

**SCHOOL DISTRICT OF THE
TOWN OF GUTTENBERG
COUNTY OF HUDSON, NEW JERSEY
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2020**

THIS PAGE INTENTIONALLY LEFT BLANK

**School District
of**

Town of Guttenberg

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

**Comprehensive Annual Financial Report
Year Ended June 30, 2020**

THIS PAGE INTENTIONALLY LEFT BLANK

Comprehensive Annual Financial Report

of the

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

Year Ended June 30, 2020

Prepared by

**Jolene Mantineo
Board Secretary/Business Administrator**

THIS PAGE INTENTIONALLY LEFT BLANK

OUTLINE OF CAFR

INTRODUCTORY SECTION

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

FINANCIAL SECTION

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

BASIC FINANCIAL STATEMENTS

A. District-wide Financial Statements:

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

B. Fund Financial Statements:

Governmental Funds:

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

Proprietary Funds:

B-4 Statement of Net Position.....	26
B-5 Statement of Revenues, Expenses and Changes in Fund Net 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.	75

Notes to the Required Supplementary Information

C-3	Budgetary Comparison Schedule.	76
-----	-------------------------------------	----

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.	77
L-2	Schedule of District Contributions – PERS.	78
L-3	Schedule of the District's Proportionate Share of the Net Pension Liability – TPAF.	79
L-4	Notes to Required Schedules of Supplementary Information - Part III.	80

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.	81
-----	--	----

Other Supplementary Information

D. School Level Schedules:

Not Applicable

E. Special Revenue Fund:

E-1	Combining Schedule of Program Revenues and Expenditures - Budgetary Basis.	82
E-1a	Combining Schedule of Program Revenues and Expenditures - Budgetary Basis.	83
E-2	Schedule of Preschool Education Aid - Budgetary Basis.	84

OUTLINE OF CAFR

F. Capital Projects Fund:

F-1	Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance Budgetary Basis.	85
F-1a	Schedule of Project Revenues, Expenditures, Project Balances.	86

G. Proprietary Funds:

Enterprise Fund:

G-1	Combining Statement of Net Position.	87
G-2	Combining Statement of Revenues, Expenses and Changes in Fund Net Position - Enterprise Funds.	88
G-3	Combining Statement of Cash Flows - Enterprise Funds.	89

Internal Service Fund:

Not Applicable

H. Fiduciary Funds:

H-1	Combining Statement of Fiduciary Net Position.	90
H-2	Combining Statement of Changes in Fiduciary Net Position.	91
H-3	Student Activity Agency Fund - Schedule of Receipts and Disbursements.	92
H-4	Payroll Agency Fund - Schedule of Receipts and Disbursements.	93

J. Statistical Section (Unaudited)

Financial Trends

Introduction to the Statistical Section

J-1	Net Position by Component.	94
J-2	Changes in Net Position.	95
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	Summary Schedule of Prior Audit Findings	135

INTRODUCTORY SECTION

THIS PAGE INTENTIONALLY LEFT BLANK

BOARD OF EDUCATION

ANNA L. KLEIN SCHOOL

301 - 69TH STREET
GUTTENBERG, NEW JERSEY 07093

Office of the Business Administrator
JOLENE MANTINEO

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

January 15, 2021

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, 2020, 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 2019-2020 fiscal year with an enrollment of 982 students, which are 9 less than 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>
2019-2020	982	{.9%}
2018-2019	991	.82
2017-2018	983	{.07%}
2016-2017	990	1.23%
2015-2016	978	2.95%
2014-2015	950	{.42%}

ECONOMIC CONDITION AND OUTLOOK: The Town of Guttenberg area is experiencing an unstable economy mainly due to the effects of COVID 19 on the community.

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, 2020.

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.

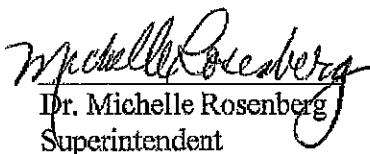
OTHER INFORMATION:

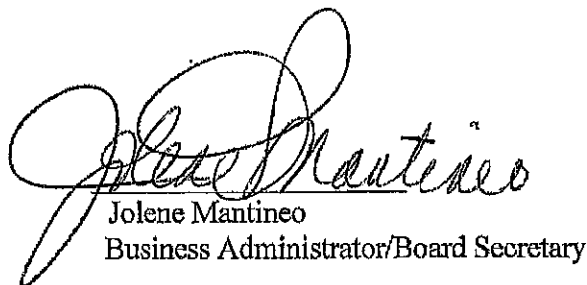
Independent Audit- State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Ferraioli, Wielkottz, Cerullo and Cuva, P.A., was selected by the Board. In addition to meeting the requirements set forth in state statutes,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

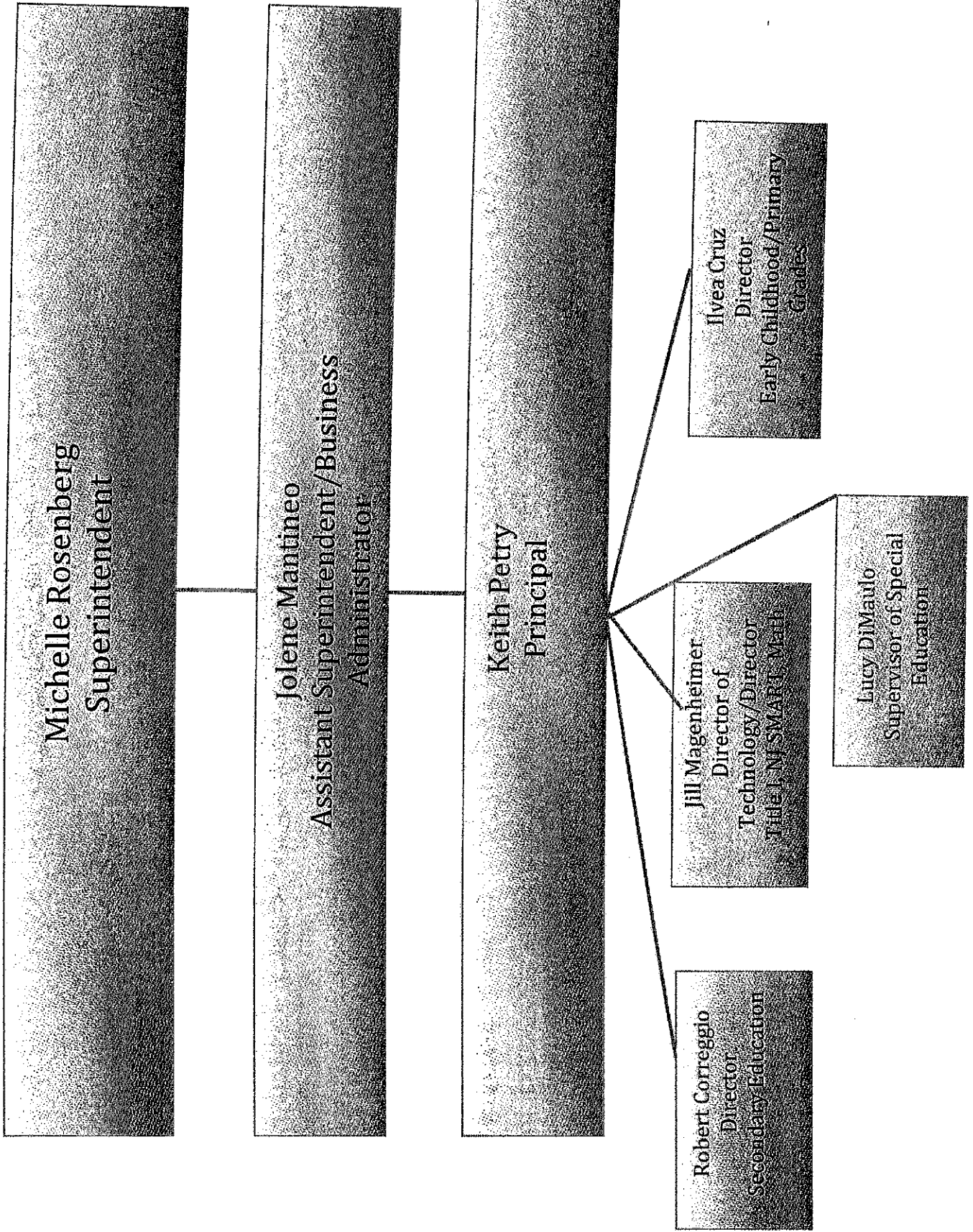
ACKNOWLEDGEMENTS:

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:


Dr. Michelle Rosenberg
Superintendent


Jolene Mantineo
Business Administrator/Board Secretary



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

ROSTER OF OFFICIALS
May 6, 2020

<u>MEMBERS OF THE BOARD OF EDUCATION</u>	<u>TERMS EXPIRES</u>
Mark R. Rogers-Board President	12/2022
Rebecca Acosta-Vice President	12/2021
Nicole Fundora	12/2022
Maria T. Mattiace	12/2021
Marisol Montanez	12/2022
Ruth Olsen	12/2020
Lorena Rivarola	12/2020
Amani Sayed	12/2020
Jean Sosnowski	12/2021

OTHER OFFICIALS

Michelle Rosenberg	Superintendent
Jolene Mantineo	Business Administrator/Board Secretary

GUTTENBERG BOARD OF EDUCATION

CONSULTANTS & ADVISORS

JUNE 30, 2020

Attorney

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

District Auditor

STEVEN D. WIELKOTZ, C.P.A.
Wielkotz & Company, LLC
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

Netta Architects
1084 US-22
Mountainside, NJ 07092

FINANCIAL SECTION

THIS PAGE INTENTIONALLY LEFT BLANK



WIELKOTZ & COMPANY ^{LLC}

CERTIFIED PUBLIC ACCOUNTANTS

Steven D. Wielkocz, CPA, RMA, PSA
Matthew B. Wielkocz, CPA, PSA
Paul J. Cuva, CPA, RMA, PSA
James J. Cerullo, CPA, RMA, PSA
Thomas M. Ferry, CPA, RMA, PSA

Headquarters
401 Wanaque Avenue
Pompton Lakes, New Jersey 07442
(973)-835-7900

Newton Office
100 enterprise drive, suite 301
Rockaway, new jersey 07866
(973)-835-7900

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, 2020, 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, 2020, 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.

