,068	\$2,406
Compensated Absences Payable	730,817	68,989	203,211	596,595	
Unfunded Pension Liability - PERS	52,721		19,885	32,836	19,885
Net Pension Liability	<u>3,484,901</u>		<u>743,489</u>	<u>2,741,412</u>	<u>116,136</u>
Total	<u>\$4,282,727</u>	<u>\$68,989</u>	<u>\$968,805</u>	<u>\$3,382,911</u>	<u>\$138,427</u>

**A. Bonds Payable:**

The Board issues General Obligation Bonds to provide funds for the acquisition and construction of major capital facilities and other capital assets.

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.

The District has no outstanding serial bonds payable at June 30, 2019.

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

As of June 30, 2019 the Board has no authorized but not issued bonds.

**C. Capital Leases**

The District has no capital leases outstanding at June 30, 2019.

**NOTE 7. OPERATING LEASES**

The District has commitments to lease copying equipment and rental of office space for the Board of Education which expire in fiscal year 2022 and June 2020. Total operating lease payments made during the year ended June 30, 2019 were \$78,130. Future minimum lease payments are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2020	\$86,160
2021	64,740
2022	<u>21,505</u>
	<u>\$172,405</u>

**Town of Guttenberg School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2019**

**NOTE 8. PENSION PLANS**

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

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

**Benefits Provided**

The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

The following represents the membership tiers for TPAF:

Tier	Definition
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011



**Town of Guttenberg School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2019**

**NOTE 8. PENSION PLANS, (continued)**

Service retirement benefits of 1/55<sup>th</sup> of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

***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.

**Benefits Provided**

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

The following represents the membership tiers for PERS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

**Town of Guttenberg School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2019**

**NOTE 8. PENSION PLANS, (continued)**

Service retirement benefits of 1/55<sup>th</sup> of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Defined Contribution Retirement Program

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS or TPAF, the employee may be eligible to enroll in the DCRP. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the DCRP. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625-0295.

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

Contributions Requirements Fund Based Statements

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>PERS</u>	<u>DCRP</u>
<u>Ending</u> 6/30/19	\$138,491	\$1,548
6/30/18	138,686	3,061
6/30/17	145,139	-0-

**Town of Guttenberg School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2019**

**NOTE 8. 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 <u>Ending</u>	Pension <u>Contributions</u>	Post-Retirement Medical <u>Contributions</u>	NCGI <u>Premium</u>	Long-Term Disability <u>Insurance</u>
6/30/19	\$1,093,361	\$506,328	\$22,887	\$1,958
6/30/18	790,909	523,228	19,193	1,891
6/30/17	611,476	527,959	22,155	2,754

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 \$473,032 during the year ended June 30, 2019 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, 2019, the District had a liability of \$2,741,412 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2018, 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 governmental entities, actuarially determined. At June 30, 2018, the District's proportion was .01392321 percent, which was a decrease of .001047323 percent from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the District recognized pension expense of \$183,055. At June 30, 2019, deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

**Town of Guttenberg School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2019**

**NOTE 8. PENSION PLANS, (continued)**

**ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE DISTRICT-WIDE STATEMENTS PER - GASB NO. 68, (continued)**

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$52,279	\$14,136
Changes of assumptions	451,739	876,558
Net difference between projected and actual earnings on pension plan investments		25,715
Changes in proportion and differences between the District's contributions and proportionate share of contributions	259,271	383,501
District contributions subsequent to the measurement date	<u>116,136</u>	<u>          </u>
Total	<u>\$879,425</u>	<u>\$1,299,910</u>

The \$138,491 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, 2019, the plan measurement date is June 30, 2018) will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding changes in proportion) will be recognized in pension expense as follows:

Year ended June 30:	
2019	\$19,027
2020	(26,343)
2021	(188,900)
2022	(163,741)
2023	(52,434)

**Changes in Proportion**

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.63, 5.48, 5.57, 5.72 and 6.44 years for 2018, 2017, 2016, 2015 and 2014 amounts, respectively.

**Town of Guttenberg School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2019**

**NOTE 8. PENSION PLANS, (continued)**

**ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE DISTRICT-WIDE STATEMENTS PER - GASB NO. 68, (continued)**

**Additional Information**

Local Group Collective balances at June 30, 2018 and June 30, 2017 are as follows:

	<u>June 30, 2018</u>	<u>June 30, 2017</u>
Collective deferred outflows of resources	\$4,684,852,302	\$6,424,455,842
Collective deferred inflows of resources	7,646,736,226	5,700,625,981
Collective net pension liability	19,689,501,539	23,278,401,588
District's Proportion	.01392321%	.01497053%

**Actuarial Assumptions**

The total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which rolled forward to June 30, 2018. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

Inflation	2.25 Percent
Salary Increases:	
Through 2026	1.65-4.15 Percent (based on age)
Thereafter	2.65-5.15 Percent (based on age)
Investment Rate of Return	7.00 Percent

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

**Town of Guttenberg School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2019**

**NOTE 8. PENSION PLANS, (continued)**

**ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE DISTRICT-WIDE STATEMENTS PER - GASB NO. 68, (continued)**

**Mortality Rates**

Pre-retirement mortality rates were based on the RP-2000 Employee Pre-retirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the Conduent modified 2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirements and beneficiaries of former members. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from 2012 to 2013 using Projection Scale AA and using a generational approach based on the Conduent 2014 projection scale thereafter. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

**Long-Term Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2018) 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. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2018 are summarized in the following table:

**Town of Guttenberg School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2019**

**NOTE 8. PENSION PLANS, (continued)**

**ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE DISTRICT-WIDE STATEMENTS PER - GASB NO. 68, (continued)**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	5.00%	5.51%
Cash equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
High yield	2.50%	6.82%
Global diversified credit	5.00%	7.10%
Credit oriented hedge funds	1.00%	6.60%
Debt related private equity	2.00%	10.63%
Debt related real estate	1.00%	6.61%
Private real asset	2.50%	11.83%
Equity related real estate	6.25%	9.23%
U.S. equity	30.00%	8.19%
Non-U.S. developed markets equity	11.50%	9.00%
Emerging markets equity	6.50%	11.64%
Buyouts/venture capital	8.25%	13.08%

**Discount Rate**

The discount rate used to measure the total pension liability was 5.66% as of June 30, 2018. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.87% as of June 30, 2018 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 contribution rate in the most recent fiscal year. The State employer contributed 50% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined 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 June 30, 2046. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through June 30, 2046 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, 2019**

**NOTE 8. PENSION PLANS, (continued)**

**ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE DISTRICT-WIDE STATEMENTS PER - GASB NO. 68, (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, 2018, 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:

	<u>June 30, 2018</u>		
	<u>1%</u>	<u>At Current</u>	<u>1%</u>
	<u>Decrease</u>	<u>Discount Rate</u>	<u>Increase</u>
	<u>4.66%</u>	<u>5.66%</u>	<u>6.66%</u>
District's proportionate share of the pension liability	\$3,447,008	\$2,741,412	\$2,149,460

**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). The financial report may be accessed at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**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.



**Town of Guttenberg School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2019**

**NOTE 8. PENSION PLANS, (continued)**

**ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE DISTRICT-WIDE STATEMENTS PER - GASB NO. 68, (continued)**

The portion of the TPAF Net Pension Liability that was associated with the District recognized at June 30, 2019 was as follows:

Net Pension Liability:	
District's proportionate share	\$ -0-
State's proportionate share associated with the District	<u>34,166,978</u>
	<u>\$34,166,978</u>

The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018. 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, 2018, the proportion of the TPAF net pension liability associated with the District was .053706588%.

For the year ended June 30, 2019, the District recognized on-behalf pension expense and revenue of \$1,991,815 for contributions provided by the State in the District-Wide Financial Statements.

**Actuarial Assumptions**

The total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	2.25%
Salary Increases:	
2011-2026	1.55%-4.55%
Thereafter	2.00%-5.45%
Investment Rate of Return	7.00%

**Mortality Rates**

Pre-retirement mortality rates were based on the RP-2006 Employee White Collar Mortality Tables, set back 3 years for males and 5 years for females, projected on a generational basis from a base year of 2006 using a 60-year average of improvement rates based on Social Security data from 1953 to 2013. Post-retirement mortality rates were based on the RP-2006 Healthy Annuitant White Collar Mortality Tables, with

**Town of Guttenberg School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2019**

**NOTE 8. PENSION PLANS, (continued)**

**ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE DISTRICT-WIDE STATEMENTS PER - GASB NO. 68, (continued)**

adjustments as described in the latest experience study, projected on a generational basis from a base year of 2006 using a 60-year average of improvement rates based on Social Security data from 1953 to 2013. Disability mortality rates were based on the RP-2006 Disabled Retiree Mortality Tables with rates adjusted by 90%. No mortality improvement is assumed for disabled retiree mortality.

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

**Long-Term Expected Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2018) 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. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	5.00%	5.51%
Cash equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
High yield	2.50%	6.82%
Global diversified credit	5.00%	7.10%
Credit oriented hedge funds	1.00%	6.60%
Debt related private equity	2.00%	10.63%
Debt related real estate	1.00%	6.61%
Private real asset	2.50%	11.83%
Equity related real estate	6.25%	9.23%
U.S. equity	30.00%	8.19%
Non-U.S. developed markets equity	11.50%	9.00%
Emerging markets equity	6.50%	11.64%
Buyouts/venture capital	8.25%	13.08%

**Town of Guttenberg School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2019**

**NOTE 8. PENSION PLANS, (continued)**

**ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE DISTRICT-WIDE STATEMENTS PER - GASB NO. 68, (continued)**

**Discount Rate**

The discount rate used to measure the total pension liability was 4.86% and 4.25% as of June 30, 2018 and 2017, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.87% and 3.58% as of June 30, 2018 and 2017, 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 contribution rate in the most recent fiscal year. The State contributed 50% of the actuary determined 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 2040. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040, 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 9. POST-RETIREMENT BENEFITS**

**General Information about the OPEB Plan**

**Plan Description and Benefits Provided**

The State provides post-retirement medical (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirements. In Fiscal Year 2018, the State paid PRM benefits for 148,401 State and local retirees.

The State funds post-retirement medical benefits on a "pay-as-you-go" basis, which means that the State does not pre-fund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 2018, the State contributed \$1.909 billion to pay for pay-as-you-go PRM benefit costs incurred by covered retirees. The increase in the State's pay-as-you-go

**Town of Guttenberg School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2019**

**NOTE 9. POST-RETIREMENT BENEFITS, (continued)**

contribution between Fiscal Year 2017 and Fiscal Year 2018 is attributed to rising health costs, an increase in the number of participants qualifying for State-paid PRM benefits at retirement and larger fund balance utilization in Fiscal Year 2017 than in Fiscal Year 2018. The Fiscal Year 2019 Appropriations Act includes \$1.921 billion as the State's contribution to fund pay-as-you-go PRM costs.

In accordance with the provisions of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, effective for Fiscal Year 2018. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. As such, the Fiscal Year 2017 total State OPEB liability to provide these benefits has been re-measured to \$97.1 billion, an increase of \$60.6 billion or 166 percent from the previous year's \$36.5 billion liability booked in accordance with GASB Statement No. 45. For Fiscal Year 2018, the total OPEB liability for the State is \$90.5 billion, a decrease of \$6.6 billion or 7 percent from the re-measured total OPEB liability in Fiscal Year 2017.

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et. seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB No. 75.

**Total OPEB Liability**

The State, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The LEA's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASB No. 75 is zero percent. Accordingly, the LEA did not recognize any portion of the collective OPEB liability on the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State's level for the State Health Benefit Local Education Retired Employee's Plan and is not specific to the board of education/board of trustees, and could be found at <https://www.state.nj.us/treasury/pensions/GASBnotices> OPEB.

**Town of Guttenberg School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2019**

**NOTE 9. POST-RETIREMENT BENEFITS, (continued)**

The portion of the OPEB Liability that was associated with the District recognized at June 30, 2019 was as follows:

OPEB Liability:		
District's proportionate share		\$ -0-
State's proportionate share associated with the District		<u>19,414,214</u>
		<u>\$19,414,214</u>

*Actual Assumptions and Other Imputes*

The total OPEB liability in the June 30, 2018 actuarial valuation reported by the State in the State's Report of Total Nonemployer OPEB Liability for the State Health Benefit Local Education Retired Employee's Plan was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

**Total Nonemployer OPEB Liability**

The total nonemployer OPEB liability as of June 30, 2018 was determined by an actuarial valuation as of June 30, 2017, which was rolled forward to June 30, 2018. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	2.50%	
	<u>TPAF/ABP</u>	<u>PERS</u>
Salary increases:		
Through 2026	1.55 - 4.55%	2.15 - 4.15% based on age
Thereafter	2.00 - 5.45%	3.15 - 5.15% based on age

**Town of Guttenberg School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2019**

**NOTE 9. POST-RETIREMENT BENEFITS, (continued)**

Preretirement mortality rates were based on the RP-2006 Headcount-Weighted Health Employee Male/Female mortality table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Postretirement mortality rates were based on the RP-2006 Headcount-Weighted Health Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2006 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of actuarial experience studies for the periods July 1, 2012 – June 30, 2015 and July 1, 2011 – June 30, 2014 for TPAF and PERS, respectively.

100% of all retirees who currently have healthcare coverage are assumed to continue with that coverage. 100% of active members are considered to participate in the Plan upon retirement, having a coverage blend of 85% and 15% in PPO and HMO, respectively.

**(a) *Health Care Trend Assumptions***

For pre-Medicare preferred provider organization (PPO) and Health Maintenance Organization (HMO) medical benefits, the trend rate is initially 5.8% and decreases to a 5.0% long-term trend rate after eight years. For self-insured post-65 PPO and HMO medical benefits, the trend rate is 4.5%. For prescription drug benefits, the initial trend rate is 8.0% decreasing to a 5.0% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

**(b) *Discount Rate***

The discount rate for June 30, 2018 was 3.87%. This represents the municipal bond return rate as chosen by the Division. The source is 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.

***Sensitivity of Total Nonemployer OPEB Liability to Changes in the Discount Rate***

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

***Sensitivity of the Total Nonemployer OPEB Liability to Changes in the Healthcare Cost Trend Rates:***

Because the District's proportionate share of the OPEB liability is zero, consideration of potential changes in the healthcare cost trend rates is not applicable to the District.