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

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.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 15, 2021 on our consideration of the Town of Guttenberg Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Guttenberg Board of Education's internal control over financial reporting and compliance.

Steven D. Wielkotz

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

Wielkotz & Company, LLC

WIELKOTZ & COMPANY, LLC
Certified Public Accountants
Pompton Lakes, New Jersey

January 15, 2021

**REQUIRED SUPPLEMENTARY
INFORMATION - PART I**

THIS PAGE INTENTIONALLY LEFT BLANK

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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, 2020. 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 decreased by \$242,155. Net position of governmental activities decreased \$260,235 while net position of business-type activities increased by \$18,080.
- General revenues accounted for \$22,593,875 in revenue or 93 percent of all district revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$1,696,500 or 7 percent of total revenues of \$24,290,375.
- The School District had \$24,413,854 in expenses related to governmental and business-type activities and \$118,676 as an other financing use for the cancellation of a prior year uncollectible receivable; only \$1,696,500 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily grants, entitlements and property taxes) of \$22,593,875 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, 2020
(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, 2020
(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, 2020
(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 \$25,649,117 at June 30, 2020 and \$25,891,272 at June 30, 2019. 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 2020 compared to 2019 (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>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Assets						
Current and Other Assets	\$3,757,630	\$4,415,277	\$142,394	\$107,225	\$3,900,024	\$4,522,502
Capital Assets	<u>26,494,678</u>	<u>26,663,442</u>	<u>37,707</u>	<u>41,452</u>	<u>26,532,385</u>	<u>26,704,894</u>
Total Assets	<u>30,252,308</u>	<u>31,078,719</u>	<u>180,101</u>	<u>148,677</u>	<u>30,432,409</u>	<u>31,227,396</u>
Deferred Outflows:						
Resources Related to PERS	<u>507,231</u>	<u>879,425</u>			<u>507,231</u>	<u>879,425</u>
Total Deferred Outflows	<u>507,231</u>	<u>879,425</u>			<u>507,231</u>	<u>879,425</u>
Liabilities						
Current Liabilities	1,076,647	1,532,728	13,344	47,558	1,089,991	1,580,286
Noncurrent Liabilities	<u>2,760,083</u>	<u>3,382,911</u>			<u>2,760,083</u>	<u>3,382,911</u>
Total Liabilities	<u>3,836,730</u>	<u>4,915,639</u>	<u>13,344</u>	<u>47,558</u>	<u>3,850,074</u>	<u>4,963,197</u>
Deferred Inflows:						
Resources Related to PERS	<u>1,440,449</u>	<u>1,299,910</u>			<u>1,440,449</u>	<u>1,299,910</u>
Total Deferred Inflows	<u>1,440,449</u>	<u>1,299,910</u>			<u>1,440,449</u>	<u>1,299,910</u>
Net Position						
Net invested in Capital Assets	26,494,678	26,663,442	37,707	41,452	26,532,385	26,704,894
Restricted	3,123,691	3,292,282	32,055	32,055	3,155,746	3,324,337
Unrestricted	<u>(4,136,009)</u>	<u>(4,213,129)</u>	<u>96,995</u>	<u>75,170</u>	<u>(4,039,014)</u>	<u>(4,137,959)</u>
Total Net Position	<u>\$25,482,360</u>	<u>\$25,742,595</u>	<u>\$166,757</u>	<u>\$148,677</u>	<u>\$25,649,117</u>	<u>\$25,891,272</u>

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

Table 2 below shows the changes in net position for fiscal year 2020.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Revenues	\$	\$	\$	\$	\$	\$
Program Revenues:						
Charges for Services and Sales			42,023	56,878	42,023	56,878
Operating Grants and Contributions	1,334,731	1,539,464	319,746	390,558	1,654,477	1,930,022
General Revenues:						
Taxes:						
Property taxes, levied for general purposes	11,321,822	11,321,822			11,321,822	11,321,822
Property taxes, levied for debt services						
Local Share - Capital Project Fund		1,631,417				1,631,417
Federal and State Aid not Restricted	11,189,886	10,989,449			11,189,886	10,989,449
Miscellaneous Income	69,701	78,595	12,466	7,576	82,167	86,171
Other Financing Sources/ (Uses)	<u>(118,676)</u>	<u> </u>	<u> </u>	<u> </u>	<u>(118,676)</u>	<u> </u>
Total Revenues and Transfers	<u>\$23,797,464</u>	<u>\$25,560,747</u>	<u>\$374,235</u>	<u>\$455,012</u>	<u>\$24,171,699</u>	<u>\$26,015,759</u>

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Functions/Program Expenses						
Instruction:						
Regular	\$5,846,606	\$5,612,540	\$	\$	\$5,846,606	\$5,612,540
Special Education	1,321,154	1,503,573			1,321,154	1,503,573
Other Special Instruction	923,708	927,622			923,708	927,622
Other Instruction	70,618	85,122			70,618	85,122
Support Services:						
Tuition	6,475,842	6,063,454			6,475,842	6,063,454
Health Services	186,620	193,902			186,620	193,902
Student & Instruction						
Related Services	2,456,327	2,777,214			2,456,327	2,777,214
School Administrative						
Services	258,079	327,729			258,079	327,729
General Administrative						
Services	595,080	766,951			595,080	766,951
Central Services	355,337	404,622			355,337	404,622
Administrative Information						
Technology	168,501	146,199			168,501	146,199
Plant Operations and						
Maintenance	1,197,318	1,249,596			1,197,318	1,249,596
Pupil Transportation	197,460	217,093			197,460	217,093
Unallocated Benefits	3,137,967	2,683,829			3,137,967	2,683,829
Charter Schools		44,465				44,465
Non-depreciable Capital						
Outlay	47,758	135,411			47,758	135,411
Food Service			356,155	407,086	356,155	407,086
Unallocated depreciation	<u>819,324</u>	<u>757,450</u>	_____	_____	<u>819,324</u>	<u>757,450</u>
Total Expenses and Transfers	<u>24,057,699</u>	<u>23,896,772</u>	<u>356,155</u>	<u>407,086</u>	<u>24,413,854</u>	<u>24,303,858</u>
Increase or (Decrease) in						
Net Position	<u>(\$260,235)</u>	<u>\$1,663,975</u>	<u>\$18,080</u>	<u>\$47,926</u>	<u>(\$242,155)</u>	<u>\$1,711,901</u>

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(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 \$24,532,530. 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 \$42,023 by other governments and organizations who subsidized certain programs with grants and contributions \$12,844,363, and by miscellaneous sources \$82,167.

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 \$18,080.
- ✓ Charges for services provided totaled \$42,023. 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 \$319,746.

The following schedules present a summary of governmental fund revenues for the fiscal year ended June 30, 2020, 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 2019</u>	<u>Percent of Increase/ (Decrease)</u>	<u>Prior Year</u>
Local Source	\$11,391,523	49.4 %	(\$1,640,311)	(12.59)%	\$13,031,834
State Source	10,460,267	45.4%	735,270	7.56%	9,724,997
Federal Source	<u>1,190,978</u>	<u>5.20%</u>	<u>(202,571)</u>	<u>(14.54)%</u>	<u>1,393,549</u>
	<u>\$23,042,768</u>	<u>100.00%</u>	<u>(\$1,107,612)</u>	<u>(4.59)%</u>	<u>\$24,150,380</u>

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2019</u>	<u>Percent of Increase/ (Decrease)</u>	<u>Prior Year</u>
Current Expenditures:					
Instruction	\$8,261,996	35.70%	\$706,851	9.36%	\$7,555,145
Undistributed	14,281,067	61.8%	141,367	1.00%	14,139,700
Capital Outlay	<u>579,597</u>	<u>2.50%</u>	<u>(1,961,914)</u>	<u>(77.19)%</u>	<u>2,541,511</u>
	<u>\$23,122,660</u>	<u>100.00%</u>	<u>(\$1,113,696)</u>	<u>(4.60)%</u>	<u>\$24,236,356</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, 2020
(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, 2020, 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 \$989,185 for increases in federal and state grant awards.

General Fund

The general fund actual revenue was \$21,754,759. That amount is \$2,347,546 above the final amended budget of \$19,407,213. The variance between the actual revenues and final budget was the result of non-budgeted on-behalf payments of \$2,228,249 for TPAF social security reimbursements and on-behalf pension payments and a \$119,297 excess in miscellaneous anticipated revenues and other state aids.

The actual expenditures of the general fund were \$21,787,929 including transfers which is \$441,067 more than the final amended budget of \$21,346,862. The variance between the actual expenditures and final budget was due to non-budgeted on-behalf TPAF social security and pension payments of \$2,228,249 and \$1,787,182 of unexpended budgeted funds.

Special Revenue Fund

The special revenue fund actual revenue was \$1,484,214. That amount is above the original budget estimate of \$1,187,699 and below the final amended budget of \$2,176,884. The \$989,185 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 \$692,670 variance between the final amended budget and the June 30, 2020 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 \$1,484,214, which is above the original budget of \$1,187,699 and below the final amended budget of \$2,176,884. The \$989,185 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 \$692,670 variance between the final amended budget and the June 30, 2020 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, 2020
(CONTINUED)**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2020 the School District had \$31,968,026 invested in sites, buildings and equipment. Of this amount, \$5,435,641 in depreciation has been taken over the years. We currently have a net book value of \$26,532,385. Total depreciable additions for the year were \$668,480, 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>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Land	\$9,957	\$9,957	\$	\$	\$9,957	\$9,957
Site Improvements	2,993	3,174			2,993	3,174
Buildings and Improvements	26,100,234	26,427,986			26,100,234	26,427,986
Machinery and Equipment	381,494	222,325	37,707	41,452	419,201	263,777
	<u>\$26,494,678</u>	<u>\$26,663,442</u>	<u>\$37,707</u>	<u>\$41,452</u>	<u>\$26,532,385</u>	<u>\$26,704,894</u>

Debt Administration

At June 30, 2020, the District had \$2,760,083 of long term debt. Of this amount, \$586,092 is for compensated absences; \$13,034 is for the unfunded pension liability; \$9,662 is the deferral of the annual PERS contribution; and \$2,151,295 for the net pension PERS liability.

At June 30, 2020, the school district's overall legal debt margin was \$34,773,098. 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 2020-2021 school year that is slightly above the funding level of the 2019-2020 school year.

These factors were considered in preparing the Town of Guttenberg Board of Education's budgets for the 2020-2021 fiscal year.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(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 69th Street
Guttenberg, New Jersey 07093

BASIC FINANCIAL STATEMENTS

THIS PAGE INTENTIONALLY LEFT BLANK

DISTRICT-WIDE FINANCIAL STATEMENTS

THIS PAGE INTENTIONALLY LEFT BLANK

GUTTENBERG BOARD OF EDUCATION
Statement of Net Position
June 30, 2020

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	2,162,044	156,405	2,318,449
Receivables, net	1,558,236	9,616	1,567,852
Internal balances	37,349	(37,349)	-
Inventory		13,722	13,722
Restricted assets:			
Capital reserve account - cash	1		1
Capital assets:			
Land and construction in progress	9,957		9,957
Other Capital assets, net	26,484,721	37,707	26,522,428
Total Assets	<u>30,252,308</u>	<u>180,101</u>	<u>30,432,409</u>
Deferred Outflow of Resources:			
Deferred outflows of resources related to PERS	507,231	-	507,231
Total Deferred Outflows	<u>507,231</u>	<u>-</u>	<u>507,231</u>
LIABILITIES			
Accounts payable and accrued liabilities	851,820	13,344	865,164
Payable to local government	224,769		224,769
Unearned Revenue	58		58
Noncurrent liabilities:			
Due within one year	137,609		137,609
Due beyond one year	2,622,474		2,622,474
Total liabilities	<u>3,836,730</u>	<u>13,344</u>	<u>3,850,074</u>
Deferred Inflow of Resources:			
Deferred inflows of resources related to PERS	1,440,449		1,440,449
Total Deferred Inflows	<u>1,440,449</u>	<u>-</u>	<u>1,440,449</u>
NET POSITION			
Net Investment in Capital Assets	26,494,678	37,707	26,532,385
Restricted for:			
Capital projects	1		1
Other purposes	3,123,690	32,055	3,155,745
Unrestricted (Deficit)	<u>(4,136,009)</u>	<u>96,995</u>	<u>(4,039,014)</u>
Total net position	<u>25,482,360</u>	<u>166,757</u>	<u>25,649,117</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, 2020

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	4,834,236	1,012,370		898,018		(4,948,588)		(4,948,588)
Special education	658,662	662,492				(1,321,154)		(1,321,154)
Other special instruction	923,708					(923,708)		(923,708)
Other instruction	70,618					(70,618)		(70,618)
Support services:								
Tuition	6,475,842					(6,475,842)		(6,475,842)
Health Services	156,156	30,464				(186,620)		(186,620)
Student & instruction related services	2,130,436	325,891		456,713		(2,019,614)		(2,019,614)
School administrative services	173,440	84,639				(258,079)		(258,079)
General administrative services	520,533	74,547				(595,080)		(595,080)
Central Services	302,353	52,984				(355,337)		(355,337)
Information Technology	147,224	21,277				(168,501)		(168,501)
Plant operations and maintenance	1,112,111	85,207				(1,197,318)		(1,197,318)
Pupil transportation	197,460					(197,460)		(197,460)
Unallocated benefits	3,137,967					(3,137,967)		(3,137,967)
Capital outlay - non-depreciable	47,758					(47,758)		(47,758)
Unallocated depreciation		819,324				(819,324)		(819,324)
Total governmental activities	20,888,504	3,169,195		1,334,731		(22,722,968)		(22,722,968)
Business-type activities:								
Food Service	356,155			319,746			5,614	5,614
Total business-type activities	356,155			319,746			5,614	5,614
Total primary government	21,244,659			1,654,477		(22,722,968)		(22,717,354)
General revenues:								
Taxes:								
Property taxes, levied for general purposes						11,321,822		11,321,822
Federal and State aid not restricted						11,189,886		11,189,886
Miscellaneous Income						69,701	12,466	82,167
Other Financing Sources (Uses)								
Cancellation of Prior Year Uncollectible Receivables - On-behalf TPAF Reimbursed Social Security						(118,676)		(118,676)
Total general revenues, special items, extraordinary items and transfers						22,462,733	12,466	22,475,199
Change in Net Position						(260,235)	18,080	(242,155)
Net Position—beginning						25,742,595	148,677	25,891,272
Net Position—ending						25,482,360	166,757	25,649,117

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

GUTTENBERG BOARD OF EDUCATION
Balance Sheet
Governmental Funds
June 30, 2020

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
ASSETS				
Cash and cash equivalents	2,012,388			2,012,388
Accounts Receivable -				
Intergovernmental - State	88,306	11,856	182,587	282,749
Intergovernmental - Federal		385,695		385,695
Intergovernmental - Other	886,876			886,876
Interfund receivables	387,705			387,705
Restricted cash and cash equivalents	1			1
Total assets	<u>3,375,276</u>	<u>397,551</u>	<u>182,587</u>	<u>3,955,414</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Unearned Revenue		58		58
Accounts payable	679,815	50,053		729,868
Payable to Local Government	42,182		182,587	224,769
Interfund payables		347,440		347,440
Total liabilities	<u>721,997</u>	<u>397,551</u>	<u>182,587</u>	<u>1,302,135</u>
Fund Balances:				
Restricted for:				
Excess Surplus - current year	1,685,437			1,685,437
Excess Surplus - prior year - designated for subsequent year's expenditures	1,205,794			1,205,794
Capital reserve	1			1
Assigned to:				
Year End Encumbrances	61,331			61,331
Designated by the Board of Education for Subsequent year's expenditures	21,472			21,472
Unassigned:				
General fund	(320,756)			(320,756)
Total Fund balances	<u>2,653,279</u>	<u>-</u>	<u>-</u>	<u>2,653,279</u>
Total liabilities and fund balances	<u>3,375,276</u>	<u>397,551</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 \$31,882,817 and the accumulated depreciation is \$5,388,139.	26,494,678
Accounts payable for subsequent Pension payment is not a payable in the funds	(121,952)
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	507,231
Deferred inflows of resources related to PERS Pension Liability	(1,440,449)
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds	(2,760,083)
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	149,656
Net position of governmental activities	<u>25,482,360</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, 2020

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
REVENUES				
Local sources:				
Local tax levy	11,321,822			11,321,822
Miscellaneous	69,701			69,701
Total - Local Sources	<u>11,391,523</u>	-	-	<u>11,391,523</u>
State sources	10,301,294	158,973		10,460,267
Federal sources	15,220	1,175,758		1,190,978
Total revenues	<u>21,708,037</u>	<u>1,334,731</u>	-	<u>23,042,768</u>
EXPENDITURES				
Current:				
Regular instruction	5,048,498	898,018		5,946,516
Special education instruction	1,321,154			1,321,154
Other special instruction	923,708			923,708
School sponsored/other instructional	70,618			70,618
Support services and undistributed costs:				
Tuition	6,475,842			6,475,842
Health services	186,620			186,620
Student & instruction related services	2,008,184	436,713		2,444,897
School administrative services	258,079			258,079
General administrative services	595,080			595,080
Central services	355,337			355,337
Information technology	168,501			168,501
Plant operations and maintenance	1,250,179			1,250,179
Pupil transportation	197,460			197,460
Unallocated benefits	120,823			120,823
On-behalf contributions	2,228,249			2,228,249
Capital outlay	579,597	-	-	579,597
Total expenditures	<u>21,787,929</u>	<u>1,334,731</u>	-	<u>23,122,660</u>
Excess (Deficiency) of revenues over expenditures	<u>(79,892)</u>	-	-	<u>(79,892)</u>
OTHER FINANCING SOURCES (USES)				
To fund Prior Year Uncollectible Receivables - On-behalf TPAF Reimbursed Social Security	(118,676)			(118,676)
Total other financing sources and uses	<u>(118,676)</u>	-	-	<u>(118,676)</u>
Net change in fund balances	(198,568)	-	-	(198,568)
Fund balance—July 1	2,851,847	-	-	2,851,847
Fund balance—June 30	<u>2,653,279</u>	-	-	<u>2,653,279</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, 2020