**Town of Guttenberg School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2019**

**NOTE 9. POST-RETIREMENT BENEFITS, (continued)**

*OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB:*

For the year ended June 30, 2019, the board of education/board of trustees recognized on-behalf OPEB expense of \$1,041,128 in the district-wide financial statements as determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75 and in which there is a special funding situation.

In accordance with GASB No. 75, the Town of Guttenberg School District's proportionate share of school retirees OPEB is zero; therefore, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources.

**NOTE 10. DEFERRED COMPENSATION**

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

Metropolitan Life Insurance Co.  
AXA Equitable

**NOTE 11. RISK MANAGEMENT**

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

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

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

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

**Town of Guttenberg School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2019**

**NOTE 12. INVENTORY**

Inventory in the Food Service Fund at June 30, 2019 consisted of the following:

Food	\$2,045
Supplies	<u>707</u>
	<u>\$2,752</u>

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

**NOTE 13. CAPITAL RESERVE ACCOUNT**

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

Funds placed in the capital reserve account are restricted to capital projects in the district’s approved Long Range Facilities Plan (LRFP) and updated annually in the Quality Assurance Annual Report (QAAR). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve account for the July 1, 2018 to June 30, 2019 fiscal year is as follows:

Beginning Balance, July 1, 2018	<u>\$1.00</u>
Ending Balance, June 30, 2019	<u>\$1.00</u>



**Town of Guttenberg School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2019**

**NOTE 14. FUND BALANCE APPROPRIATED**

**General Fund [Exhibit B-1]** - Of the \$2,851,847 General Fund fund balance at June 30, 2019, \$698,994 is reserved for encumbrances; \$2,429,346 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7 \$1,223,552 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2020); \$1 has been reserved in the Capital Reserve Account; \$17,103 has been appropriated and included as anticipated revenue for the year ending June 30, 2020; and \$(293,597) is unreserved and undesignated.

**NOTE 15. DEFICIT FUND BALANCES**

The District has a deficit fund balance of \$293,597 in the General Fund as of June 30, 2019 as reported in the fund statements (modified accrual basis). *N.J.S.A.* 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payment(s) in the subsequent fiscal year, the school district cannot recognize the June state aid payment(s) (on the GAAP financial statements) until the year the State records the payable. Due to the timing difference of recording the June state aid payment(s), the General Fund balance deficit does not alone indicate that the District is facing financial difficulties.

Pursuant to *N.J.S.A.* 18A:22-44.2 any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the June payment(s) of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The District deficit in the GAAP funds statements of \$293,597 is less than the last state aid payment.

**NOTE 16. CALCULATION OF EXCESS SURPLUS**

In accordance with N.J.S.A. 18A:7F-7 as amended, the designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2019 is \$2,429,346. Of this amount, \$1,205,794 is the result of current year's operations.

**Town of Guttenberg School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2019**

**NOTE 17. 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 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. The Mayor and Council authorized additional funding for this project of \$1,500,000 in Bond Ordinance 8-2018 adopted on March 26, 2018 and \$700,000 in Bond Ordinance 28-2018 adopted on November 28, 2018.

**NOTE 18. CONTINGENT LIABILITIES**

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

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

**NOTE 19. RELATED PARTY TRANSACTION**

The District exercised a one-year renewal option within the lease agreement to rent office space from a family member of the Business Administrator. The one-year extension runs from July 1, 2019 through June 30, 2020 at a cost of \$21,420.

**NOTE 20. SUBSEQUENT EVENTS**

The Board has evaluated subsequent events through November 22, 2019, 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, 2019

	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	11,321,822		11,321,822	11,321,822	
Miscellaneous				78,595	78,595
<b>Total - Local Sources</b>	<u>11,321,822</u>		<u>11,321,822</u>	<u>11,400,417</u>	<u>78,595</u>
State Sources:					
Transportation Aid	60,778		60,778	60,778	
Special Education Aid	1,104,198	85,450	1,189,648	1,189,648	
Equalization Aid	4,305,613	1,406,887	5,712,500	5,712,500	
Security Aid	603,184		603,184	603,184	
Extraordinary Aid				55,071	55,071
TPAF Pension Contributions (On-Behalf - Non Budgeted)				1,093,361	1,093,361
TPAF Postretirement Medical Contributions (On-Behalf - Non Budgeted)				506,328	506,328
TPAF LTDI (On-Behalf - Non Budgeted)				1,958	1,958
TPAF Non-Contributory Insurance (On-Behalf - Non Budgeted)				22,887	22,887
TPAF Social Security (Reimbursed - Non-Budgeted)				473,032	473,032
<b>Total - State Sources</b>	<u>6,073,773</u>	<u>1,492,337</u>	<u>7,566,110</u>	<u>9,718,747</u>	<u>2,152,637</u>
Federal Sources:					
Medical Assistance Program (SEMI)	20,495		20,495	19,547	(948)
<b>Total - Federal Sources</b>	<u>20,495</u>		<u>20,495</u>	<u>19,547</u>	<u>(948)</u>
<b>TOTAL REVENUES</b>	<u>17,416,090</u>	<u>1,492,337</u>	<u>18,908,427</u>	<u>21,138,711</u>	<u>2,230,284</u>
<b>EXPENDITURES:</b>					
<b>Current Expense:</b>					
<b>Regular Programs - Instruction</b>					
<b>Salaries of Teachers:</b>					
Kindergarten - Salaries of Teachers	247,478	54,765	302,243	302,243	
Grades 1-5 - Salaries of Teachers	1,569,513	2,373	1,571,886	1,562,802	9,084
Grades 6-8 - Salaries of Teachers	1,194,446	23,292	1,217,738	1,217,738	
<b>Regular Programs - Home Instruction:</b>					
Salaries of Teachers	5,000	(5,000)			
Other Purchased Services	20,000	(20,000)			
<b>Regular Programs - Undistributed Instruction</b>					
Other Salaries for Instruction	156,552	(16,305)	140,247	140,247	
Purchased Technical Services		1,280	1,280	1,280	
General Supplies	156,426	165,005	321,431	185,505	135,926
Other Purchased Services (400-500 series)	72,000	(10,017)	61,983	60,928	1,055
Textbooks	15,012	(15,012)			
<b>TOTAL REGULAR PROGRAMS - INSTRUCTION</b>	<u>3,436,427</u>	<u>180,381</u>	<u>3,616,808</u>	<u>3,470,743</u>	<u>146,065</u>
<b>SPECIAL EDUCATION - INSTRUCTION</b>					
<b>Learning and/or Language Disabilities:</b>					
Salaries of Teachers	307,456	(4,101)	303,355	299,907	3,448
<b>Total Learning and/or Language Disabilities</b>	<u>307,456</u>	<u>(4,101)</u>	<u>303,355</u>	<u>299,907</u>	<u>3,448</u>
<b>Multiple Disabilities</b>					
Salaries of Teachers	63,244	3,162	66,406	66,406	
<b>Total Multiple Disabilities</b>	<u>63,244</u>	<u>3,162</u>	<u>66,406</u>	<u>66,406</u>	
<b>Resource Room/Resource Center:</b>					
Salaries of Teachers	227,297	(52,603)	174,694	174,694	
<b>Total Resource Room/Resource Center</b>	<u>227,297</u>	<u>(52,603)</u>	<u>174,694</u>	<u>174,694</u>	
<b>Autism:</b>					
Salaries of Teachers	56,866		56,866	55,157	1,709
<b>Total Autism</b>	<u>56,866</u>		<u>56,866</u>	<u>55,157</u>	<u>1,709</u>
<b>Preschool Disabilities - Full-Time:</b>					
Salaries of Teachers	63,244	(344)	62,900	60,082	2,818
<b>Total Preschool Disabilities - Full-Time</b>	<u>63,244</u>	<u>(344)</u>	<u>62,900</u>	<u>60,082</u>	<u>2,818</u>
<b>TOTAL SPECIAL EDUCATION - INSTRUCTION</b>	<u>718,107</u>	<u>(53,886)</u>	<u>664,221</u>	<u>656,246</u>	<u>7,975</u>
<b>Basic Skills/Remedial-Instruction</b>					
Salaries of Teachers	391,564	51,136	442,700	442,700	
<b>Total Basic Skills/Remedial-Instruction</b>	<u>391,564</u>	<u>51,136</u>	<u>442,700</u>	<u>442,700</u>	
<b>Bilingual Education - Instruction</b>					
Salaries of Teachers	462,582	(15,374)	447,208	378,089	69,119
Other Salaries	3,000		3,000	2,850	150
General Supplies	5,029		5,029	1,084	3,945
Textbooks	5,000		5,000		5,000
<b>Total Bilingual Education - Instruction</b>	<u>475,611</u>	<u>(15,374)</u>	<u>460,237</u>	<u>382,023</u>	<u>78,214</u>

GUTTENBERG BOARD OF EDUCATION  
 Budgetary Comparison Schedule  
 General Fund  
 Fiscal Year Ended June 30, 2019

	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
<b>School-Sponsored Cocurricular Activities - Instruction</b>					
Salaries	25,000	23,454	48,454	48,454	
Other Purchased Services (300-500 series)	36,000	(12,461)	23,539	23,539	
<b>Total School-Sponsored Cocurricular Activities - Instruction</b>	<u>61,000</u>	<u>10,993</u>	<u>71,993</u>	<u>71,993</u>	
<b>School-Sponsored Athletics - Instruction</b>					
Salaries	8,000	(8,000)			
Purchased Services - (300-500 series)	7,000	76	7,076	7,076	
<b>Total School-Sponsored Athletics - Instruction</b>	<u>15,000</u>	<u>(7,924)</u>	<u>7,076</u>	<u>7,076</u>	
<b>Total Distributed Expenditures</b>	<u>5,097,709</u>	<u>165,326</u>	<u>5,263,035</u>	<u>5,030,781</u>	<u>232,254</u>
<b>Undistributed Expenditures - Instruction</b>					
Tuition to Other LEAs within the State - Regular	4,480,000	7,421	4,487,421	4,487,421	
Tuition to Other LEAs within the State - Special	1,560,648	(378,592)	1,182,056	1,182,056	
Tuition to CSSD & Regular Day Schools	433,748	(133,972)	299,776	269,234	30,542
Tuition to Priv.Sch. For the Disabled W/I State	277,818	(35,617)	242,201	124,743	117,458
Tuition - Other					
<b>Total Undistributed Expenditures - Instruction</b>	<u>6,752,214</u>	<u>(540,760)</u>	<u>6,211,454</u>	<u>6,063,454</u>	<u>148,000</u>
<b>Undist. Expend. - Health Services</b>					
Salaries	142,336	(5,309)	137,027	137,027	
Purchased Professional and Technical Services	9,000	(10)	8,990	8,500	490
Purchased Technical Services		6	6	6	
Supplies and Materials	3,500	1,372	4,872	4,872	
<b>Total Undistributed Expenditures - Health Services</b>	<u>154,836</u>	<u>(3,941)</u>	<u>150,895</u>	<u>150,405</u>	<u>490</u>
<b>Undist. Expenditures - Speech, OT, PT &amp; Related Serv.</b>					
Salaries	235,003		235,003	235,003	
Purchased Professional - Educational Services	280,000	(11,611)	268,389	266,225	2,164
<b>Total Undist. Expend. - Speech, OT, PT &amp; Related Serv.</b>	<u>515,003</u>	<u>(11,611)</u>	<u>503,392</u>	<u>501,228</u>	<u>2,164</u>
<b>Undist. Expend. - Guidance</b>					
Salaries of Other Professional Staff	154,941	1,342	156,283	156,283	
Salaries of Secretarial and Clerical Assistants	54,243	720	54,963	54,242	721
Purchased Technical Services		4	4	4	
<b>Total Undist. Expend. - Guidance</b>	<u>209,184</u>	<u>2,066</u>	<u>211,250</u>	<u>210,529</u>	<u>721</u>
<b>Undistributed Expenditures - Child Study Teams</b>					
Salaries of Other Professional Staff	234,309	7,303	241,612	241,612	
Salaries of Secretarial and Clerical Assistants	24,019	1,500	25,519	24,019	1,500
Purchased Technical Services		9,346	9,346	9,346	
Other Salaries	250,615	2,265	252,880	252,880	
Supplies and Materials	3,500		3,500	3,414	86
<b>Total Undistributed Expenditures - Child Study Teams</b>	<u>512,443</u>	<u>20,414</u>	<u>532,857</u>	<u>531,271</u>	<u>1,586</u>
<b>Undist. Expend. - Improvement of Instructional Services</b>					
Salaries of Other Professional Staff	80,000	(8,499)	71,501	62,923	8,578
<b>Total Undist. Expend. - Improvement of Instructional Services</b>	<u>80,000</u>	<u>(8,499)</u>	<u>71,501</u>	<u>62,923</u>	<u>8,578</u>
<b>Undist. Expend. - Instructional Staff Training Services</b>					
Salaries - Supervisors of Instruction	283,204	8,499	291,703	291,703	
Purchased Professional - Educational Services	50,500	(55)	50,445	43,632	6,813
Purchased Technical Services		55	55	55	
<b>Total Undist. Expend. - Instructional Staff Training Services</b>	<u>333,704</u>	<u>8,499</u>	<u>342,203</u>	<u>335,390</u>	<u>6,813</u>
<b>Undist. Expend. - Support Serv. - General Administration</b>					
Salaries - Superintendent	262,247	(86,899)	175,348	175,348	
Salaries - Secretary to Superintendent		67,251	67,251	67,251	
Legal Services	106,000		106,000	106,000	
Audit Fees	35,000	(2,000)	33,000	33,000	
Internal Control Audit Fees	25,000		25,000	25,000	
Purchased Technical Services	15,000	(10,153)	4,847	4,847	
Communications/Telephone	55,000	83,534	138,534	138,534	
BOE Other Purchased Services	10,000	(4,986)	5,014	4,594	420
Misc. Purchase 400-500 (Other 530 & 385)	10,000	3,256	13,256	13,216	40
General Supplies	10,000	2,195	12,195	11,918	277
BOE In-House Training/Meeting Supplies	5,000	(1,534)	3,466	3,466	
Miscellaneous Expenditures	4,000	68,359	72,359	72,359	
BOE Membership Dues and Fees	7,400	(63)	7,337	7,337	
<b>Total Undist. Expend. - Supp. Serv. - General Administration</b>	<u>544,647</u>	<u>118,960</u>	<u>663,607</u>	<u>662,370</u>	<u>737</u>
<b>Undist. Expend. - Support Serv. - School Administration</b>					
Salaries - Principal & Asst. Principal	118,245		118,245	118,245	
Salaries of Secretarial and Clerical Assistants	73,853		73,853	73,853	
Other Salaries	3,000	837	3,837	3,634	203
Purchased Professional and Technical Services	16,000	295	16,295	16,295	
Other Purchased Services	3,000	(1,132)	1,868	1,016	852
Supplies and Materials	13,656	(6,240)	7,416	6,572	844
<b>Total Undist. Expend. - Support Serv. - School Administration</b>	<u>227,754</u>	<u>(6,240)</u>	<u>221,514</u>	<u>219,615</u>	<u>1,899</u>

GUTTENBERG BOARD OF EDUCATION  
 Budgetary Comparison Schedule  
 General Fund  
 Fiscal Year Ended June 30, 2019

	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
<b>Undistributed Expenditures - Central Services</b>					
Salaries	273,096	2,833	275,929	275,929	
Purchased Technical Services		1,244	1,244	1,244	
Misc. Purchased Services 400-500 (O/T 594)	2,000	(943)	1,057	907	150
Supplies and Materials	8,000	(121)	7,879	7,341	538
Miscellaneous Expenditures	35,000	(124)	34,876	32,776	2,100
<b>Total Undists Expend. - Central Services</b>	<u>318,096</u>	<u>2,889</u>	<u>320,985</u>	<u>318,197</u>	<u>2,788</u>
<b>Undist. Expend. - Admin. Info. Tech.</b>					
Salaries	102,805	(10,286)	92,519	92,519	
Purchased Technical Services	10,000		10,000	10,000	
Supplies and Materials	10,000	8,769	18,769	16,042	2,727
<b>Total Undist. Expend. - Admin. Info. Technology</b>	<u>122,805</u>	<u>(1,517)</u>	<u>121,288</u>	<u>118,561</u>	<u>2,727</u>
<b>Undist. Expend. - Required Maint. for School Facilities</b>					
Salaries	98,061		98,061	97,919	142
Cleaning, Repair and Maintenance Services	353,975	(185,566)	168,409	161,322	7,087
Lead Testing	1,500	(1,500)			
<b>Total Undist. Expend. - Required Maint. for School Facilities</b>	<u>453,536</u>	<u>(187,066)</u>	<u>266,470</u>	<u>259,241</u>	<u>7,229</u>
<b>Undist. Expend. - Custodial Services</b>					
Salaries	61,550	9,497	71,047	71,047	
Rental of Land & Bldg. Other than Lease Purch Agreement	22,620	(1,200)	21,420	21,420	
Cleaning, Repair and Maintenance Services		333,105	333,105	333,105	
Other Purchased Property Services	35,000	(2,000)	33,000	30,567	2,433
Insurance	240,000	(76,124)	163,876	163,820	56
Miscellaneous Purchased Services	2,000		2,000	1,514	486
General Supplies	106,736	(31,998)	74,738	67,679	7,059
Energy (Natural Gas)	50,000	(15,733)	34,267	34,267	
Energy (Electricity)	110,000	(2,901)	107,099	74,629	32,470
<b>Total Undist. Expend. - Other Oper. &amp; Maint. of Plant Svcs.</b>	<u>627,906</u>	<u>212,646</u>	<u>840,552</u>	<u>798,048</u>	<u>42,504</u>
<b>Undist. Expend. - Security</b>					
Salaries	60,000	18,430	78,430	78,430	
<b>Total Undistributed Expenditures - Security</b>	<u>60,000</u>	<u>18,430</u>	<u>78,430</u>	<u>78,430</u>	
<b>Total Undistributed Expend.-Oper &amp; Maint of Plant Svcs.</b>	<u>1,141,442</u>	<u>44,010</u>	<u>1,185,452</u>	<u>1,135,719</u>	<u>49,733</u>
<b>Undistributed Expenditures - Student Transportation Svcs.</b>					
Contract Serv. (Spec Ed Stds) - Joint Agreemnts	255,000		255,000	217,093	37,907
<b>Total Undist. Expend. - Student Transportation Svcs.</b>	<u>255,000</u>		<u>255,000</u>	<u>217,093</u>	<u>37,907</u>
<b>TOTAL UNDISTRIBUTED EXPENDITURES</b>	<u>11,167,128</u>	<u>(375,730)</u>	<u>10,791,398</u>	<u>10,527,255</u>	<u>264,143</u>
<b>ALLOCATED BENEFITS</b>					
<b>Regular Programs - Instruction - Employee Benefits</b>					
Social Security Contributions	120,000	(20,508)	99,492	82,724	16,768
T.P.A.F. Contributions - ERIP	22,000		22,000	19,885	2,115
Unemployment Compensation	38,000		38,000	33,597	4,403
Health Benefits	938,218	269,502	1,207,720	747,070	460,650
Tuition Reimbursement	30,000		30,000	16,644	13,356
Other Employee Benefits	4,000		4,000	3,132	868
Unused Sick Payment to Terminated/Retired Staff	25,984		25,984	25,984	
<b>Total Regular Programs - Instruction</b>	<u>1,178,202</u>	<u>248,994</u>	<u>1,427,196</u>	<u>929,036</u>	<u>498,160</u>
<b>Special Programs - Instruction - Employee Benefits</b>					
Health Benefits	608,964	105,312	714,276	714,276	
Other Employee Benefits	2,000		2,000	725	1,275
Unused Sick Payment to Terminated/Retired Staff		50,340	50,340	50,340	
<b>Total Special Programs - Instruction - Employee Benefits</b>	<u>610,964</u>	<u>155,652</u>	<u>766,616</u>	<u>765,341</u>	<u>1,275</u>
<b>Health Services - Employee Benefits</b>					
Health Benefits	22,893	3,485	26,378	26,378	
Other Employee Benefits	800	(513)	287		287
<b>Total Health Services - Employee Benefits</b>	<u>23,693</u>	<u>2,972</u>	<u>26,665</u>	<u>26,378</u>	<u>287</u>
<b>Other Support Serv. - Speech, OT, PT, &amp; Rel. Svc - Employee Benefits</b>					
Health Benefits	41,520	13,112	54,632	54,632	
Other Employee Benefits	400	(200)	200	200	
<b>Total Other Support Services- Employee Benefits</b>	<u>41,920</u>	<u>12,912</u>	<u>54,832</u>	<u>54,832</u>	
<b>Other Support Services - Guidance - Employee Benefits:</b>					
Health Benefits	108,084	(8,703)	99,381	99,381	
Other Employee Benefits	1,800	(1,166)	634	634	
<b>Total Other Support Services - Guidance - Employee Benefits</b>	<u>109,884</u>	<u>(9,869)</u>	<u>100,015</u>	<u>100,015</u>	
<b>Other Support Services - Child Study Team - Employee Benefits</b>					
Health Benefits	72,617	(14,247)	58,370	58,370	
Other Employee Benefits	1,400		1,400	454	946
DCRP Contribution		6,600	6,600	1,548	5,052
<b>Total Other Support Svcs - Child Study Team - Employee Benefits</b>	<u>74,017</u>	<u>(7,647)</u>	<u>66,370</u>	<u>60,372</u>	<u>5,998</u>

GUTTENBERG BOARD OF EDUCATION  
 Budgetary Comparison Schedule  
 General Fund  
 Fiscal Year Ended June 30, 2019

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final To Actual
<b>Instructional Staff Training Services - Employee Benefits</b>					
Health Benefits	86,128	25,843	111,971	111,537	434
Other Employee Benefits	2,400		2,400		2,400
<b>Total Instructional Staff Training Services - Employee Benefits</b>	<b>88,528</b>	<b>25,843</b>	<b>114,371</b>	<b>111,537</b>	<b>2,834</b>
<b>Support Services - General Admin - Employee Benefits</b>					
Social Security Contributions	5,600	(1,288)	4,312	4,180	132
Health Benefits	64,809	4,752	69,561	69,370	191
Other Employee Benefits	1,000	(777)	223	223	
<b>Total Support Services - General Admin - Employee Benefits</b>	<b>71,409</b>	<b>2,687</b>	<b>74,096</b>	<b>73,773</b>	<b>323</b>
<b>Support Services - School Admin - Employee Benefits</b>					
Social Security Contributions	5,600		5,600	5,351	249
Health Benefits	80,023	(1,713)	78,310	78,310	
Other Employee Benefits	800		800		800
<b>Total Support Services - School Admin - Employee Benefits</b>	<b>86,423</b>	<b>(1,713)</b>	<b>84,710</b>	<b>83,661</b>	<b>1,049</b>
<b>Support Services - Central Services - Employee Benefits</b>					
Social Security Contributions	8,400	572	8,972	8,972	
Health Benefits	45,113	(2,132)	42,981	42,981	
Other Employee Benefits	1,400	(98)	1,302		1,302
<b>Total Support Services - Central Services - Employee Benefits</b>	<b>54,913</b>	<b>(1,658)</b>	<b>53,255</b>	<b>51,953</b>	<b>1,302</b>
<b>Support Services - Admin. Info. Tech. - Employee Benefits</b>					
Social Security Contributions	7,400		7,400	7,046	354
Health Benefits	11,319	(572)	10,747	9,033	1,714
Other Employee Benefits	600		600		600
<b>Total Support Services - Admin. Info. Tech. - Employee Benefits</b>	<b>19,319</b>	<b>(572)</b>	<b>18,747</b>	<b>16,079</b>	<b>2,668</b>
<b>Custodial Services - Employee Benefits</b>					
Social Security Contributions	12,000		12,000	12,000	
Health Benefits	76,693	(4,401)	72,292	72,292	
Other Employee Benefits	2,500		2,500	515	1,985
<b>Total Custodial Services - Employee Benefits</b>	<b>91,193</b>	<b>(4,401)</b>	<b>86,792</b>	<b>84,807</b>	<b>1,985</b>
<b>Support Services - Security - Employee Benefits</b>					
Health Benefits	13,354	(13,354)			
<b>Total Security - Employee Benefits</b>	<b>13,354</b>	<b>(13,354)</b>			
<b>TOTAL ALLOCATED BENEFITS</b>	<b>2,463,819</b>	<b>409,846</b>	<b>2,873,665</b>	<b>2,357,784</b>	<b>515,881</b>
<b>UNALLOCATED BENEFITS</b>					
<b>Unallocated Benefits - Employee Benefits</b>					
Other Retirement Contributions - PERS	158,000	(14,659)	143,341	143,341	
<b>Total Unallocated Benefits - Employee Benefits</b>	<b>158,000</b>	<b>(14,659)</b>	<b>143,341</b>	<b>143,341</b>	
<b>Total Personal Services - Employee Benefits</b>	<b>2,621,819</b>	<b>395,187</b>	<b>3,017,006</b>	<b>2,501,125</b>	<b>515,881</b>
<b>On-behalf TPAF Pension and Post Retirement</b>					
Medical Contributions (non-budgeted)				1,599,689	(1,599,689)
On-behalf TPAF Long Term Disability Insurance (non-budgeted)				1,958	(1,958)
On-behalf TPAF Non-Contributory Insurance (non-budgeted)				22,887	(22,887)
Reimbursed TPAF Social Security Contributions (non-budgeted)				473,032	(473,032)
<b>TOTAL ON-BEHALF CONTRIBUTIONS</b>				<b>2,097,566</b>	<b>(2,097,566)</b>
<b>TOTAL UNDISTRIBUTED EXPENDITURES</b>	<b>13,788,947</b>	<b>19,457</b>	<b>13,808,404</b>	<b>15,125,946</b>	<b>(1,317,542)</b>
<b>TOTAL GENERAL CURRENT EXPENSE</b>	<b>18,886,656</b>	<b>184,783</b>	<b>19,071,439</b>	<b>20,156,727</b>	<b>(1,085,288)</b>
<b>CAPITAL OUTLAY</b>					
<b>Equipment:</b>					
Grades 6-8	9,500	1,150	10,650		10,650
<b>Equipment - Undistributed:</b>					
Support Services - Child Study Teams	20,000		20,000	4,068	15,932
School Administration		691	691		691
Admin. Info. Tech.		132,470	132,470	29,141	103,329
<b>Total Equipment</b>	<b>29,500</b>	<b>134,311</b>	<b>163,811</b>	<b>33,209</b>	<b>130,602</b>
<b>Undist. Expenditures - Facilities Acquisition and Construction Services:</b>					
Legal Services		211,061	211,061	202,061	9,000
Other Purchased Prof. and Tech. Services		60,000	60,000	17,670	42,330
Construction Services	265,497	494,628	760,125	215,150	544,975
Infrastructure	28,658	413,554	442,212	396,193	46,019
<b>Total Facilities Acquisition and Construction Services</b>	<b>294,155</b>	<b>1,179,243</b>	<b>1,473,398</b>	<b>831,074</b>	<b>642,324</b>
<b>TOTAL CAPITAL OUTLAY</b>	<b>323,655</b>	<b>1,313,554</b>	<b>1,637,209</b>	<b>864,283</b>	<b>772,926</b>



GUTTENBERG BOARD OF EDUCATION  
 Budgetary Comparison Schedule  
 General Fund  
 Fiscal Year Ended June 30, 2019