Total net change in fund balances - governmental funds (from B-2)	(198,568)						
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p>							
<p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.</p>							
<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Depreciation expense</td> <td style="width: 40%; text-align: right;">(837,244)</td> </tr> <tr> <td>Non-Depreciable Capital Outlays - Construction in Progress</td> <td style="text-align: right;">-</td> </tr> <tr> <td>Depreciable Capital outlays</td> <td style="text-align: right; border-top: 1px solid black;">668,480</td> </tr> </table>	Depreciation expense	(837,244)	Non-Depreciable Capital Outlays - Construction in Progress	-	Depreciable Capital outlays	668,480	(168,764)
Depreciation expense	(837,244)						
Non-Depreciable Capital Outlays - Construction in Progress	-						
Depreciable Capital outlays	668,480						
<p>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:</p>							
<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Payment of Unfunded Pension Liability</td> <td style="width: 40%; text-align: right;">19,802</td> </tr> <tr> <td>Payment of Deferred PERS Pension Contribution</td> <td style="text-align: right; border-top: 1px solid black;">2,406</td> </tr> </table>	Payment of Unfunded Pension Liability	19,802	Payment of Deferred PERS Pension Contribution	2,406	22,208		
Payment of Unfunded Pension Liability	19,802						
Payment of Deferred PERS Pension Contribution	2,406						
<p>In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).</p>							
<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Decrease in compensated absences payable</td> <td style="width: 40%; text-align: right;">10,503</td> </tr> </table>	Decrease in compensated absences payable	10,503	10,503				
Decrease in compensated absences payable	10,503						
<p>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.</p>							
<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">District Pension Contributions</td> <td style="width: 40%; text-align: right;">116,135</td> </tr> <tr> <td>Less: Pension Expense</td> <td style="text-align: right; border-top: 1px solid black;">(187,703)</td> </tr> </table>	District Pension Contributions	116,135	Less: Pension Expense	(187,703)	(71,568)		
District Pension Contributions	116,135						
Less: Pension Expense	(187,703)						
<p>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.</p>							
<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Increase in On-behalf State Aid TPAF Pension</td> <td style="width: 40%; text-align: right;">756,512</td> </tr> <tr> <td>Increase in On-behalf TPAF Pension Expense</td> <td style="text-align: right; border-top: 1px solid black;">(756,512)</td> </tr> </table>	Increase in On-behalf State Aid TPAF Pension	756,512	Increase in On-behalf TPAF Pension Expense	(756,512)	-		
Increase in On-behalf State Aid TPAF Pension	756,512						
Increase in On-behalf TPAF Pension Expense	(756,512)						
<p>Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of the internal service fund is reported with governmental activities.</p>							
<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;"></td> <td style="width: 40%; text-align: right; border-top: 1px solid black;">2,818</td> </tr> </table>		2,818	2,818				
	2,818						
<p>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</p>							
<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Increase in On-behalf State Aid TPAF Post Employment Medical Revenue</td> <td style="width: 40%; text-align: right;">116,860</td> </tr> <tr> <td>Increase in On-behalf State Aid TPAF Post Employment Medical Expense</td> <td style="text-align: right; border-top: 1px solid black;">(116,860)</td> </tr> </table>	Increase in On-behalf State Aid TPAF Post Employment Medical Revenue	116,860	Increase in On-behalf State Aid TPAF Post Employment Medical Expense	(116,860)	-		
Increase in On-behalf State Aid TPAF Post Employment Medical Revenue	116,860						
Increase in On-behalf State Aid TPAF Post Employment Medical Expense	(116,860)						
Change in net position of governmental activities	(403,371)						

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, 2020

	<u>Enterprise Fund</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>
ASSETS			
Current assets:			
Cash and cash equivalents	156,405	149,656	306,061
Accounts receivable:			
State	92		92
Federal	9,524		9,524
Inventories	13,722		13,722
Total current assets	<u>179,743</u>	<u>149,656</u>	<u>329,399</u>
Noncurrent assets:			
Capital assets:			
Equipment	85,209		85,209
Less accumulated depreciation:			
Equipment	<u>(47,502)</u>		<u>(47,502)</u>
Total capital assets (net of accumulated depreciation)	<u>37,707</u>	-	<u>37,707</u>
Total assets	<u>217,450</u>	<u>149,656</u>	<u>367,106</u>
LIABILITIES			
Current liabilities:			
Accounts payable	13,344		13,344
Interfund - General Fund	37,349		37,349
Total current liabilities	<u>50,693</u>	-	<u>50,693</u>
NET POSITION			
Net Investment in Capital Assets	37,707	-	37,707
Restricted Contributed Capital	32,055		32,055
Unrestricted	96,995	149,656	246,651
Total net position	<u>166,757</u>	<u>149,656</u>	<u>316,413</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, 2020

	<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	29,839		29,839
Daily sales - non-reimbursable programs	12,184		12,184
Total operating revenues	<u>42,023</u>	<u>-</u>	<u>42,023</u>
Operating expenses:			
Cost of sales - reimbursable programs	136,672		136,672
Cost of sales - non-reimbursable programs	18,459		18,459
Salaries	136,920		136,920
Supplies and materials	5,368		5,368
Employee benefits	24,949		24,949
Cleaning repair & maintenance	1,363		1,363
Purchased services	25,000		25,000
Miscellaneous	3,679		3,679
Depreciation	3,745		3,745
Total Operating Expenses	<u>356,155</u>	<u>-</u>	<u>356,155</u>
Operating income (loss)	<u>(314,132)</u>	<u>-</u>	<u>(314,132)</u>
Nonoperating revenues (expenses):			
State sources:			
State school lunch program	3,931		3,931
Federal sources:			
National school lunch program	223,273		223,273
National school breakfast program	52,443		52,443
National school after school snack program	7,089		7,089
Food distribution program	33,010		33,010
Interest and investment revenue	12,466	2,818	15,284
Total nonoperating revenues (expenses)	<u>332,212</u>	<u>2,818</u>	<u>335,030</u>
Change in net position	18,080	2,818	20,898
Total net position—beginning	<u>148,677</u>	<u>146,838</u>	<u>295,515</u>
Total net position—ending	<u>166,757</u>	<u>149,656</u>	<u>316,413</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, 2020

	<u>Enterprise Funds</u> Food Service Program	<u>Internal Service Fund</u> Building Maintenance	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	42,023		42,023
Payments to employees	(36,954)		(36,954)
Payments to outside food service management company	(266,575)		(266,575)
Payments for supplies	(521)		(521)
Payments for miscellaneous expenditures	(4,260)		(4,260)
Net cash provided by (used for) operating activities	<u>(266,287)</u>	<u>-</u>	<u>(266,287)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
State Sources	4,174		4,174
Federal Sources	296,209		296,209
Net cash provided by (used for) non-capital financing activities	<u>300,383</u>	<u>-</u>	<u>300,383</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends	12,466	2,818	15,284
Net cash provided by (used for) investing activities	<u>12,466</u>	<u>2,818</u>	<u>15,284</u>
Net increase (decrease) in cash and cash equivalents	46,562	2,818	49,380
Balances—beginning of year	109,843	146,838	256,681
Balances—end of year	<u>156,405</u>	<u>149,656</u>	<u>306,061</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	(314,132)	-	(314,132)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation and net amortization	3,745		3,745
Food Distribution Program	33,010		33,010
(Increase) decrease in interfunds payable	8,716		8,716
(Increase) decrease in inventories	(10,970)		(10,970)
(Increase) decrease in accounts payable	13,344		13,344
Total adjustments	<u>47,845</u>	<u>-</u>	<u>47,845</u>
Net cash provided by (used for) operating activities	<u>(266,287)</u>	<u>-</u>	<u>(266,287)</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, 2020

	Private Purpose Scholarship Fund	Agency Funds
	<u> </u>	<u> </u>
ASSETS		
Cash and cash equivalents	11,259	123,116
Total assets	<u>11,259</u>	<u>123,116</u>
LIABILITIES		
Payable to student groups		27,590
Payroll deductions and withholdings		91,873
Net salaries and wages		737
Interfund Payable - General Fund		2,916
Total liabilities	<u>-</u>	<u>123,116</u>
NET POSITION		
Reserved for Scholarships	<u>11,259</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, 2020

	Private Purpose Scholarship Fund
ADDITIONS	
Contributions:	
Prior Year Voided Checks	-
Total Contributions	-
Investment earnings:	
Interest	230
Net investment earnings	230
Total additions	230
DEDUCTIONS	
Scholarship payments	1,100
Total deductions	1,100
Change in net position	(870)
Net position—beginning of the year	12,129
Net position—end of the year	11,259

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

NOTES TO THE FINANCIAL STATEMENTS

THIS PAGE INTENTIONALLY LEFT BLANK

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

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, 2020**

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 - *governmental*, *proprietary*, and *fiduciary* - are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models. The various funds of the Board are grouped into the categories governmental, proprietary and fiduciary.

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

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, 2020**

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, 2020**

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, 2020**

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, 2020**

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

E. Budgets/Budgetary Control: (continued)

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

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

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.

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.

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

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

G. Cash, Cash Equivalents and Investments: (continued)

Additionally, the Board has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

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

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.

J. Prepaid Items:

Payments made to vendors for services that will benefit periods beyond June 30, 2020, 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.

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

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

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

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.

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

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

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.

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.

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

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

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

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

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

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

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.

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

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

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.
- **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.

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

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

S. Net Position: (continued)

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.

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 2020, the District did not adopt any new GASB Statements.

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

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

X. New Accounting Standards: (continued)

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

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. This Statement was effective for reporting periods beginning after December 15, 2018. However; GASB Statement No. 95 postponed the implementation of this Statement by one year due to the COVID-19 pandemic.

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. However; GASB Statement No. 95 postponed the implementation of this Statement by one year due to the COVID-19 pandemic.

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. However; GASB Statement No. 95 postponed the implementation of this Statement by one year due to the COVID-19 pandemic.

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. However; GASB Statement No. 95 postponed the implementation of this Statement by one year due to the COVID-19 pandemic.

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

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

X. New Accounting Standards: (continued)

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. However; GASB Statement No. 95 postponed the implementation of this Statement by one year due to the COVID-19 pandemic.

GASB Statement No. 92, *Omnibus*. This Statement enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions. However; GASB Statement No. 95 postponed the implementation of this Statement by one year due to the COVID-19 pandemic.

GASB Statement No. 93, *Replacement of Interbank Offering Rates*. The objective of this Statement is to address certain issues with Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, as amended, Statement No. 87, *Leases*, as amended and other accounting and financial reporting implications that result from the replacement of an IBOR. The requirements of this Statement are effective for fiscal years beginning after June 15, 2020. However; GASB Statement No. 95 postponed the implementation of this Statement by one year due to the COVID-19 pandemic.

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, 2020, \$-0- of the District's bank balance of \$4,100,186 was exposed to custodial credit risk.