	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
<b>GENERAL FUND</b>					
Transfer of Funds to Charter Schools	64,150	(6,000)	58,150	44,465	13,685
<b>TOTAL EXPENDITURES</b>	<u>19,274,461</u>	<u>1,492,337</u>	<u>20,766,798</u>	<u>21,065,475</u>	<u>(298,677)</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(1,858,371)</u>		<u>(1,858,371)</u>	<u>73,236</u>	<u>1,931,607</u>
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)</b>	(1,858,371)		(1,858,371)	73,236	1,931,607
<b>Fund Balance, July 1</b>			3,506,637	3,506,637	
<b>Fund Balance, June 30</b>	<u>(1,858,371)</u>		<u>1,648,266</u>	<u>3,579,873</u>	<u>1,931,607</u>
<b>Recapitulation of excess (deficiency) of revenues under expenditures</b>					
Adjustment for Prior Year Encumbrances	(386,296)		(386,296)	(386,296)	
Budgeted Fund Balance	<u>(1,472,075)</u>		<u>(1,472,075)</u>	<u>459,532</u>	<u>1,931,607</u>
	<u>(1,858,371)</u>		<u>(1,858,371)</u>	<u>73,236</u>	<u>1,931,607</u>
<b>Recapitulation</b>					
<b>Restricted Fund Balance:</b>					
Capital Reserve				1	
Excess Surplus - Designated for Subsequent year's expenditures				1,223,552	
Excess Surplus - Current Year				1,205,794	
<b>Assigned Fund Balance:</b>					
Year-End Encumbrances				698,994	
<b>Assigned Fund Balance:</b>					
Designated for Subsequent Year's Expenditures				17,103	
<b>Unassigned Fund Balance</b>				<u>434,429</u>	
<b>Reconciliation to Governmental Funds Statement (GAAP):</b>				<u>3,579,873</u>	
<b>Less: Last State Aid Payment not recognized, GAAP Basis</b>				<u>(728,026)</u>	
<b>Fund Balance per Governmental Funds (GAAP)</b>				<u>2,851,847</u>	

**GUTTENBERG BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**Special Revenue Fund**  
**Fiscal Year Ended June 30, 2019**

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local Sources		-		-	
State Sources	198,796	(33,265)	165,531	165,462	(69)
Federal Sources	273,043	1,207,203	1,480,246	1,374,002	(106,244)
<b>Total Revenues</b>	<b>471,839</b>	<b>1,173,938</b>	<b>1,645,777</b>	<b>1,539,464</b>	<b>(106,313)</b>
<b>EXPENDITURES:</b>					
<b>Instruction:</b>					
Salaries of Teachers		(18,977)	381,809	373,004	8,805
Other Salaries for Instruction	400,786	214,538	214,538	159,259	55,279
Purchased Professional - Educational Services		3,000	3,000	3,000	-
Other Purchased Services (400-500 series)		141,930	141,930	141,930	-
General Supplies		162,224	162,224	152,794	9,430
<b>Total instruction</b>	<b>400,786</b>	<b>502,715</b>	<b>903,501</b>	<b>829,987</b>	<b>73,514</b>
<b>Support services:</b>					
Salaries of Program Directors		2,500	2,500	2,251	249
Salaries of Other Professional Staff		158,146	158,146	151,796	6,350
Personal Services - Employee Benefits	33,315	270,946	304,261	291,976	12,285
Purchased Professional - Technical Services		109,533	109,533	103,680	5,853
Purchased Professional - Educational Services		65,400	65,400	65,400	-
Other Purchased Professional Services		8,365	8,365	7,454	911
Miscellaneous Purchased Services		18,599	18,599	13,784	4,815
Supplies & Materials	37,738	(8,077)	29,661	27,325	2,336
<b>Total support services</b>	<b>71,053</b>	<b>625,412</b>	<b>696,465</b>	<b>663,666</b>	<b>32,799</b>
<b>Facilities acquisition and const. serv.:</b>					
Instructional Equipment		38,000	38,000	38,000	-
Infrastructure Improvements		7,811	7,811	7,811	-
<b>Total facilities acquisition and const. serv.</b>	<b>-</b>	<b>45,811</b>	<b>45,811</b>	<b>45,811</b>	<b>-</b>
Total Expenditures	<b>471,839</b>	<b>1,173,938</b>	<b>1,645,777</b>	<b>1,539,464</b>	<b>106,313</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**GUTTENBERG BOARD OF EDUCATION**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**Note to Required Supplementary Information - Part II**  
**Fiscal Year Ended June 30, 2019**

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

		General Fund	Special Revenue Fund
<b>Sources/inflows of resources</b>			
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1]&[C-2]	21,138,711	1,539,464
Differences - budget to GAAP:			
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.			
Current Year			
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		568,814	16,106
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).		(728,026)	(16,106)
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	20,979,499	1,539,464
<b>Uses/outflows of resources</b>			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]&[C-2]	21,065,475	1,539,464
Differences - budget to GAAP			
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but the in year the supplies are received for financial reporting purposes.			
Current Year			
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	21,065,475	1,539,464

**REQUIRED SUPPLEMENTARY  
INFORMATION - PART III**

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

Fiscal Year Ending June 30,	District's Proportion of the Net Pension Liability (Asset)	District's Proportionate Share of the Net Pension Liability (Asset)	District's Covered Payroll - PERS Employee's	District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its' Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.0126369266%	\$ 2,365,978	\$ 1,105,455	214.03%	52.08%
2016	0.0150120072%	\$ 3,369,895	\$ 1,017,583	331.17%	52.07%
2017	0.0163373900%	\$ 4,838,666	\$ 993,558	487.00%	59.86%
2018	0.0149705330%	\$ 3,484,901	\$ 897,879	388.13%	51.90%
2019	0.0139232100%	\$ 2,741,412	\$ 803,989	340.98%	46.40%

\* 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.

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

Fiscal Year Ending June 30,	Contractually Required Contribution		Contributions in Relation to the Contractually Required Contributions		Contribution Deficiency (Excess)	District's PERS Covered-Employee Payroll	Contributions as a Percentage of PERS Covered-Employee Payroll
	Contractually Required Contribution	Contractually Required Contribution	Contractually Required Contributions	Contractually Required Contributions			
2015	\$ 104,177	\$	(213,991)	\$ (109,814)	\$ 1,105,455	9.42%	
2016	129,063		(208,873)	(79,810)	1,017,583	12.68%	
2017	145,139		(217,018)	(71,879)	993,558	14.61%	
2018	138,686		(138,686)	-	897,879	15.45%	
2019	138,491		(138,491)	-	803,989	17.23%	

\* 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.

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

Fiscal Year Ending June 30,	District's	District's	State's	District's	District's	District's	Plan Fiduciary
	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability Associated with the District (Asset)	Proportionate Share of the Net Pension Liability Associated with the District (Asset)	District's Covered Payroll - TPAF Employee's	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its' Covered Payroll	Net Position as a Percentage of the Total Pension Liability
2015	0.0426297375%		\$	\$ 24,744,440	\$	5,690,343	33.64%
2016	0.0497211990%			31,425,921		5,641,459	28.71%
2017	0.0542707916%			42,692,860		5,795,976	22.33%
2018	0.0563326534%			37,981,506		5,978,912	25.41%
2019	0.0537065888%			34,166,978		6,197,942	26.49%

\* 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.

**GUTTENBERG BOARD OF EDUCATION**  
**Note to Required Schedules of Supplementary Information - Part III**  
**Fiscal Year Ended June 30, 2019**

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 (3.58%) to the current measurement date (3.87%), resulting in a change in the discount rate from 5.00% to 5.66%. 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 (3.58%) to the current measurement date (3.87%), resulting in a change in the discount rate from 4.25% to 4.86%. This change in the discount rate is considered to be a change in actuarial assumptions under GASBS No. 68.



**GUTTENBERG BOARD OF EDUCATION**  
**Schedule of Required Supplementary Information**  
**Schedule of Changes in the District's Proportionate Share of the State OPEB Liability**  
*Last 10 Fiscal Years\**

	2019	2018
<b>Total OPEB Liability</b>		
Service Costs	\$ 1,117,421	\$ 1,358,037
Interest on Total OPEB Liability	883,699	760,681
Difference between Expected and Actual Experiences	(3,673,130)	
Changes in Assumptions	(2,227,878)	(3,368,446)
Gross Benefit Payments	(519,129)	(551,613)
Contribution from the Member	17,942	20,312
<b>Net Changes in total Share of OPEB Liability</b>	<b>(4,401,075)</b>	<b>(1,781,029)</b>
<b>Total OPEB Liability - Beginning</b>	<b>23,815,289</b>	<b>25,596,318</b>
<b>Total OPEB Liability - Ending</b>	<b>\$ 19,414,214</b>	<b>\$ 23,815,289</b>
District's Proportionate Share of OPEB Liability	\$ -	\$ -
State's Proportionate Share of OPEB Liability	19,414,214	23,815,289
Total OPEB Liability - Ending	<b>\$ 19,414,214</b>	<b>\$ 23,815,289</b>
District's Covered Employee Payroll	<b>\$ 7,001,931</b>	<b>\$ 6,876,791</b>
Districts' Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	0%	

**Notes to Schedule:**

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75.

Change in benefit terms                      None

Change in assumptions                      Assumptions used in calculating the OPEB liability are presented in Note 8.

\* GASB requires that ten years of information be presented. However, since fiscal year 2018 was the first year of GASB 75 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

## **Supplementary Schedules**

**SPECIAL REVENUE FUND**

**GUTTENBERG BOARD OF EDUCATION**  
**Special Revenue Fund**  
**Combining Schedule of Program Revenues and Expenditures - Budgetary Basis**  
**June 30, 2019**

	Title I, Improving Basic Skills	Title II, Part A Teacher and Principal Training and Recruiting Fund	Title III, English Language Acquisition and Language Enhancement	Title III - Immigrant	Title IV	Totals 2018
<b>REVENUES</b>						
Local Sources	-					-
State Sources	165,462					165,462
Federal Sources	272,208	913,008	43,538	11,833	46,395	1,374,002
<b>Total Revenues</b>	<b>437,670</b>	<b>913,008</b>	<b>43,538</b>	<b>11,833</b>	<b>46,395</b>	<b>1,539,464</b>
<b>EXPENDITURES:</b>						
<b>Instruction:</b>						
Salaries of Teachers	127,743	175,966		4,290		373,004
Other Salaries for Instruction	-	122,716	30,630	5,913		159,259
Purchased Professional - Educational Services	-		3,000			3,000
Other Purchased Services (400-500 series)	141,930					141,930
General Supplies	44,239	91,495	2,259	141	14,660	152,794
<b>Total instruction</b>	<b>313,912</b>	<b>390,177</b>	<b>35,889</b>	<b>10,344</b>	<b>14,660</b>	<b>829,987</b>
<b>Support services:</b>						
Salaries of Program Directors	-	2,251				2,251
Salaries of Other Professional Staff	-	149,321			2,475	151,796
Personal Services - Employee Benefits	33,246	235,983	404	328		291,976
Purchased Professional - Technical Services	82,281	17,699	3,501		199	103,680
Purchased Professional - Educational Services	-	41,800	3,000	600	20,000	65,400
Other Purchased Professional Services	5,000	1,710	744			7,454
Miscellaneous Purchased Services	-	13,223		561		13,784
Supplies & Materials	3,231	22,844			1,250	27,325
<b>Total support services</b>	<b>123,758</b>	<b>484,831</b>	<b>7,649</b>	<b>1,489</b>	<b>23,924</b>	<b>663,666</b>
<b>Facilities acquisition and const. serv.:</b>						
Instructional Equipment	-	38,000				38,000
Infrastructure Improvements	-				7,811	7,811
<b>Total facilities acquisition and const. serv.</b>	<b>-</b>	<b>38,000</b>	<b>-</b>	<b>-</b>	<b>7,811</b>	<b>45,811</b>
<b>Total Expenditures</b>	<b>437,670</b>	<b>913,008</b>	<b>43,538</b>	<b>11,833</b>	<b>46,395</b>	<b>1,539,464</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**GUTTENBERG BOARD OF EDUCATION**  
 Special Revenue Fund  
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
 Fiscal Year Ended June 30, 2019

	Total Brought Forward (Ex. E-1b)	Title I, Part A Reallocation	I.D.E.A. Part B, Basic	I.D.E.A. Part B Preschool	Preschool Education Aid	Total Carried Forward
<b>REVENUES</b>						
Local Sources	-					-
State Sources	-	31,327	231,603	9,278	165,462	165,462
Federal Sources	-					272,208
<b>Total Revenues</b>	<b>-</b>	<b>31,327</b>	<b>231,603</b>	<b>9,278</b>	<b>165,462</b>	<b>437,670</b>
<b>EXPENDITURES:</b>						
<b>Instruction:</b>						
Salaries of Teachers	-				127,743	127,743
Other Salaries for Instruction	-					-
Other Purchased Services (400-500 series)	-		141,930			141,930
General Supplies	-	31,327	6,442	1,997	4,473	44,239
<b>Total instruction</b>	<b>-</b>	<b>31,327</b>	<b>148,372</b>	<b>1,997</b>	<b>132,216</b>	<b>313,912</b>
<b>Support services:</b>						
Salaries of Program Directors	-					-
Salaries of Other Professional Staff	-					-
Personal Services - Employee Benefits	-				33,246	33,246
Purchased Professional - Technical Services	-		75,000	7,281		82,281
Purchased Professional - Educational Services	-					-
Other Purchased Professional Services	-		5,000			5,000
Miscellaneous Purchased Services	-					-
Supplies & Materials	-		3,231			3,231
<b>Total support services</b>	<b>-</b>	<b>-</b>	<b>83,231</b>	<b>7,281</b>	<b>33,246</b>	<b>123,758</b>
<b>Facilities acquisition and const. serv.:</b>						
Instructional Equipment	-					-
Infrastructure Improvements	-					-
<b>Total facilities acquisition and const. serv.</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditures</b>	<b>-</b>	<b>31,327</b>	<b>231,603</b>	<b>9,278</b>	<b>165,462</b>	<b>437,670</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**GUTTENBERG BOARD OF EDUCATION**  
**Special Revenue Fund**  
**Schedule of Preschool Education Aid**  
**Budgetary Basis**  
**Fiscal Year Ended June 30, 2019**

	<b>Budgeted</b>	<b>Actual</b>	<b>Variance</b>
<b>EXPENDITURES:</b>			
<b>Instruction:</b>			
Salaries of Teachers	127,743	127,743	-
General Supplies	4,473	4,473	-
<b>Total instruction</b>	<b>132,216</b>	<b>132,216</b>	<b>-</b>
<b>Support services:</b>			
Personal Services - Employee Benefits	33,315	33,246	69
<b>Total support services</b>	<b>33,315</b>	<b>33,246</b>	<b>69</b>
<b>Total expenditures</b>	<b>165,531</b>	<b>165,462</b>	<b>69</b>

**Calculation of Budget and Carryover**

Total Revised 2018-19 Preschool Education Aid Allocation	161,058
Add: Actual ECPA/PEA Carryover (June 30, 2018)	4,473
Add: Budgeted transfer from General Fund 2018-2019	-
Total Preschool Education Funds Available for 2018-19 Budget	165,531
Less: 2018-19 Budgeted Preschool Education Aid (Including prior year budgeted carryover)	(165,531)
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2019	-
Add: June 30, 2019 Unexpended Preschool Education Aid	69
2018-19 Actual Carryover - Preschool Education Aid Programs	69
2018-19 Preschool Education Aid Carryover Budgeted for Preschool Programs 2019-20	69

**CAPITAL PROJECTS FUND**

**GUTTENBERG BOARD OF EDUCATION  
Capital Projects Fund  
Summary Schedule of Revenues, Expenditures, and Changes  
in Fund Balance-Budgetary Basis  
Fiscal Year Ended June 30, 2019**

**Revenues**

State Sources - SCC Grant	-
Certificates of Participation	-
Local Share	700,000
Transfers from Capital Reserve	-
Transfers from Capital Outlay	-
Transfers from Food Service Fund	-
Interest earnings	-
	700,000

**Expenditures**

Purchased professional and technical services	89,160
Land and improvements	-
Construction services	1,542,257
Equipment purchases	-
	1,631,417

Net change in fund balance	(931,417)
Fund balance - beginning	1,454,600
Fund balance - ending	\$ 523,183

**Analysis of Fund Balance**

Assigned to:	
Additions and Alterations to the Anna L. Klein School	523,183
	\$ 523,183

Reconciliation to Governmental Funds Statement (GAAP):	
SDA Grant Receivable not Recognized on GAAP Basis	(182,587)
Local Share not Recognized on GAAP Basis	(340,596)
Fund Balance per Governmental Funds	\$ -



**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, 2019**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues</b>				
State Sources - SCC Grant	3,651,737		3,651,737	
Certificates of Participation			-	
Local Share	18,081,583	700,000	18,781,583	
Transfers from Capital Reserve			-	
Transfers from Capital Outlay			-	
Donations			-	
	<u>21,733,320</u>	<u>700,000</u>	<u>22,433,320</u>	<u>-</u>
<b>Expenditures</b>				
Purchased professional and technical services	2,175,667	89,160	2,264,827	
Land and improvements	35,018		35,018	
Construction services	18,068,035	1,542,257	19,610,292	
Equipment purchases			-	
	<u>20,278,720</u>	<u>1,631,417</u>	<u>21,910,137</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,454,600</u>	<u>(931,417)</u>	<u>523,183</u>	<u>-</u>
<b>Additional project information:</b>				
Project number	1850-050-09-0ZZW			
Grant Date	5/20/2013			
Bond authorization date	5/29/2012			
Bonds authorized	20,791,666			
Bonds issued				
Original authorization cost	22,433,320			
Additional authorized cost				
Revised authorized cost	22,433,320			
Percentage increase over original authorized cost	-			
Percentage completion	98%			
Original target completion date	8/31/2017			
Revised target completion date	5/31/2018			

**PROPRIETARY FUNDS**

**GUTTENBERG BOARD OF EDUCATION**  
**Combining Statement of Net Position**  
**Enterprise Funds**  
**June 30, 2019**

	<u>Enterprise Fund</u> Food Service Program	<u>Internal Service Fund</u> Building Maintenance	<u>Totals</u>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	109,843	146,838	256,681
Accounts receivable:			
State	335		335
Federal	22,928		22,928
Inventories	2,752		2,752
Total current assets	<u>135,858</u>	<u>146,838</u>	<u>282,696</u>
Noncurrent assets:			
Capital assets:			
Equipment	85,209		85,209
Less accumulated depreciation:			
Equipment	<u>(43,757)</u>		<u>(43,757)</u>
Total capital assets (net of accumulated depreciation)	<u>41,452</u>	<u>-</u>	<u>41,452</u>
Total assets	<u><u>177,310</u></u>	<u><u>146,838</u></u>	<u><u>324,148</u></u>
<b>LIABILITIES</b>			
Current liabilities:			
Interfund - General Fund	<u>28,633</u>		<u>28,633</u>
Total current liabilities	<u>28,633</u>	<u>-</u>	<u>28,633</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	41,452	-	41,452
Restricted contributed capital	32,055		32,055
Unrestricted	75,170	146,838	222,008
Total net position	<u><u>148,677</u></u>	<u><u>146,838</u></u>	<u><u>295,515</u></u>

**GUTTENBERG BOARD OF EDUCATION**  
**Combining Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Enterprise Funds**  
**Fiscal Year Ended June 30, 2019**

	<u>Enterprise Funds</u> <b>Food Service Program</b>	<b>Internal Service Fund Building Maintenance</b>	<u>Totals</u>
Operating revenues:			
Charges for services:			
Daily sales - reimbursable programs	38,545		38,545
Daily sales - non-reimbursable programs	18,333		18,333
Total operating revenues	<u>56,878</u>	<u>-</u>	<u>56,878</u>
Operating expenses:			
Cost of sales - reimbursable programs	149,587		149,587
Cost of sales - non-reimbursable programs	5,877		5,877
Salaries	183,594		183,594
Supplies and materials	12,887		12,887
Employee benefits	29,787		29,787
Cleaning repair & maintenance	300		300
Purchased services	15,186		15,186
Miscellaneous	7,302		7,302
Depreciation	2,566		2,566
Total Operating Expenses	<u>407,086</u>	<u>-</u>	<u>407,086</u>
Operating income (loss)	<u>(350,208)</u>	<u>-</u>	<u>(350,208)</u>
Nonoperating revenues (expenses):			
State sources:			
State school lunch program	5,237		5,237
Federal sources:			
National school lunch program	286,532		286,532
National school breakfast program	63,495		63,495
Food distribution program	35,294		35,294
Prior year voided checks	11		11
Interest and investment revenue	7,565	1,838	9,403
Total nonoperating revenues (expenses)	<u>398,134</u>	<u>1,838</u>	<u>399,972</u>
Income (loss) before contributions & transfers	47,926	1,838	49,764
Change in net position	47,926	1,838	49,764
Total net position—beginning	<u>100,751</u>	<u>145,000</u>	<u>245,751</u>
Total net position—ending	<u>148,677</u>	<u>146,838</u>	<u>295,515</u>

**GUTTENBERG BOARD OF EDUCATION**  
**Combining Statement of Cash Flows**  
**Enterprise Funds**  
**Fiscal Year Ended June 30, 2019**

	<u>Enterprise Funds</u> <u>Food</u> <u>Service</u> <u>Program</u>	<u>Internal</u> <u>Service Fund</u> <u>Building</u> <u>Maintenance</u>	<u>Totals</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	56,878	-	56,878
Payments to employees	(61,102)	-	(61,102)
Payments to outside food service management company	(321,115)		(321,115)
Payments for supplies	(1,109)	-	(1,109)
Payments for miscellaneous expenditures	(3,765)		(3,765)
Net cash provided by (used for) operating activities	<u>(330,213)</u>	<u>-</u>	<u>(330,213)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
State Sources	5,284		5,284
Federal Sources	352,636		352,636
Net cash provided by (used for) non-capital financing activities	<u>357,920</u>	<u>-</u>	<u>357,920</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Purchase of capital assets	(12,384)		(12,384)
Net cash provided by (used for) capital and related financing activities	<u>(12,384)</u>	<u>-</u>	<u>(12,384)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Prior Year Voided Checks	11		11
Interest and dividends	7,565	1,838	9,403
Net cash provided by (used for) investing activities	<u>7,576</u>	<u>1,838</u>	<u>9,414</u>
Net increase (decrease) in cash and cash equivalents	22,899	1,838	24,737
Balances—beginning of year	86,944	145,000	231,944
Balances—end of year	<u>109,843</u>	<u>146,838</u>	<u>256,681</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>			
Operating income (loss)	(350,208)	-	(350,208)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation and net amortization	2,566		2,566
Food Distribution Program	35,294		35,294
(Increase) decrease in inventories	1,060		1,060
Increase (decrease) in accounts payable	(18,925)		(18,925)
Total adjustments	<u>19,995</u>	<u>-</u>	<u>19,995</u>
Net cash provided by (used for) operating activities	<u>(330,213)</u>	<u>-</u>	<u>(330,213)</u>

**FIDUCIARY FUND**

**GUTTENBERG BOARD OF EDUCATION**  
**Combining Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2019**

	<b>Private Purpose Scholarship Fund</b>	<b>Agency Funds</b>
	<u>          </u>	<u>          </u>
<b>ASSETS</b>		
Cash and cash equivalents	12,129	18,393
Total assets	<u>12,129</u>	<u>18,393</u>
<b>LIABILITIES</b>		
Payable to student groups		17,671
Interfund Payable - General Fund		722
Total liabilities	<u>-</u>	<u>18,393</u>
<b>NET POSITION</b>		
Reserved for Scholarships	<u>12,129</u>	

**GUTTENBERG BOARD OF EDUCATION**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**Fiscal Year Ended June 30, 2019**

	<b>Private Purpose Scholarship Fund</b>
<b>ADDITIONS</b>	
Contributions:	
Prior Year Voided Checks	250
Total Contributions	250
Investment earnings:	
Interest	163
Net investment earnings	163
Total additions	413
<b>DEDUCTIONS</b>	
Scholarship Payments	1,100
Total deductions	1,100
Change in net position	(687)
Net position—beginning of the year	12,816
Net position—end of the year	12,129



**GUTTENBERG BOARD OF EDUCATION**  
**Student Activity Agency Fund**  
**Schedule of Receipts and Disbursements**  
**Fiscal Year Ended June 30, 2019**

	<u>Balance</u> <u>July 1, 2018</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursed</u>	<u>Balance</u> <u>June 30, 2019</u>
Anna L. Klein School:				
Anna L. Klein School Funds	3,857	250	500	3,607
Anna L. Klein Student Activity	4,402	14,842	18,863	381
Graduating Class Fund	12,792	17,222	17,536	12,478
Student Council Account	368	1,696	1,371	693
Anna L. Klein Yearbook Account	76	5,713	5,277	512
	<u>21,495</u>	<u>39,723</u>	<u>43,547</u>	<u>17,671</u>
Total	<u>21,495</u>	<u>39,723</u>	<u>43,547</u>	<u>17,671</u>

**GUTTENBERG BOARD OF EDUCATION**  
**Payroll Agency Fund**  
**Schedule of Receipts and Disbursements**  
**Fiscal Year Ended June 30, 2019**

	<u>Balance July 1, 2018</u>	<u>Cash Receipts</u>	<u>Cash Disbursed</u>	<u>Balance June 30, 2019</u>
Net Payroll	-	5,373,903	5,373,903	-
Payroll Deductions and Withholdings	-	3,939,973	3,939,973	-
Interfund - General Fund	140	710	128	722
	<u>140</u>	<u>9,314,586</u>	<u>9,314,004</u>	<u>722</u>

**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
- J-4 Changes in Fund Balances - Governmental Funds
- J-5 General Fund Other Local Revenue by Source

### Revenue Capacity

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

### Debt Capacity

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

### Demographic and Economic Information

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

### Operating Information

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

# STATISTICAL SECTION (UNAUDITED) - INTRODUCTION

## J SERIES

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Governmental activities</b>										
Net investment in capital assets	\$ 1,832,059	\$ 1,898,763	\$ 1,945,793	\$ 2,199,143	\$ 2,336,568	\$ 3,761,335	\$ 8,877,172	\$ 17,357,797	\$ 25,027,092	\$ 26,663,442
Restricted	366,442	685,195	1,864,012	2,764,389	3,172,592	3,404,521	3,602,582	3,501,923	3,226,924	3,292,282
Unrestricted	(1,265,856)	(1,169,914)	(1,049,890)	(1,052,562)	(1,174,387)	(3,535,225)	(3,658,745)	(3,999,207)	(4,175,396)	(4,213,129)
<b>Total governmental activities net position</b>	<b>\$ 932,645</b>	<b>\$ 1,414,044</b>	<b>\$ 2,759,915</b>	<b>\$ 3,910,970</b>	<b>\$ 4,334,773</b>	<b>\$ 3,630,631</b>	<b>\$ 8,821,009</b>	<b>\$ 16,860,513</b>	<b>\$ 24,078,620</b>	<b>\$ 25,742,595</b>
<b>Business-type activities</b>										
Net investment in capital assets	\$ 45,418	\$ 47,171	\$ 59,732	\$ 59,720	\$ 16,156	\$ 16,156	\$ 58,450	\$ 58,961	\$ 31,634	\$ 41,452
Restricted	32,055	32,055	32,055	32,055	32,055	32,055	32,055	32,055	32,055	32,055
Unrestricted	178,068	106,241	44,334	86,128	132,551	132,551	70,055	38,498	37,062	75,170
<b>Total business-type activities net position</b>	<b>\$ 255,541</b>	<b>\$ 185,467</b>	<b>\$ 136,121</b>	<b>\$ 177,903</b>	<b>\$ 180,762</b>	<b>\$ 180,762</b>	<b>\$ 160,560</b>	<b>\$ 129,514</b>	<b>\$ 100,751</b>	<b>\$ 148,677</b>
<b>District-wide</b>										
Net investment in capital assets	\$ 1,877,477	\$ 1,945,934	\$ 2,005,525	\$ 2,258,863	\$ 2,352,724	\$ 3,777,491	\$ 8,935,622	\$ 17,416,758	\$ 25,058,726	\$ 26,704,894
Restricted	398,497	717,250	1,896,067	2,796,444	3,204,647	3,436,576	3,634,637	3,533,978	3,258,979	3,324,337
Unrestricted	(1,087,788)	(1,063,673)	(1,005,556)	(966,434)	(1,041,836)	(3,402,674)	(3,588,690)	(3,960,709)	(4,138,334)	(4,137,959)
<b>Total district net position</b>	<b>\$ 1,188,186</b>	<b>\$ 1,599,511</b>	<b>\$ 2,896,036</b>	<b>\$ 4,088,873</b>	<b>\$ 4,515,535</b>	<b>\$ 3,811,393</b>	<b>\$ 8,981,569</b>	<b>\$ 16,990,027</b>	<b>\$ 24,179,371</b>	<b>\$ 25,891,272</b>