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS, (continued)

Investments

Investment Rate Risk

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

Credit Risk

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

Concentration of Credit Risk

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

NOTE 3. RECEIVABLES

Receivables at June 30, 2020, consisted of accounts and intergovernmental. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	Governmental Fund Financial <u>Statements</u>	Enterprise Fund	District Wide Financial <u>Statements</u>
Local Tax Levy Receivable	\$886,876	\$	\$886,876
State Aid	282,749	92	282,841
Federal Aid	385,695	9,524	395,219
Due from Other Funds	<u>387,705</u>	<u> </u>	<u>2,916</u>
Gross Receivables	1,943,025	9,616	1,567,852
Less: Allowance for Uncollectibles	<u> </u>	<u> </u>	<u> </u>
Total Receivables, Net	<u>\$1,943,025</u>	<u>\$9,616</u>	<u>\$1,567,852</u>

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

NOTE 4. INTERFUND BALANCES AND ACTIVITY

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

\$2,194	Due to the General Fund from the Net Payroll Fund for excess monies in the account.
722	Due to the General Fund from the Payroll Agency Account for the accumulated balance of interest earned.
37,349	Due to the General Fund from the Proprietary Fund to reimburse for proprietary capital assets and lunch aide salaries paid from General Fund in error.
<u>347,440</u>	Due to the General Fund from the Special Revenue Fund for short-term loans.
<u>\$387,705</u>	

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

NOTE 5. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2020 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Governmental Activities				
Capital Assets Not Being Depreciated:				
Land	\$9,957	\$	\$	\$9,957
Construction in Progress				
Total Capital Assets Not Being Depreciated	<u>9,957</u>			<u>9,957</u>
Capital Assets Being Depreciated:				
Sites and Improvements	61,248			61,248
Buildings and Improvements	30,067,127	458,924		30,526,051
Machinery and Equipment	<u>1,076,005</u>	<u>209,556</u>		<u>1,285,561</u>
Total Capital Assets, Being Depreciated	<u>31,204,380</u>	<u>668,480</u>		<u>31,872,860</u>
Less Accumulated Depreciation:				
Land Improvements	(58,074)	(181)		(58,255)
Buildings and Improvements	(3,639,141)	(786,676)		(4,425,817)
Equipment	<u>(853,680)</u>	<u>(50,387)</u>		<u>(904,067)</u>
Total Accumulated Depreciation	<u>(4,550,895)</u>	<u>(837,244)</u>		<u>(5,388,139)</u>
Total Capital Assets, Being Depreciated, Net of Accumulated Depreciation	<u>26,653,485</u>	<u>(168,764)</u>		<u>26,484,721</u>
Governmental Activities Capital Assets, Net	<u>\$26,663,442</u>	<u>(\$168,764)</u>		<u>\$26,494,678</u>
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
Business-Type Activity				
Equipment	85,209			85,209
Less Accumulated Depreciation for Equipment	<u>(43,757)</u>	<u>(3,745)</u>		<u>(47,502)</u>
Business-Type Activity Capital Assets, Net	<u>\$41,452</u>	<u>(\$3,745)</u>		<u>\$37,707</u>

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

NOTE 5. CAPITAL ASSETS, (continued)

Depreciation expense was charged to governmental functions as follows:

Instruction	
Support Services:	
Student & Instruction Related Services	\$14,492
Plant Operations & Maintenance	819,324
Unallocated Depreciation	<u>3,428</u>
	<u>\$837,244</u>

NOTE 6. LONG-TERM OBLIGATION ACTIVITY

Changes in long-term obligations for the year ended June 30, 2020 were as follows:

	Balance			Balance	Amount	Long-term
	June 30, 2019	Issued	Retired	June 30, 2020	Due Within	Portion
					One Year	
Deferred PERS Pension Contribution	\$12,068	\$	\$2,406	\$9,662	\$2,623	\$7,039
Compensated Absences Payable	596,595	97,762	108,265	586,092		586,092
Unfunded Pension Liability - PERS	32,836		19,802	13,034	13,034	
Net Pension Liability	<u>2,741,412</u>		<u>590,117</u>	<u>2,151,295</u>	<u>121,952</u>	<u>2,029,343</u>
	<u>3,382,941</u>	<u>97,762</u>	<u>720,590</u>	<u>2,760,083</u>	<u>137,609</u>	<u>2,622,474</u>
Total Other Liabilities	<u>\$3,382,911</u>	<u>\$97,762</u>	<u>\$720,590</u>	<u>\$2,760,083</u>	<u>\$137,609</u>	<u>\$2,622,474</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, 2020.

B. Bonds Authorized But Not Issued:

As of June 30, 2020 the Board has no authorized but not issued bonds.

C. Capital Leases

The District has no capital leases outstanding at June 30, 2020.

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

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, 2020 were \$90,195. Future minimum lease payments are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2021	\$86,160
2022	<u>17,470</u>
	<u>\$103,630</u>

NOTE 8. PENSION PLANS

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

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.

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

NOTE 8. PENSION PLANS (continued)

The following represents the membership tiers for TPAF:

<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

Service retirement benefits of 1/55th 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 1/60th 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, 2020**

NOTE 8. PENSION PLANS, (continued)

Service retirement benefits of 1/55th 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 1/60th 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> 6/30/20	\$116,135	\$1,776
6/30/19	138,491	1,548
6/30/18	138,686	3,061

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

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:

<u>Year</u> <u>Ending</u>	<u>Pension</u> <u>Contributions</u>	<u>Post-Retirement</u> <u>Medical</u> <u>Contributions</u>	<u>NCGI</u> <u>Premium</u>	<u>Long-Term</u> <u>Disability</u> <u>Insurance</u>
6/30/20	\$1,233,708	\$465,886	\$22,113	\$1,847
6/30/19	1,093,361	506,328	22,887	1,958
6/30/18	790,909	523,228	19,193	1,891

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 \$504,695 during the year ended June 30, 2020 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, 2020, the District had a liability of \$2,151,295 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2019, 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, 2019, the District's proportion was 0.0119393802 percent, which was a decrease of 0.0019838298 percent from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the District recognized pension expense of \$187,703. At June 30, 2020, 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, 2020**

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	\$38,613	\$9,503
Changes of assumptions	214,815	746,708
Net difference between projected and actual earnings on pension plan investments		33,959
Changes in proportion and differences between the District's contributions and proportionate share of contributions	131,851	650,279
District contributions subsequent to the measurement date	<u>121,952</u>	<u> </u>
Total	<u>\$507,231</u>	<u>\$1,440,449</u>

The \$121,952 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, 2020, the plan measurement date is June 30, 2019) will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. 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:	
2020	(\$62,120)
2021	(201,515)
2022	(179,941)
2023	(84,492)
2024	(8,676)

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 5.21, 5.63, 5.48, 5.57, 5.72 and 6.44 years for 2019, 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, 2020**

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 net of nonemployer (State of New Jersey) balances at June 30, 2019 and June 30, 2018 are as follows:

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Collective deferred outflows of resources	\$3,149,522,616	\$4,684,852,302
Collective deferred inflows of resources	7,645,087,574	7,646,736,226
Collective net pension liability	18,018,482,972	19,689,501,539
District's Proportion	0.0119393802%	0.01392321%

Actuarial Assumptions

The collective total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which rolled forward to June 30, 2019. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00-6.00% (based on years of service)
Thereafter	3.00-7.00% (based on years of service)
Investment Rate of Return	7.00 Percent

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018. 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, 2020**

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 Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non- Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement based on Scale MP-2019.

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, 2019) 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, 2019 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	3.00%	4.67%
Cash equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment grade credit	10.00%	4.25%
High yield	2.00%	5.37%
Private credit	6.00%	7.92%
Real assets	2.50%	9.31%
Real estate	7.50%	8.33%
U.S. equity	28.00%	8.26%
Non-U.S. developed markets equity	12.50%	9.00%
Emerging markets equity	6.50%	11.37%
Private equity	12.00%	10.85%

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

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 6.28% as of June 30, 2019. 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 3.50% as of June 30, 2019 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 70% 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 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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, 2019 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, 2019</u>		
	<u>1%</u> Decrease <u>5.28%</u>	<u>At Current</u> Discount Rate <u>6.28%</u>	<u>1%</u> Increase <u>7.28%</u>
District's proportionate share of the pension liability	\$2,721,374	\$2,151,295	\$1,670,923

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.

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

NOTE 8. PENSION PLANS, (continued)

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

Teachers Pensions and Annuity Fund (TPAF)

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

The portion of the TPAF Net Pension Liability that was associated with the District recognized at June 30, 2020 was as follows:

Net Pension Liability:	
District's proportionate share	\$ -0-
State's proportionate share associated with the District	34,117,360
	<u>\$34,117,360</u>

The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018 rolled forward to June 30, 2019. 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, 2019, the proportion of the TPAF net pension liability associated with the District was 0.0555920406%.

For the year ended June 30, 2020, the District recognized on-behalf pension expense and revenue of \$2,012,333 for contributions provided by the State in the District-Wide Financial Statements.

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

NOTE 8. PENSION PLANS, (continued)

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

Actuarial Assumptions

The total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	1.55-4.45% (based on years of service)
Thereafter	2.75%-5.65% (based on years of service)
Investment Rate of Return	7.00%

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Health Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with a future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

NOTE 8. PENSION PLANS, (continued)

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

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, 2019) 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, 2019 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	3.00%	4.67%
Cash equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment grade credit	10.00%	4.25%
High yield	2.00%	5.37%
Private credit	6.00%	7.92%
Real assets	2.50%	9.31%
Real estate	7.50%	8.33%
U.S. equity	28.00%	8.26%
Non-U.S. developed markets equity	12.50%	9.00%
Emerging markets equity	6.50%	11.37%
Private equity	12.00%	10.85%

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

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 5.60% as of June 30, 2019. 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 3.50% as of June 30, 2019 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 70% 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 2054. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2054, 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 of New Jersey provides employer-paid coverage to members of the TPAF who retire from a board of education or county college with 25 years of service or on a disability retirement. Under the provision of Chapter 126, P.L. 1992, the State also provides employer-paid coverage to members of PERS and Alternate Benefits Program (ABP) who retire from a board of education or county college with 25 years of service or on a disability retirement if the member's employer does not provide this coverage. Certain local participating employers also provide post-retirement medical coverage to their employees. Retirees who are not eligible for employer paid health coverage at retirement can continue in the program if their employer participates in this program or if they are participating in the health benefits plan of their former employer and are enrolled in Medicare Parts A and B by paying the cost of the insurance for themselves and their covered dependents. In Fiscal Year 2019, the State paid PRM benefits for 153,893 State and local retirees.