Source: CAFR Schedule A-1

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Expenses</b>										
Governmental activities										
Instruction										
Regular	\$ 4,963,409	\$ 4,325,879	\$ 4,600,926	\$ 4,639,636	\$ 4,844,899	\$ 5,365,573	\$ 5,398,563	\$ 5,248,694	\$ 4,905,189	\$ 5,612,540
Special education	812,324	426,616	454,719	695,252	674,274	730,823	761,361	806,906	1,176,342	1,503,573
Other special education	959,974	511,494	1,074,001	905,956	653,184	936,955	691,013	894,821	979,383	927,622
Other instruction	-	14,403	90,344	47,221	51,488	179,549	71,727	73,178	65,655	85,122
Support Services:										
Tuition	4,955,575	5,657,035	4,601,239	4,498,710	4,974,817	5,115,833	5,039,443	5,339,656	5,846,445	6,063,454
Health Services								176,215	183,929	193,902
Student & instruction related services	1,999,616	1,756,452	1,519,420	1,879,036	2,457,964	2,255,474	2,496,387	2,375,964	2,523,399	2,777,214
General administrative services	476,171	487,660	452,274	342,949	456,959	451,504	436,067	461,485	305,469	766,951
School administrative services	393,283	446,212	340,190	408,945	155,128	139,430	146,756	276,839	514,009	327,729
Central Services	276,933	282,501	324,412	365,375	418,985	386,608	387,689	397,748	366,742	404,622
Administrative Information Technology	151,511	66,802	110,509	133,214	123,858	129,376	134,825	141,314	139,557	146,199
Plant operations and maintenance	741,515	541,852	747,347	816,015	876,366	823,904	889,641	883,228	916,960	1,249,596
Pupil transportation	365,479	356,367	243,864	197,769	171,554	182,233	286,834	225,753	252,183	217,093
Unallocated Benefits	642,428	879,746	789,850	995,799	1,117,086	2,299,526	3,170,724	4,701,242	5,136,687	2,683,829
Special Schools	4,000	-	-	-	-	-	-	-	-	44,465
Charter Schools	-	-	-	-	-	-	-	-	-	-
Debt Service:										
Interest and other charges	74,195	62,944	51,871	40,444	26,944	13,444	208,550	179,259	431,989	757,450
Unallocated depreciation	148,131	157,242	160,970	158,990	224,737	229,134	208,550	179,259	431,989	757,450
Capital Outlay - nondepreciable	30,305	-	-	134,792	49,602	33,482	26,556	187,021	187,021	135,411
Total governmental activities expenses	16,994,849	15,973,205	15,561,936	16,260,103	17,277,845	19,272,848	20,146,136	22,182,302	23,930,959	23,896,772

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Business-type activities:</b>										
Food service	372,780	439,701	467,576	429,824	414,772	480,218	516,641	523,843	450,833	407,086
Child Care	15,535	-	-	-	-	-	-	-	-	-
Total business-type activities expense	388,315	439,701	467,576	429,824	414,772	480,218	516,641	523,843	450,833	407,086
Total district expenses	\$ 17,383,164	\$ 16,412,906	\$ 16,029,512	\$ 16,689,927	\$ 17,692,617	\$ 19,753,066	\$ 20,662,777	\$ 22,706,145	\$ 24,381,792	\$ 24,303,858
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
Operating grants and contributions	1,759,823	1,913,398	1,395,186	1,362,151	1,228,254	1,162,137	1,238,800	1,206,158	1,416,220	1,539,464
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total governmental activities program revenues	1,759,823	1,913,398	1,395,186	1,362,151	1,228,254	1,162,137	1,238,800	1,206,158	1,416,220	1,539,464
Business-type activities:										
Charges for services:										
Food service	39,492	27,499	54,767	48,867	49,084	54,623	45,836	44,706	56,994	56,878
Child care	9,235	-	-	-	-	-	-	-	-	-
Operating grants and contributions	331,901	342,128	363,463	422,739	373,423	432,761	448,381	445,632	386,316	390,558
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business type activities program revenues	380,628	369,627	418,230	471,606	422,507	487,384	494,217	490,338	443,310	447,436
Total district program revenues	\$ 2,140,451	\$ 2,283,025	\$ 1,813,416	\$ 1,833,757	\$ 1,650,761	\$ 1,649,521	\$ 1,733,017	\$ 1,696,496	\$ 1,859,530	\$ 1,986,900
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (15,235,026)	\$ (14,059,807)	\$ (14,166,750)	\$ (14,897,952)	\$ (16,049,591)	\$ (18,110,711)	\$ (18,907,336)	\$ (20,976,144)	\$ (22,514,739)	\$ (22,357,308)
Business-type activities	(7,687)	(70,074)	(49,346)	41,782	7,735	7,166	(22,424)	(33,505)	(7,523)	40,350
Total district-wide net expense	\$ (15,242,713)	\$ (14,129,881)	\$ (14,216,096)	\$ (14,856,170)	\$ (16,041,856)	\$ (18,103,545)	\$ (18,929,760)	\$ (21,009,649)	\$ (22,522,262)	\$ (22,316,958)
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 8,702,159	\$ 9,351,794	\$ 9,930,572	\$ 10,254,523	\$ 10,459,613	\$ 10,668,805	\$ 10,882,182	\$ 11,099,825	\$ 11,099,825	\$ 11,321,822
Taxes levied for debt service	239,544	251,211	240,688	230,165	256,003	243,377	229,841	-	-	-
Local share, Capital Projects Fund	-	-	-	-	-	1,036,546	3,903,246	7,076,902	4,610,288	1,448,830
Unrestricted grants and contributions	4,616,634	4,914,341	5,224,401	5,628,388	5,908,220	7,233,297	7,950,297	9,337,671	10,649,013	10,989,449
Restricted grants and contributions	-	-	-	-	-	365,174	1,095,521	1,460,695	730,348	182,587
Investment earnings	232	29	-	-	-	232,635	36,627	40,555	66,682	78,595
Miscellaneous income	19,698	23,831	116,960	36,402	125,013	-	-	-	-	-
Other Financing sources (uses)	-	-	-	(100,471)	(218,269)	-	-	-	-	-
Total governmental activities	13,578,267	14,541,206	15,512,621	16,049,007	16,530,580	19,779,834	24,097,714	29,015,648	27,156,156	24,021,283



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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Business-type activities:</b>										
Other Financing sources (uses)	-	-	-	-	18,612	1,505	2,222	2,459	4,112	7,576
Total business-type activities	\$ 13,578,267	\$ 14,541,206	\$ 15,512,621	\$ 16,049,007	\$ 16,549,192	\$ 19,781,339	\$ 24,099,936	\$ 29,018,107	\$ 27,160,268	\$ 24,028,859
<b>Change in Net Position</b>										
Governmental activities	\$ (1,656,759)	\$ 481,399	\$ 1,345,871	\$ 1,151,055	\$ 480,989	\$ 1,669,123	\$ 5,190,378	\$ 8,039,504	\$ 4,641,417	\$ 1,663,975
Business-type activities	(7,687)	(70,074)	(49,346)	41,782	26,347	8,671	(20,202)	(31,046)	(3,411)	47,926
Total district	\$ (1,664,446)	\$ 411,325	\$ 1,296,525	\$ 1,192,837	\$ 507,336	\$ 1,677,794	\$ 5,170,176	\$ 8,008,458	\$ 4,638,006	\$ 1,711,901

Source: CAFR Schedule A-2

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund										
Reserved	\$ 224,666									
Unreserved	(151,653)									
Restricted		360,985	1,450,393	2,567,075	3,015,474	3,148,264	3,438,046	3,347,121	2,674,046	2,429,347
Committed		162,052	334,701	55,018	15,093					
Assigned		20,353	-	-	-	113,749	21,303	10,843	407,878	716,097
Unassigned		10,210	(71,539)	(133,496)	(172,025)	(164,723)	(116,945)	(78,566)	(144,101)	(293,597)
Total general fund	\$ 73,013	\$ 553,600	\$ 1,713,555	\$ 2,488,597	\$ 2,858,542	\$ 3,097,290	\$ 3,342,404	\$ 3,279,398	\$ 2,937,823	\$ 2,851,847
All Other Governmental Funds										
Reserved										
Unreserved, reported in:										
Special revenue fund		(4,404)	(834)							
Capital projects fund										
Debt service fund	1	1	1	1						
Permanent fund										
Total all other governmental funds	\$ 1	\$ (4,403)	\$ (833)	\$ 1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Source: CAFR Schedule B-1

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Revenues</b>										
Tax levy	\$ 8,941,703	\$ 9,603,005	\$ 10,171,260	\$ 10,484,688	\$ 10,715,616	\$ 10,912,182	\$ 11,112,023	\$ 11,099,825	\$ 11,099,825	\$ 11,321,822
Interest earnings										
Miscellaneous	19,698	23,831	116,960	35,734	125,013	232,635	36,627	40,555	66,682	78,595
Local Share						1,036,546	3,903,246	7,076,902	4,660,288	1,448,830
State sources	4,136,944	5,118,772	5,348,167	5,757,126	6,051,094	6,665,138	7,733,609	8,365,499	8,455,636	9,907,584
Federal sources	2,239,513	1,708,967	1,418,881	1,233,413	1,085,380	1,032,798	1,066,687	1,064,882	1,201,937	1,393,549
Total revenue	15,337,858	16,454,575	17,055,268	17,510,961	17,977,103	19,879,299	23,852,192	27,647,663	25,484,368	24,150,380
<b>Expenditures</b>										
Instruction										
Regular instruction	4,963,409	4,325,879	4,600,926	4,659,724	4,864,941	5,385,615	5,418,605	5,268,736	4,925,074	5,229,766
Special education instruction	812,324	426,616	454,719	695,252	674,274	730,823	761,361	806,906	1,176,342	1,421,587
Other special instruction	959,974	511,494	1,074,001	905,956	653,184	936,955	691,013	894,821	979,383	824,723
Other instruction		14,403	90,344	47,221	51,488	179,549	71,727	73,178	65,655	79,069
Support Services:										
Tuition	4,955,575	5,657,035	4,601,239	4,498,710	4,974,817	5,115,833	5,039,443	5,339,656	5,846,445	6,063,454
Health Services								176,215	183,929	176,783
Student & instruction related services	1,999,616	1,756,452	1,519,420	1,879,036	2,457,964	2,255,474	2,496,387	2,375,964	2,512,758	2,631,763
General administrative services	476,171	487,660	340,190	342,949	456,959	451,504	436,067	461,485	514,009	736,643
School Administrative services	393,283	446,212	452,274	408,945	155,128	139,430	146,756	276,839	305,469	303,276
Business and other support services										
Central administrative services	276,933	282,501	324,412	365,375	418,985	386,608	387,689	397,748	366,742	370,150
Administrative Information Technology	151,511	66,802	110,509	133,214	123,858	129,376	134,825	141,314	139,557	134,640
Plant operations and maintenance	741,389	541,852	747,347	816,015	876,366	824,385	890,366	883,954	914,573	1,220,526
Pupil transportation	365,479	356,367	243,864	197,769	171,554	182,233	286,834	225,753	252,183	217,093
Unallocated employee benefits		160,278	118,261	98,802	110,521	108,164	132,909	150,984	146,311	143,341
Allocated Benefits										
On-behalf contributions	663,516	652,326	819,021	992,445	896,207	1,107,025	1,355,431	1,577,232	1,771,829	2,097,566
Special Schools	4,000									
Charter Schools										
Capital outlay	64,484	23,946	137,897	347,132	228,950	1,447,383	5,111,943	8,659,884	5,725,684	44,465
Debt service:										
Principal	180,000	200,000	200,000	200,000	240,000	240,000	239,000	-	-	-
Interest and other charges	79,257	68,569	57,319	46,069	33,694	20,194	6,722	-	-	-
Total expenditures	17,086,921	15,978,392	15,891,743	16,634,614	17,388,890	19,640,551	23,607,078	27,710,669	25,825,943	24,236,356
Excess (Deficiency) of revenues over (under) expenditures	(1,749,063)	476,183	1,163,525	876,347	588,213	238,748	245,114	(63,006)	(341,575)	(85,976)

Exhibit J-4

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Net change in fund balances	\$ (1,749,063)	\$ 476,183	\$ 1,163,525	\$ 876,347	\$ 588,213	\$ 238,748	\$ 245,114	\$ (63,006)	\$ (341,575)	\$ (85,976)
Debt service as a percentage of noncapital expenditures	1.5%	1.7%	1.6%	1.5%	1.6%	1.4%	1.3%	0.0%	0.0%	0.0%

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 - ursement	P/Y Payables Cancelled/ Void Checks	Misc.	Total
			SACC & Unemployment Trust Accounts	Refunds				
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		-		3,809	3,593	61,928	20,044	125,013
2015	555	19,713	15,926	18,077	39,151	4,745	33,246	232,635
2016	17,971	136,861		9,980			5,950	36,627
2017	22,922	2,726		17,629			4	40,555
2018	33,868			4,419		25,995	2,400	66,682
2019	69,406			6,605			2,584	78,595

Source: District Records

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

Year Ended Dec. 31,	Vacant Land	Residential	Ofarm	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax-Exempt Property	Public Utilities <sup>a</sup>	Net Valuation Taxable	Total Direct School Tax Rate <sup>b</sup>	Estimated Actual (County Equalized Value)	% of Net Assessed to Estimated Full Cash Valuations
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	2.142	\$ 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	\$ 796,723,000	\$ 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	\$ 793,785,400	\$ 51,090,000	\$ 133,508	\$ 745,828,908	1.402	\$ 915,819,614	81.44%
2016	\$ 2,218,700	\$ 599,683,560		\$ 81,539,100	\$ 20,489,100	\$ 89,659,000	\$ 793,589,460	\$ 51,143,900	\$ 617,530	\$ 743,063,090	1.412	\$ 949,695,676	78.24%
2017	\$ 2,078,600	\$ 598,369,776		\$ 80,678,100	\$ 19,282,800	\$ 88,882,800	\$ 789,292,076	\$ 51,821,700	\$ 594,331	\$ 738,064,707	1.416	\$ 1,043,946,918	70.70%
2018	\$ 2,078,600	\$ 596,879,176		\$ 80,867,100	\$ 18,733,000	\$ 88,578,100	\$ 787,135,976	\$ 52,700,700	\$ 641,964	\$ 735,077,240	1.407	\$ 1,094,836,656	67.14%
2019	\$ 2,385,400	\$ 594,522,276		\$ 77,587,600	\$ 17,751,100	\$ 97,614,800	\$ 789,861,176	\$ 61,935,400	\$ 542,343	\$ 728,468,119	1.433	\$ 1,193,325,756	61.05%