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

NOTE 9. POST-RETIREMENT BENEFITS, (continued)

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 2019, the State contributed \$1.908 billion to pay for “pay-as-you-go” PRM benefit costs incurred by covered retirees. The State’s “pay-as-you-go” contributions have remained consistent with Fiscal Year 2018 amounts. The Fiscal Year 2020 Appropriations Act includes \$1.612 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. The Fiscal Year 2019 total State OPEB liability to provide these benefits is \$76.0 billion, a decrease of \$14.5 billion or 16 percent from the \$90.5 billion liability recorded in Fiscal Year 2018.

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, 2020**

NOTE 9. POST-RETIREMENT BENEFITS, (continued)

The portion of the OPEB Liability that was associated with the District recognized at June 30, 2020 was as follows:

OPEB Liability:	
District's proportionate share	\$
State's proportionate share associated with the District	<u>17,807,553</u>
	<u>\$17,807,553</u>

Actual Assumptions and Other Imputes

The total OPEB liability in the June 30, 2019 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, 2019 was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019. 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 - 3.05% based on service years	2.00 - 6.00% based on service years
Thereafter	1.55 - 3.05% based on service years	3.00 - 7.00% based on service years

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

NOTE 9. POST-RETIREMENT BENEFITS, (continued)

Preretirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP), “General” (PERS), and “Safety” (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Postretirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Disability mortality was based on the Pub-2010 “General” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 – June 30, 2018, July 1, 2014 – June 30, 2018 and July 1, 2013 – June 30, 2018 for TPAF, PERS and PFRS, 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 medical benefits, the trend rate is initially 5.7% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal year 2020 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

(b) *Discount Rate*

The discount rate for June 30, 2019 was 3.50%. 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. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

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.

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

NOTE 9. POST-RETIREMENT BENEFITS, (continued)

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.

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

For the year ended June 30, 2020, the board of education/board of trustees recognized on-behalf OPEB expense of \$582,746 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.

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

NOTE 11. RISK MANAGEMENT, (continued)

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

NOTE 12. INVENTORY

Inventory in the Food Service Fund at June 30, 2020 consisted of the following:

Food	\$9,419
Supplies	<u>4,303</u>
	<u>\$13,722</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, 2019 to June 30, 2020 fiscal year is as follows:

Beginning Balance, July 1, 2019	<u>\$1.00</u>
Ending Balance, June 30, 2020	<u>\$1.00</u>

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

NOTE 14. FUND BALANCE APPROPRIATED

General Fund [Exhibit B-1] - Of the \$2,653,279 General Fund fund balance at June 30, 2020, \$61,331 is reserved for encumbrances; \$2,891,231 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7 \$1,205,794 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2021); \$1 has been reserved in the Capital Reserve Account; \$21,472 has been appropriated and included as anticipated revenue for the year ending June 30, 2021; and (\$320,756) is unreserved and undesignated.

NOTE 15. DEFICIT FUND BALANCES

The District has a deficit fund balance of \$320,756 in the General Fund as of June 30, 2020 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 \$320,756 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, 2020 is \$2,891,231. Of this amount, \$1,685,437 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, 2020**

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, 2020 through June 30, 2021 at a cost of \$21,420.

NOTE 20. SUBSEQUENT EVENTS

The District has evaluated subsequent events through January 15, 2021, the date which the financial statements were available to be issued and the following item was noted for disclosure:

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2020**

NOTE 20. SUBSEQUENT EVENTS, (continued)

On March 9, 2020, Governor Phil Murphy signed Executive Order No. 103 that declared a State of Emergency and Public Health Emergency across all 21 counties in New Jersey in response to address the novel coronavirus (COVID-19) outbreak. At the time of this report, the overall effects of the COVID-19 pandemic are unknown. In efforts to reduce the spread of the virus, many companies and organizations have either reduced staff or closed down, thus creating a potential financial dilemma among many of the taxpayers of the Town of Guttenberg. The Board has identified several risks as a result of this pandemic, including a possible delay in collection of District taxes and cash flow shortages as the result of these delayed collections. In addition, possible increase in expenditures related to the COVID-19 pandemic that will not be reimbursed by the Federal or State governments. The Board will continue to monitor the situation closely.

**REQUIRED SUPPLEMENTARY
INFORMATION - PART II**

THIS PAGE INTENTIONALLY LEFT BLANK

BUDGETARY COMPARISON SCHEDULES

THIS PAGE INTENTIONALLY LEFT BLANK

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

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final To Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 11,321,822		11,321,822	11,321,822	
Miscellaneous				69,701	69,701
Total - Local Sources	11,321,822		11,321,822	11,391,523	69,701
State Sources:					
Transportation Aid	60,778		60,778	60,778	
Special Education Aid	1,189,648		1,189,648	1,189,648	
Equalization Aid	6,203,359		6,203,359	6,203,359	
Security Aid	603,184		603,184	603,184	
Extraordinary Aid				62,798	62,798
TPAF Pension Contributions (On-Behalf - Non Budgeted)				1,233,708	1,233,708
TPAF Postretirement Medical Contributions (On-Behalf - Non Budgeted)				465,886	465,886
TPAF LTDI (On-Behalf - Non Budgeted)				1,847	1,847
TPAF Non-Contributory Insurance (On-Behalf - Non Budgeted)				22,113	22,113
TPAF Social Security (Reimbursed - Non-Budgeted)				504,695	504,695
Total - State Sources	8,056,969		8,056,969	10,348,016	2,291,047
Federal Sources:					
Medical Assistance Program (SEMI)	28,422		28,422	15,220	(13,202)
Total - Federal Sources	28,422		28,422	15,220	(13,202)
TOTAL REVENUES	19,407,213		19,407,213	21,754,759	2,347,546
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
Salaries of Teachers:					
Kindergarten - Salaries of Teachers	248,989	12,619	261,608	261,608	
Grades 1-5 - Salaries of Teachers	1,673,471	264,483	1,937,954	1,770,017	167,937
Grades 6-8 - Salaries of Teachers	1,489,398	62,579	1,551,977	1,413,668	138,309
Regular Programs - Home Instruction:					
Salaries of Teachers	5,000	(5,000)			
Other Purchased Services	40,000	(18,729)	21,271	10,000	11,271
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	161,201	(470)	160,731	159,418	1,313
General Supplies	293,415	27,859	321,274	314,524	6,750
Other Purchased Services (400-500 series)	85,000	(12,150)	72,850	69,392	3,458
Textbooks	67,419	(27,859)	39,560	17,699	21,861
TOTAL REGULAR PROGRAMS - INSTRUCTION	4,063,893	303,332	4,367,225	4,016,326	350,899
SPECIAL EDUCATION - INSTRUCTION					
Learning and/or Language Disabilities:					
Salaries of Teachers	314,393	(39,152)	275,241	253,846	21,395
Total Learning and/or Language Disabilities	314,393	(39,152)	275,241	253,846	21,395
Multiple Disabilities					
Salaries of Teachers	67,524	(12,168)	55,356	55,356	
Total Multiple Disabilities	67,524	(12,168)	55,356	55,356	
Resource Room/Resource Center:					
Salaries of Teachers	243,303	(790)	242,513	211,791	30,722
Total Resource Room/Resource Center	243,303	(790)	242,513	211,791	30,722
Autism:					
Salaries of Teachers	55,520	15,871	71,391	71,391	
Total Autism	55,520	15,871	71,391	71,391	
Preschool Disabilities - Full-Time:					
Salaries of Teachers	65,524	754	66,278	66,278	
Total Preschool Disabilities - Full-Time	65,524	754	66,278	66,278	
TOTAL SPECIAL EDUCATION - INSTRUCTION	746,264	(35,485)	710,779	658,662	52,117
Basic Skills/Remedial-Instruction					
Salaries of Teachers	402,063	18,407	420,470	420,470	
Total Basic Skills/Remedial-Instruction	402,063	18,407	420,470	420,470	