Sources: Municipal Tax Assessor (Tax List District Summary - Table of Aggregates); Table of Equalized Valuations

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 <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	Total Direct	Town of Guttenberg	Hudson County		REAP Deduction
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	1.382	0.020	1.402	1.607	0.611	0.000	3.620
2016	1.412	0.000	1.412	1.631	0.607	0.000	3.650
2017	1.416	0.000	1.416	1.667	0.592	0.000	3.675
2018	1.407	0.000	1.407	1.717	0.603	0.000	3.727
2019	1.433	0.000	1.433	1.799	0.598	0.000	3.830

**Source:** District Records and Municipal Tax Collector (Tax Computation Summary)

**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	2019			2010		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Summit House	\$ 24,800,000	1	3.14%	10,968,900	1	2.71%
6819 Guttenberg LLC	5,445,800	2	0.69%			
422-430 68th Street, LLC	4,840,000	3	0.61%	990,000	5	0.24%
6803 Boulevard East LLC	3,918,900	4	0.50%	1,668,800	3	0.41%
Polk Street Partners, LLC	3,600,000	5	0.46%			
AM 68th Street LLC	2,690,000	6	0.34%			
7014 Jackson Street	2,600,000	7	0.33%			
AL-2 Properties Corp.	2,138,600	8	0.27%			
Guttenberg Savings and Loan	2,077,600	9	0.26%	1,087,500	4	0.27%
63-67 69th St. Assoc. LLC	1,884,500	10	0.24%	850,000	8	0.21%
Lagattuta Partners, L.P.			0.00%	752,000	9	0.19%
Palisades Operations LLC				2,866,200	2	0.71%
6803 Boulevard East LLC						
6909 Blvd. East. Inc.				979,100	6	0.24%
Kinkella, John & N				863,400	7	0.21%
Transcontinental Gas Pipe Line Corp.				733,100	10	0.18%
<b>Total</b>	<b>\$ 53,995,400</b>		<b>6.83%</b>	<b>\$ 21,759,000</b>		<b>5.37%</b>

Net Assessed Valuation: 790,403,519

405,345,833

**Source:** Municipal Tax Assessor (Principal Property Taxpayers List)



**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	
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%	
2016	\$11,112,023	\$ 10,186,021	91.67%	\$ 926,002
2017	\$11,099,825	\$ 11,099,825	100.00%	
2018	\$11,099,825	\$ 11,145,954	100.42%	\$ (46,129)
2019	\$11,321,822	\$ 11,321,822	100.00%	\$ -

**Source:** Municipal Tax Collector (School's Anticipated Budget)

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

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Total District	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds <sup>b</sup>	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases				
2010	1,553,029	-	-	-	-	1,553,029	0.31%	\$ 34.46
2011	1,312,251	-	-	-	-	1,312,251	0.25%	\$ 28.49
2012	1,091,862	-	-	-	-	1,091,862	0.20%	\$ 22.92
2013	871,774	-	-	-	-	871,774	0.16%	\$ 18.03
2014	611,732	-	-	-	-	611,732	0.10%	\$ 11.81
2015	351,690	-	-	-	-	351,690	0.06%	\$ 6.35
2016	92,648	-	-	-	-	92,648	0.01%	\$ 1.62
2017	72,606	-	-	-	-	72,606	0.01%	\$ 1.22
2018	52,721	-	-	-	-	52,721	Not Available	Not Available
2019	32,836	-	-	-	-	32,836	Not Available	Not Available

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

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

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

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

Exhibit J-11

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2010	1,553,029	-	\$ 1,553,029	0.41%	\$ 34.46
2011	1,312,251	-	\$ 1,312,251	0.17%	\$ 28.49
2012	1,091,862	-	\$ 1,091,862	0.15%	\$ 22.92
2013	871,774	-	\$ 871,774	0.12%	\$ 18.03
2014	611,732	-	\$ 611,732	0.08%	\$ 11.81
2015	351,690	-	\$ 351,690	0.05%	\$ 6.35
2016	92,648	-	\$ 92,648	0.01%	\$ 1.62
2017	72,606	-	\$ 72,606	0.01%	\$ 1.22
2018	52,721	-	\$ 52,721	0.01%	Not Available
2019	32,836	-	\$ 32,836	0.00%	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, 2019**

<u>Governmental Unit</u>	<u>Estimated Percentage Applicable<sup>a</sup></u>	<u>Debt Outstanding</u>	<u>Estimated Share of Overlapping Debt</u>
<b>Direct Debt of School District as of June 30, 2019</b>			\$ -
<b>Net overlapping debt of School District:</b>			
Guttenberg Town	100.000%	\$ 22,834,827	
County of Hudson	1.267%	<u>\$ 6,618,385</u>	
<b>Subtotal, overlapping debt</b>			<u>\$ 29,453,212</u>
<b>Total direct and overlapping debt</b>			<u><u>\$ 29,453,212</u></u>

**Sources:** Hudson County Treasurer's Office (2018 Abstract of Ratables, Annual Debt Stmt - County, Annual Debt Stmt - Town)

**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 2019

Equalized valuation basis

2019	\$ 1,193,325,756.00
2018	1,094,836,656
2017	1,043,946,918

[A] \$ 3,332,109,330

Average equalized valuation of taxable property

[A/3] \$ 1,110,703,110

Debt limit (3 % of average equalization value)

[B] 33,321,093 <sup>a</sup>

Net bonded school debt

[C] 32,836

Legal debt margin

[B-C] \$ 33,288,257

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Debt limit	\$ 34,202,218	\$ 30,709,115	\$ 28,504,060	\$ 27,108,961	\$ 26,825,123	\$ 26,825,123	\$ 26,834,020	\$ 33,321,093	28,178,866.77	33,321,093
Total net debt applicable to limit	1,319,000	1,119,000	919,000	719,000	479,000	239,000	-	-	52,721	32,836
Legal debt margin	\$ 32,883,218	\$ 29,590,115	\$ 27,585,060	\$ 26,389,961	\$ 26,346,123	\$ 26,586,123	\$ 26,834,020	\$ 33,321,093	\$ 28,126,146	\$ 33,288,257
Total net debt applicable to the limit as a percentage of debt limit	3.86%	3.64%	3.22%	2.65%	1.79%	0.89%	0.00%	0.00%	0.19%	0.10%

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

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

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

Year	Population <sup>a</sup>	Personal Income (thousands of dollars)	Per Capita		Unemployment Rate <sup>d</sup>
			Personal Income <sup>c</sup>		
2010	11,194	504,479,998	\$ 45,067.00		9.90%
2011	11,392	524,635,776	\$ 46,053.00		10.10%
2012	11,444	545,054,832	\$ 47,628.00		10.50%
2013	11,537	557,744,728	\$ 48,344.00		8.60%
2014	11,539	597,443,264	\$ 51,776.00		5.50%
2015	11,495	636,294,230	\$ 55,354.00		4.80%
2016	11,468	654,604,908	\$ 57,081.00		4.00%
2017	11,392	679,225,216	\$ 59,623.00		4.00%
2018	11,326	Not Available	Not Available		3.30%
2019	Not Available	Not Available	Not Available		Not Available

**Source:**

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

**Exhibit J-15**

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

<b>Employer</b>	<b>2019</b>		<b>2010</b>		<b>Percentage of Total Employment</b>	<b>Rank (Optional)</b>	<b>Percentage of Total Employment</b>
	<b>Employees</b>	<b>Percentage of Total Employment</b>	<b>Employees</b>	<b>Rank (Optional)</b>			
	-	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>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Instruction										
Regular	53.0	*	*	59.0	59.0	59.0	59.0	62.0	57.0	63.0
Special education	10.0	*	*	10.0	12.0	12.0	12.0	12.0	11.0	11.0
Other special education									5.0	5.0
Vocational										
Other instruction	9.0	*	*	10.0	10.0	10.0	10.0	14.0	6.0	7.0
Nonpublic school programs										
Adult/continuing education programs										
Support Services:										
Student & instruction related services						18.0		23.5	23.0	23.0
General administrative services	3.0	*	*	3.0	3.0	6.0	6.0	2.0	3.0	3.0
School administrative services	4.0	*	*	4.0	4.0	4.0	4.0	3.0	2.0	2.0
Business administrative services	5.0	*	*	3.0	3.0	0.0	0.0	4.5	3.0	3.0
Plant operations and maintenance	6.0	*	*	6.0	6.0	6.0	6.0	7.0	3.5	3.0
<b>Total</b>	<b>90.0</b>	<b>0.0</b>	<b>0.0</b>	<b>95.0</b>	<b>97.0</b>	<b>115.0</b>	<b>97.0</b>	<b>128.0</b>	<b>113.5</b>	<b>120.0</b>

\* Information Not Provided by District

Source: District Personnel Records



Guttenberg Board of Education  
Operating Statistics  
Last Ten Fiscal Years

Fiscal Year	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Teaching Staff <sup>b</sup>	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	High School				
2010	980.0	16,763,180	17,105	81.00%	75	1:13	N/A	N/A	1023	965.5	3.96%	94.38%
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							N/A	N/A	*	*	*	*
2014	1,024.0	16,886,246	16,490	#DIV/0!	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%
2016	972.0	18,249,413	18,775	2.81%	91	1:12	N/A	N/A	1007	956.98	2.49%	94.99%
2017	1,015.0	19,050,785	18,769	-0.03%	98	1:10	N/A	N/A	1011.9	959.94	0.49%	94.87%
2018	1,000.0	20,100,259	20,100	-0.01%	102	1:10	N/A	N/A	983.39	931.34	-2.82%	94.71%
2019	991.0	21,694,845	21,892	-0.01%	109	1:09	N/A	N/A	959.29	912.39	-2.45%	95.11%

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>District Buildings</b>										
<b>Elementary</b>										
Anna L. Klein School	90,487	90,487	90,487	90,487	90,487	90,487	90,487	90,487	138,002	138,002
Square Feet	872	872	872	872	872	872	872	872	1,326	1,326
Capacity (students)	982	1,022	1,031	1,010	1,024	982	982	982	1,000	991
Enrollment										

Number of Schools at June 30, 2019  
 Elementary = 1

Sources: 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)	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Anna L. Klein School	N/A	259,241	326,059	137,814	167,380	111,447	178,316	137,270	217,797	104,122	133,114
Total School Facilities		259,241	326,059	137,814	167,380	111,447	178,316	137,270	217,797	104,122	133,114
Grand Total		\$ 259,241	\$ 326,059	\$ 137,814	\$ 167,380	\$ 111,447	\$ 178,316	\$ 137,270	\$ 217,797	\$ 104,122	\$ 133,114

**Source: C-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  
Insurance Schedule  
June 30, 2019**

Type of Coverage	Coverage	Deductible
School Alliance Insurance Fund		
Workers' Compensation	\$ 5,000,000	
General and Automobile Liability	5,000,000/occurrence 100,000,000 aggregate	1,000
Employee Benefits	5,000,000/occurrence	
Excess General and Auto Liability	5,000,000/occurrence 5,000,000 aggregate	
Sexual Abuse and Molestation	10,000,000/occurrence 30,000,000 aggregate	
Property, Inland Marine	500,000,000/occurrence	5,000
Flood :		
Zones A or V	25,000,000/occurrence 50,000,000 aggregate	500,000
All Other Zones	10,000,000/occurrence 100,000,000 aggregate	
Boiler and Machinery	100,000,000/occurrence	5,000
Employee Dishonesty	500,000/loss	
Money and Securities	2,500,000	1,000
Environmental Impairment Liability	1,000,000/occurrence 25,000,000 aggregate	10,000
Critical Incident Management	25,000	
School Leaders Professional Liability	5,000,000/claim/aggregate	5,000
Excess School Leaders' Professional Liability	5,000,000/claim/aggregate	
QBE Insurance Corp		
Accidental Death and Dismemberment	500,000 aggregate	
Loss of Life		
Loss of Two or More Hands or Feet	50,000	
Loss of Sight of Both Eyes	50,000	
Loss of One Hand or Foot and Sight in One Eye	50,000	
Loss of Speech and Hearing	50,000	
Loss of One Hand or Foot	25,000	
Loss of Sight in One Eye	25,000	
Loss of Speech	25,000	
Loss of Hearing in Both Ears	25,000	
Loss of Thumb and Index Finger on the Same Hand	12,500	
Accident Medical Excess Benefit	25,000	
US Fire Insurance Company		
Excess Medical	5,000,000	25,000

**Sources:**

Insurance Declaration Pages

**SINGLE AUDIT SECTION**

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

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

Certified Public Accountants  
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

**K-1**

Page 1 of 2

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities and each major fund and the aggregate remaining fund information of the Board of Education of the Town of Guttenberg School District, in the County of Hudson, New Jersey, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 22, 2019.

### ***Internal Control Over Financial Reporting***

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

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

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

### *Compliance and Other Matters*

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

We noted certain matters that were required to be reported to the Board of Education of the Town of Guttenberg School District in the separate Auditors' Management Report on Administrative Findings - Financial, Compliance and Performance dated November 22, 2019.

### *Purpose of this Report*

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

*Steven D. Wielkotz*

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

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

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

November 22, 2019

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

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

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

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

**K-2**

Page 1 of 3

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR  
PROGRAM AND REPORT ON INTERNAL CONTROL OVER  
COMPLIANCE AS REQUIRED BY THE UNIFORM GUIDANCE  
AND N.J. OMB CIRCULAR 15-08**

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 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, 2019. The Town of Guttenberg Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

## **Management's Responsibility**

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

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

Our responsibility is to express an opinion on compliance for each of the Town of Guttenberg Board of Education's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and N.J. OMB Circular 15-08. Those standards, the Uniform Guidance and N.J. OMB Circular 15-08 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, 2019.