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
Bilingual Education - Instruction					
Salaries of Teachers	460,873	38,991	499,864	499,864	
Other Salaries	3,500		3,500	2,875	625
General Supplies	5,000	(4,000)	1,000	499	501
Textbooks	15,000	(15,000)			
Total Bilingual Education - Instruction	484,373	19,991	504,364	503,238	1,126
School-Sponsored Cocurricular Activities - Instruction					
Salaries	45,000		45,000	38,984	6,016
Other Purchased Services (300-500 series)	36,000		36,000	24,634	11,366
Total School-Sponsored Cocurricular Activities - Instruction	81,000		81,000	63,618	17,382
School-Sponsored Athletics - Instruction					
Salaries	8,000		8,000		8,000
Purchased Services - (300-500 series)	7,000		7,000	7,000	
Total School-Sponsored Athletics - Instruction	15,000		15,000	7,000	8,000
Total Distributed Expenditures	5,792,593	306,245	6,098,838	5,669,314	429,524
Undistributed Expenditures - Instruction					
Tuition to Other LEAs within the State - Regular	5,250,000	(173,773)	5,076,227	5,064,989	11,238
Tuition to Other LEAs within the State - Special	1,504,650	(277,241)	1,227,409	757,775	469,634
Tuition to CSSD & Regional Day Schools	315,700	73,442	389,142	389,142	
Tuition to Priv.Sch. For the Disabled W/ State	171,120	31,361	202,481	200,024	2,457
Tuition to State Facilities		4,500	4,500	4,500	
Tuition - Other		82,695	82,695	59,412	23,283
Total Undistributed Expenditures - Instruction	7,241,470	(259,016)	6,982,454	6,475,842	506,612
Undist. Expend. - Health Services					
Salaries	140,814	26,144	166,958	144,988	21,970
Purchased Professional and Technical Services	9,000	(3,814)	5,186	4,727	459
Supplies and Materials	4,500	1,941	6,441	6,441	
Total Undistributed Expenditures - Health Services	154,314	24,271	178,585	156,156	22,429
Undist. Expenditures - Speech, OT, PT & Related Serv.					
Salaries	242,415		242,415	152,961	89,454
Purchased Professional - Educational Services	370,000		370,000	241,565	128,435
Total Undist. Expend. - Speech, OT, PT & Related Serv.	612,415		612,415	394,526	217,889
Undist. Expend. - Guidance					
Salaries of Other Professional Staff	156,447	4,453	160,900	160,900	
Salaries of Secretarial and Clerical Assistants	57,846	1,523	59,369	59,369	
Total Undist. Expend. - Guidance	214,293	5,976	220,269	220,269	
Undistributed Expenditures - Child Study Teams					
Salaries of Other Professional Staff	241,482	4,737	246,219	246,219	
Salaries of Secretarial and Clerical Assistants	24,740	(240)	24,500	24,500	
Other Salaries	328,975	35,263	364,238	351,549	12,689
Other Purchased Prof. and Tech. Services	8,600	(8,600)			
Supplies and Materials	4,000		4,000	3,862	138
Total Undistributed Expenditures - Child Study Teams	607,797	31,160	638,957	626,130	12,827
Undist. Expend. - Improvement of Instructional Services					
Salaries of Other Professional Staff	95,000	(10,000)	85,000	75,172	9,828
Total Undist. Expend. - Improvement of Instructional Services	95,000	(10,000)	85,000	75,172	9,828
Undist. Expend. - Instructional Staff Training Services					
Salaries - Supervisors of Instruction	291,700	9,999	301,699	301,699	
Salaries - Secretarial and Clerical Assistant	33,509	1,535	35,044	35,044	
Purchased Professional - Educational Services	55,000	(11,534)	43,466	27,945	15,521
Other Purchased Services (400-500 Series)	16,000		16,000	16,000	
Total Undist. Expend. - Instructional Staff Training Services	396,209		396,209	380,688	15,521

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
Undist. Expend. - Support Serv. - General Administration					
Salaries - Superintendent	193,751	1,374	195,125	195,125	
Salaries - Secretary to Superintendent	69,256		69,256	69,256	
Legal Services	51,000		51,000	51,000	
Audit Fees	36,000	(3,000)	33,000	33,000	
Internal Control Audit Fees	26,000		26,000	26,000	
Purchased Technical Services	15,000	(11,280)	3,720	3,720	
Communications/Telephone	62,000	3,542	65,542	65,542	
BOE Other Purchased Services	420		420	420	
Misc. Purchase 400-500 (Other 530 & 385)	12,000	(3,976)	8,024	8,024	
General Supplies	12,000	(156)	11,844	11,424	420
BOE In-House Training/Meeting Supplies	5,000	(395)	4,605	4,605	
Miscellaneous Expenditures	4,500	45,504	50,004	44,917	5,087
BOE Membership Dues and Fees	7,500		7,500	7,500	
Total Undist. Expend. - Supp. Serv. - General Administration	494,427	31,613	526,040	520,533	5,507
Undist. Expend. - Support Serv. - School Administration					
Salaries - Principal & Asst. Principal	121,793		121,793	121,792	1
Salaries of Secretarial and Clerical Assistants	42,525	1,287	43,812	43,809	3
Other Salaries	3,000	165	3,165	3,054	111
Purchased Professional and Technical Services	26,500	(3,804)	22,696	1,375	21,321
Other Purchased Services	3,000		3,000	3,000	
Supplies and Materials	13,000	(1,452)	11,548	3,410	8,138
Total Undist. Expend. - Support Serv. - School Administration	209,818	(3,804)	206,014	173,440	32,574
Undistributed Expenditures - Central Services					
Salaries	281,615	1,500	283,115	283,115	
Supplies and Materials	9,484		9,484	4,850	4,634
Miscellaneous Expenditures	35,000	(1,500)	33,500	14,388	19,112
Total Undists Expend. - Central Services	326,099		326,099	302,353	23,746
Undist. Expend. - Admin. Info. Tech.					
Salaries	107,250		107,250	104,622	2,628
Purchased Technical Services	21,500	4,121	25,621	25,621	
Supplies and Materials	22,727	(4,121)	18,606	16,981	1,625
Total Undist. Expend. - Admin. Info. Technology	151,477		151,477	147,224	4,253
Undist. Expend. - Required Maint. for School Facilities					
Salaries		70,000	70,000	68,699	1,301
Cleaning, Repair and Maintenance Services	374,050	192,656	566,706	550,596	16,110
Lead Testing	1,800		1,800	1,800	
Total Undist. Expend. - Required Maint. for School Facilities	375,850	262,656	638,506	619,295	17,411
Undist. Expend. - Custodial Services					
Salaries	118,367		118,367	63,033	55,334
Salaries of Non-Instructional Aides	126,224	(107,500)	18,724	10,008	8,716
Rental of Land & Bldg. Other than Lease Purch Agreement	22,620		22,620	21,420	1,200
Other Purchased Property Services	35,000	(4,558)	30,442	19,878	10,564
Insurance	250,000	(49,286)	200,714	198,861	1,853
Miscellaneous Purchased Services	10,419	(8,000)	2,419	1,416	1,003
General Supplies	104,429	(52,700)	51,729	38,775	12,954
Energy (Natural Gas)	60,000		60,000	53,256	6,744
Energy (Electricity)	110,000	(10,656)	99,344	82,700	16,644
Total Undist. Expend. - Other Oper. & Maint. of Plant Svcs.	837,059	(252,700)	604,359	489,347	115,012
Undist. Expend. - Security					
Salaries	82,400	12,700	95,100	59,758	35,342
Total Undistributed Expenditures - Security	82,400	12,700	95,100	59,758	35,342
Total Undistributed Expend.-Oper & Maint of Plant Svcs.	1,295,309	42,656	1,337,965	1,168,400	132,423
Undistributed Expenditures - Student Transportation Svcs.					
Contract Serv. (Spec Ed Stds) - Joint Agreements	255,000		255,000	197,460	57,540
Total Undist. Expend. - Student Transportation Svcs.	255,000		255,000	197,460	57,540
TOTAL UNDISTRIBUTED EXPENDITURES	12,053,628	(137,144)	11,916,484	10,838,193	1,076,491

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
ALLOCATED BENEFITS					
Regular Programs - Instruction - Employee Benefits					
Social Security Contributions	51,616	40,219	91,835	86,347	5,488
T.P.A.F. Contributions - ERIP	22,000		22,000	19,802	2,198
Unemployment Compensation	38,000	(1,707)	36,293	33,374	2,919
Health Benefits	1,209,886	(203,272)	1,006,614	854,233	152,381
Tuition Reimbursement	30,000	(7,011)	22,989	9,954	13,035
Other Employee Benefits	8,000	(5,780)	2,220	2,220	
Unused Sick Payment to Terminated/Retired Staff		26,242	26,242	26,242	
Total Regular Programs - Instruction	1,359,502	(151,309)	1,208,193	1,032,172	176,021
Special Programs - Instruction - Employee Benefits					
Social Security Contributions	22,343	(8,473)	13,870		13,870
Health Benefits	563,347	84,506	647,853	647,853	
Other Employee Benefits	4,000	(3,400)	600	600	
Unused Sick Payment to Terminated/Retired Staff		14,039	14,039	14,039	
Total Special Programs - Instruction - Employee Benefits	589,690	86,672	676,362	662,492	13,870
Health Services - Employee Benefits					
Social Security Contributions	2,023		2,023		2,023
Health Benefits	27,249	5,879	33,128	30,464	2,664
Other Employee Benefits	1,600	(1,600)			
Total Health Services - Employee Benefits	30,872	4,279	35,151	30,464	4,687
Other Support Serv. - Speech, OT, PT, & Rel. Svc - Employee Benefits					
Social Security Contributions	14,106		14,106		14,106
Health Benefits	48,385		48,385	47,307	1,078
Other Employee Benefits	800	(485)	315	315	
Total Other Support Services- Employee Benefits	63,291	(485)	62,806	47,622	15,184
Other Support Services - Guidance - Employee Benefits:					
Social Security Contributions	9,686		9,686		9,686
Health Benefits	93,495	8,604	102,099	101,559	540
Other Employee Benefits	3,600	(3,000)	600	600	
Total Other Support Services - Guidance - Employee Benefits	106,781	5,604	112,385	102,159	10,226
Other Support Services - Child Study Team - Employee Benefits					
Social Security Contributions	8,596	(3,741)	4,855	1,775	3,080
Health Benefits	82,057	(29,574)	52,483	52,483	
Other Employee Benefits	2,800	(2,800)			
DCRP Contribution					
Total Other Support Svcs - Child Study Team - Employee Benefits	93,453	(36,115)	57,338	54,258	3,080
Instructional Staff Training Services - Employee Benefits					
Social Security Contributions	4,710		4,710		4,710
Health Benefits	120,058	(8,624)	111,434	107,216	4,218
Other Employee Benefits	4,800	(4,656)	144	144	
Total Instructional Staff Training Services - Employee Benefits	129,568	(13,280)	116,288	107,360	8,928
Support Services - General Admin - Employee Benefits					
Social Security Contributions	3,460	834	4,294	4,294	
Health Benefits	62,503	7,617	70,120	69,983	137
Other Employee Benefits	2,000	(1,730)	270	270	
Total Support Services - General Admin - Employee Benefits	67,963	6,721	74,684	74,547	137
Support Services - School Admin - Employee Benefits					
Social Security Contributions	2,371	3,129	5,500	5,441	59
Health Benefits	38,626	40,427	79,053	79,053	
Other Employee Benefits	1,600	(1,455)	145	145	
Total Support Services - School Admin - Employee Benefits	42,597	42,101	84,698	84,639	59
Support Services - Central Services - Employee Benefits					
Social Security Contributions	3,993	5,343	9,336	9,331	5
Health Benefits	38,626	4,727	43,353	43,353	
Other Employee Benefits	2,800	(2,500)	300	300	
Total Support Services - Central Services - Employee Benefits	45,419	7,570	52,989	52,984	5
Support Services - Admin. Info. Tech. - Employee Benefits					
Social Security Contributions	1,556	6,098	7,654	7,613	41
Health Benefits	50,984	(37,320)	13,664	13,664	
Other Employee Benefits	1,200	(1,200)			
Total Support Services - Admin. Info. Tech. - Employee Benefits	53,740	(32,422)	21,318	21,277	41