### **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 the Uniform Guidance and N.J. OMB Circular 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, we identified certain deficiencies in internal control as described in the accompanying schedule of findings and questioned costs as item 2019-01 that we consider to be a significant deficiency.

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 the Uniform Guidance and N.J. OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

*Steven D. Wielkotz*

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

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

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

November 22, 2019

TOWN OF GUTTENBERG  
BOARD OF EDUCATION

Schedule of Expenditures of Federal Awards

Year ended June 30, 2019

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2018	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustment	(Accounts Receivable) at June 30, 2019
U.S. Department of Agriculture											
Passed-through State Department of Education: Enterprise Fund:											
USDA Commodities Program	10.550	191NJ309N1096		7/1/18-6/30/19	\$ 35,294			35,294	35,294		
National School Lunch Program	10.555	181NJ309N1099		7/1/17-6/30/18	292,570	(20,815)		20,815			
National School Lunch Program	10.555	191NJ304N1099		7/1/18-6/30/19	286,532			268,113	286,532		(18,419)
National School Breakfast Program	10.553	181NJ304N1099		7/1/17-6/30/18	49,166	(4,722)		4,722			
National School Breakfast Program	10.553	191NJ304N1099		7/1/18-6/30/19	63,495			58,986	63,495		(4,509)
Total Enterprise Fund						(25,537)		387,930	385,321		(22,928)
U.S. Department of Health and Human Services											
General Fund:											
Medical Assistance Program (SEMI)	93.778	180SNJ5MAP		7/1/17-6/30/18	18,310	(886)		886	19,547		(2,321)
Medical Assistance Program (SEMI)	93.778	190SNJ5MAP		7/1/18-6/30/19	19,547	(886)		17,226	19,547		(2,321)
Total General Fund								18,112	19,547		(2,321)
U.S. Department of Education											
Passed-through State Department of Education: Special Revenue Fund:											
Title I, Improving Basic Programs	84.010A	S010A180030	ESEA185019	7/1/18-6/30/19	863,384		(474,840)	946,235	913,008	6,972	(448,585)
Title I, Improving Basic Programs	84.010A	S010A170030	ESEA185018	7/1/17-6/30/18	864,536	(474,840)	474,840				
Reallocated Title I - Formula Grant	84.010A	S010A180030	ESEA185019	7/1/18-6/30/19	31,328				31,327		(31,327)
Title II, Part A - Teacher/Principal Training and Recruiting	84.367	S367A180029	ESEA185019	7/1/18-6/30/19	91,592		(70,884)	115,358	87,020	982	(43,528)
Title II, Part A - Teacher/Principal Training and Recruiting	84.367	S367A170029	ESEA185018	7/1/17-6/30/18	104,605	(70,884)	70,884				
Title III - English Language Acquisition and Language Enhancement	84.365	S365A180030	ESEA185019	7/1/18-6/30/19	35,732		(8,751)	33,706	43,538	(273)	(18,310)
Title III - English Language Acquisition and Language Enhancement	84.365	S365A170030	ESEA185018	7/1/17-6/30/18	38,911	(8,751)	8,751				
Title III - Immigrant	84.365	S365A180030	ESEA185019	7/1/18-6/30/19	8,394	(3,093)	3,093	9,471	11,833	(75)	(5,380)
Title III - Immigrant	84.365	S365A170030	ESEA185018	7/1/17-6/30/18	6,998	(3,093)	3,093				
Title IV, Student Support/Academic Enrichment	84.424	S424A180031	ESEA185019	7/1/18-6/30/19	52,074		(8,668)	22,298	46,395		(32,765)
Title IV, Student Support/Academic Enrichment	84.424	S424A170031	ESEA185018	7/1/17-6/30/18	10,000	(8,668)	8,668				
I.D.E.A. Part B, Basic Regular	84.027A	H027A180100	IDEA185019	7/1/18-6/30/19	234,930	(168,372)	168,372	391,405	231,603	603	(9,173)
I.D.E.A. Part B, Basic Regular	84.027A	H027A170100	IDEA185018	7/1/17-6/30/18	238,649	(168,372)	168,372				
I.D.E.A. Part B, Preschool	84.173	H173A180114	IDEA185019	7/1/18-6/30/19	9,281	(928)	928	9,523	9,278	43	(726)
I.D.E.A. Part B, Preschool	84.173	H173A170114	IDEA185018	7/1/17-6/30/18	9,103	(928)	928				
Total Special Revenue Fund						(735,536)		1,527,996	1,374,002	8,252	(589,794)
Total Federal Financial Assistance						(761,959)		1,934,038	1,778,870	8,252	(615,043)

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, 2019

State Grantor/Program Title	Grant or State Project Numbers	Grant Period	Program or Award Amount	Balance June 30, 2018		Balance at June 30, 2019						MEMO			
				Deferred Revenue (Accounts Receivable)	Carryover/(Walkover) Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	(Accounts Receivable)	Deferred Revenue	Due to Grantor		Deficit	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education:															
General Fund:															
Equalization Aid	19-495-034-5120-078	7/1/18-6/30/19	5,712,500 \$			5,162,832	5,712,500								
Special Education Categorical Aid	19-495-034-5120-089	7/1/18-6/30/19	1,189,648			1,075,178	1,189,648								
Transportation Aid	19-495-034-5120-014	7/1/18-6/30/19	60,778			54,930	60,778								
Security Aid	19-495-034-5120-084	7/1/18-6/30/19	603,184			545,144	603,184								
Extraordinary Aid	19-495-034-5120-044	7/1/18-6/30/19	55,071				55,071		(55,071)						
Extraordinary Aid	18-495-034-5120-044	7/1/17-6/30/18	78,768	(78,768)		78,768									
Reimbursed TPAF Social Security	19-495-034-5094-003	7/1/18-6/30/19	473,032			74,031	473,032		(399,001)						
Reimbursed TPAF Social Security	18-495-034-5094-003	7/1/17-6/30/18	436,608	(61,000)		61,000									
On Behalf TPAF Pension - Post Retirement	19-495-034-5094-001	7/1/18-6/30/19	506,328			506,328	506,328								
On Behalf TPAF Pension - NCGI Premiums	19-495-034-5094-004	7/1/18-6/30/19	22,887			22,887	22,887								
On Behalf LTDI	19-495-034-5094-002	7/1/18-6/30/19	1,958			1,958	1,958								
On Behalf TPAF Pension - Contribution	19-495-034-5094-002	7/1/18-6/30/19	1,093,361	(139,768)		1,093,361	1,093,361		(454,072)						
Total General Fund						8,676,417	9,718,747								
Special Revenue Fund:															
Preschool Education Aid	19-495-034-5120-086	7/1/18-6/30/19	161,058		(10,460)	159,885	165,462		(16,037)						
Preschool Education Aid	18-495-034-5120-086	7/1/17-6/30/18	149,328	(10,460)	10,460										
Handicapped Services (Chapter 193):															
Supplementary Inst.	18-100-034-5120-066	7/1/17-6/30/18	634	634		159,885	165,462	634	(16,037)						
Total Special Revenue Fund															
Capital Projects Fund:															
Schools Development Authority Construction Grant:															
Additions/Alterations to the Anna L. Klein School	G5-3814	1850-050-09-0ZZW	3,651,737	(730,348)		547,761			(182,587)						
Anna L. Klein School															

TOWN OF GUTTENBERG  
BOARD OF EDUCATION  
Schedule of Expenditures of State Awards  
Year ended June 30, 2019

State Grantor/Program Title	Grant or State Project Numbers	Grant Period	Program or Award Amount	Balance June 30, 2018		Balance at June 30, 2019					MEMO								
				Deferred Revenue (Accounts Receivable)	Carryover/(Walkover) Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	(Accounts Receivable)	Deferred Revenue		Due to Grantor	Deficit	Budgetary Receivable	Cumulative Total Expenditures				
Enterprise Fund:																			
State Share:																			
National School Lunch Program	18-100-010-3350-023	7/1/17-6/30/18	5,482	(382)		382													5,482
National School Lunch Program	19-100-010-3350-023	7/1/18-6/30/19	5,237	(382)		4,902	5,237				(335)								5,237
						5,284	5,237				(335)								10,719
Total State Financial Assistance				\$ (880,324)		9,389,347	9,889,446	634		(653,031)									14,279,435

Less: On-Behalf TPAF Pension System Contributions

TPAF - Post Retirement Medical Contribution	19-495-034-5094-001	7/1/18-6/30/19	506,328			506,328													
TPAF - Long Term Disability Insurance	19-495-034-5094-002	7/1/18-6/30/19	1,958			1,958													
TPAF - Non-contributory Insurance	19-495-034-5094-004	7/1/18-6/30/19	22,887			22,887													
TPAF - Pension Contribution	19-495-034-5094-002	7/1/18-6/30/19	1,093,361			1,093,361													
			1,624,534			1,624,534													

Total for State Financial Assistance - Major Program Determination

\$ 7,764,813

8,264,912

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 1(D) and 1(E) to the Board's basic financial statements. The information in these schedules is presented in accordance with the requirements of *2 CFR 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. 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 \$(159,212) 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>Local</u>	<u>Total</u>
General Fund	\$19,547	\$9,559,535	\$	\$9,579,082
Special Revenue Fund	1,374,002	165,462		1,539,464
Capital Projects Fund				0
Food Service Fund	<u>385,321</u>	<u>5,237</u>	<u>          </u>	<u>390,558</u>
Total Awards and Financial Assistance	<u>\$1,778,870</u>	<u>\$9,730,234</u>	<u>\$          </u>	<u>\$11,509,104</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, 2019. 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, 2019.

**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 \$1,624,534 of on-behalf payments is excluded from major program determination.

**NOTE 7. INDIRECT COST RATE**

The Town of Guttenberg School District has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**NOTE 8. SCHOOLWIDE PROGRAM FUNDS**

Schoolwide programs are not separate federal programs as defined in *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Grant Guidance); amounts used in schoolwide programs are included in the total expenditures of the program contributing the funds in the Schedule of Expenditures of Federal Awards. The following funds by program are included in schoolwide programs in the school district:

<u>Program</u>	<u>Total</u>
Title I, Part A: <i>Grants to Local Educational Agencies</i>	\$944,335
Title II, Part A: <i>Improving Teacher Quality State Grants</i>	87,020
Title III: <i>English Language Acquisition State Grants</i>	43,538
Title III: <i>Immigrant</i>	11,833
Title IV: <i>Student Support and Academic Enrichment Grants</i>	<u>46,395</u>
Total	<u>\$1,133,121</u>



**TOWN OF GUTTENBERG SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

*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                      X   no
- 2. Significant deficiencies identified that are not considered to be material weaknesses?                    \_\_\_\_\_ yes                      X   none reported

Noncompliance material to basic financial statements noted?                    \_\_\_\_\_ yes                      X   no

**Federal Awards**

Internal Control over major programs:

- 1. Material weakness(es) identified?                    \_\_\_\_\_ yes                      X   no
- 2. Significant deficiencies identified that are not considered to be material weaknesses?                    \_\_\_\_\_ yes                      X   none reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 section .516(a) of the Uniform Guidance?                    \_\_\_\_\_ yes                      X   no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>FEIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.010	S010A180030	Title I: Improving Basic Programs

Dollar threshold used to distinguish between type A and type B programs: \$750,000

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



**GUTTENBERG BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

*Section II – Financial Statement Findings*

**NONE**

**GUTTENBERG BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(CONTINUED)**

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

**STATE AWARDS**

**Finding 2019-01:**

**Information on the School State Aid Grant Cluster:**

State Aid Grant Cluster, State Grant Number #495-034-5120, Grant Period 7/1/18 – 6/30/19.

**Criteria or specific requirement:**

1. In accordance with instructions and audit procedures in *The Audit Program, Section I-3 and III-4*, issued by the Department of Education, the auditor must verify enrollments reported on the District's ASSA printout with the pupil counts on the District's work-papers.

**Condition:**

1. There were numerous instances in which the work-papers provided by the District were not in agreement with the numbers reported per the ASSA Data Listing. These discrepancies were found in the following categories:
  - On- Roll
  - Low Income
  - LEP Low Income
  - LEP Not Low Income
2. Testwork based on samples pulled from the District's work-papers reflected various errors within the required reporting categories. Many of these errors were the result of inaccuracies in the recording of free and reduced priced eligible students on the district work-papers used in the preparation of the Application for State School Aid.
3. The District reported a student on the District Report of Transported Resident Students who had never actually attended the school during the FY19 school year.

**Questioned costs:**

**Undetermined**

**GUTTENBERG BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(CONTINUED)**

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

**(Finding 2019-01 Continued)**

**Context:**

Controls should be put in place to provide reasonable assurance that the Application for State School Aid numbers reported are in agreement with supporting documentation prior to submission.

**Effect:**

1. By failing to ensure that the numbers reflected on the Application for State School Aid were in agreement with District work-papers, the District has incurred various over and under claims in the following categories as compared to the work-papers provided.
  - On-Roll (overclaim of 2)
  - Low Income (overclaim of 71)
  - Resident LEP Low Income (underclaim of 10)
  - Resident LEP not Low Income (underclaim of 3)
2. Based on samples pulled for verification from the supplied work-papers, it was determined that there were instances in which applications for free and reduced meals were missing and/or students were misclassified as free and reduced when the proper classification should have been paid.
3. By failing to ensure students were properly classified as LEP in accordance with the *2018 NJ School Audit Guide*, the District over-reported those students classified as LEP eligible.
4. By failing to ensure the proper count of students on the DRTRS District Summary Report, the District over-reported the number of non-public students transported.

**Cause:**

The District did not review and confirm the ASSA work-papers to those numbers entered in the DOE Net prior to submission to the State to ensure accurateness of the numbers for reporting purposes.

**Management's response:**

The District will implement stronger review processes to ensure that all data compiled for use in the Application for State School Aid be reviewed prior to submission to ensure a more accurate district count.

**GUTTENBERG BOARD OF EDUCATION  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NONE**