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
Custodial Services - Employee Benefits					
Social Security Contributions	1,702	3,741	5,443	5,124	319
Health Benefits	57,916	(8,096)	49,820	49,820	
Other Employee Benefits	5,000	(5,000)			
Total Custodial Services - Employee Benefits	<u>64,618</u>	<u>(9,355)</u>	<u>55,263</u>	<u>54,944</u>	<u>319</u>
Support Services - Security - Employee Benefits					
Social Security Contributions	1,195		1,195		1,195
Health Benefits	13,224	13,611	26,835	26,835	
Total Security - Employee Benefits	<u>14,419</u>	<u>13,611</u>	<u>28,030</u>	<u>26,835</u>	<u>1,195</u>
TOTAL ALLOCATED BENEFITS	<u>2,661,913</u>	<u>(76,408)</u>	<u>2,585,505</u>	<u>2,351,753</u>	<u>233,752</u>
UNALLOCATED BENEFITS					
Unallocated Benefits - Employee Benefits					
Other Retirement Contributions - PERS	158,000	(9,998)	148,002	120,823	27,179
Total Unallocated Benefits - Employee Benefits	<u>158,000</u>	<u>(9,998)</u>	<u>148,002</u>	<u>120,823</u>	<u>27,179</u>
Total Personal Services - Employee Benefits	<u>2,819,913</u>	<u>(86,406)</u>	<u>2,733,507</u>	<u>2,472,576</u>	<u>260,931</u>
On-behalf TPAF Pension and Post Retirement					
Medical Contributions (non-budgeted)				1,699,594	(1,699,594)
On-behalf TPAF Long Term Disability Insurance (non-budgeted)				1,847	(1,847)
On-behalf TPAF Non-Contributory Insurance (non-budgeted)				22,113	(22,113)
Reimbursed TPAF Social Security Contributions (non-budgeted)				504,695	(504,695)
TOTAL ON-BEHALF CONTRIBUTIONS				<u>2,228,249</u>	<u>(2,228,249)</u>
TOTAL UNDISTRIBUTED EXPENDITURES	<u>14,873,541</u>	<u>(223,550)</u>	<u>14,649,991</u>	<u>15,539,018</u>	<u>(889,027)</u>
TOTAL GENERAL CURRENT EXPENSE	<u>20,666,134</u>	<u>82,695</u>	<u>20,748,829</u>	<u>21,208,332</u>	<u>(459,503)</u>
CAPITAL OUTLAY					
Equipment:					
Grades 6-8	10,214		10,214	10,214	
Equipment - Undistributed:					
School Administration	691		691	691	
Technology Equipment	63,958		63,958	59,002	4,956
Total Equipment	<u>74,863</u>		<u>74,863</u>	<u>69,907</u>	<u>4,956</u>
Undist. Expenditures - Facilities Acquisition and Construction Services:					
Construction Services	493,400		493,400	484,700	8,700
Infrastructure	29,770		29,770	24,990	4,780
Total Facilities Acquisition and Construction Services	<u>523,170</u>		<u>523,170</u>	<u>509,690</u>	<u>13,480</u>
TOTAL CAPITAL OUTLAY	<u>598,033</u>		<u>598,033</u>	<u>579,597</u>	<u>18,436</u>
GENERAL FUND					
Transfer of Funds to Charter Schools	82,695	(82,695)			
TOTAL EXPENDITURES	<u>21,346,862</u>		<u>21,346,862</u>	<u>21,787,929</u>	<u>(441,067)</u>
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	(1,939,649)		(1,939,649)	(33,170)	1,906,479
Other Financing Sources/(Uses):					
To Fund Prior Year Uncollectible Receivables - On-behalf				(118,676)	(118,676)
TPAF Reimbursed Social Security				(118,676)	(118,676)
Total Other Financing Sources/(Uses):				<u>(118,676)</u>	<u>(118,676)</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
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(1,939,649)		(1,939,649)	(151,846)	1,787,803
Fund Balance, July 1			3,579,873	3,579,873	
Fund Balance, June 30	<u>(1,939,649)</u>		<u>1,640,224</u>	<u>3,428,027</u>	<u>1,787,803</u>
Recapitulation of excess (deficiency) of revenues under expenditures					
Adjustment for Prior Year Encumbrances	(698,994)		(698,994)	(698,994)	
Budgeted Withdrawal of Maintenance Reserve					
Budgeted Fund Balance	<u>(1,240,655)</u>		<u>(1,240,655)</u>	547,148	1,787,803
	<u>(1,939,649)</u>		<u>(1,939,649)</u>	<u>(151,846)</u>	<u>1,787,803</u>
Recapitulation					
Restricted Fund Balance:					
Capital Reserve				1	
Excess Surplus - Designated for Subsequent year's expenditures				1,205,794	
Excess Surplus - Current Year				1,685,437	
Assigned Fund Balance:					
Year-End Encumbrances				61,331	
Assigned Fund Balance:					
Designated for Subsequent Year's Expenditures				21,472	
Unassigned Fund Balance				<u>453,992</u>	
Reconciliation to Governmental Funds Statement (GAAP):				<u>3,428,027</u>	
Less: Last State Aid Payment not recognized, GAAP Basis				<u>(774,748)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>2,653,279</u>	

GUTTENBERG BOARD OF EDUCATION
Budgetary Comparison Schedule
Special Revenue Fund
Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources		-			-
State Sources	165,531	(4,404)	161,127	158,973	(2,154)
Federal Sources	1,022,168	993,589	2,015,757	1,325,241	(690,516)
Total Revenues	1,187,699	989,185	2,176,884	1,484,214	(692,670)
EXPENDITURES:					
Instruction:					
Salaries of Teachers					
Other Salaries for Instruction	1,156,515	(779,205)	377,310	347,261	30,049
Purchased Professional - Educational Services		160,739	160,739	135,830	24,909
Other Purchased Services (400-500 series)		2,000	2,000	2,000	-
General Supplies		187,473	187,473	187,472	1
		442,397	442,397	240,054	202,343
Total instruction	1,156,515	13,404	1,169,919	912,617	257,302
Support services:					
Salaries of Program Directors		2,261	2,261	1,850	411
Salaries of Other Professional Staff		283,833	283,833	159,187	124,646
Personal Services - Employee Benefits	31,184	333,280	364,464	290,727	73,737
Purchased Professional - Technical Services		218,700	218,700	88,161	130,539
Other Purchased Professional Services		116,208	116,208	16,544	99,664
Supplies & Materials		18,499	18,499	15,128	3,371
Other Objects		3,000	3,000	-	3,000
Total support services	31,184	975,781	1,006,965	571,597	435,368
Facilities acquisition and const. serv.:					
Instructional Equipment		-	-	-	-
Infrastructure Improvements		-	-	-	-
Total facilities acquisition and const. serv.	-	-	-	-	-
Total Expenditures	1,187,699	989,185	2,176,884	1,484,214	692,670
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-

GUTTENBERG BOARD OF EDUCATION
Required Supplementary Information
Budgetary Comparison Schedule
Note to Required Supplementary Information - Part II
Fiscal Year Ended June 30, 2020

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

		General Fund	Special Revenue Fund
Sources/inflows of resources			
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1]&[C-2]	21,754,759	1,484,214
Differences - budget to GAAP:			
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.			
Prior Year			
Current Year			(149,483)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		728,026	16,339
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).		(774,748)	(16,339)
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	21,708,037	1,334,731
Uses/outflows of resources			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]&[C-2]	21,787,929	1,484,214
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.			
Prior Year			
Current Year			(149,483)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	21,787,929	1,334,731

**REQUIRED SUPPLEMENTARY
INFORMATION - PART III**

THIS PAGE INTENTIONALLY LEFT BLANK

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%	47.93%
2017	0.0163373900%	\$ 4,838,666	\$ 993,558	487.00%	59.86%
2018	0.0149705330%	\$ 3,484,901	\$ 897,879	388.13%	48.10%
2019	0.0139232100%	\$ 2,741,412	\$ 803,989	340.98%	53.60%
2020	0.0119393802%	\$ 2,151,295	\$ 876,767	245.37%	56.27%

* 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 Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)			
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%		
2020	116,135	(116,135)	-	876,767	13.25%		

* 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 Covered	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)	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	0.00%	33.64%
2016	0.0497211990%		31,425,921	5,641,459	0.00%	28.71%
2017	0.0542707916%		42,692,860	5,795,976	0.00%	22.33%
2018	0.0563326534%		37,981,506	5,978,912	0.00%	25.41%
2019	0.0537065888%		34,166,978	6,197,942	0.00%	26.49%
2020	0.0555920406%		34,117,360	6,581,803	0.00%	26.95%

* 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, 2020

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 (3.87%) to the current measurement date (3.50%), resulting in a change in the discount rate from 5.66% to 6.28%. 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 (3.87%) to the current measurement date (3.50%), resulting in a change in the discount rate from 4.86% to 5.60%. 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**

	2020	2019	2018
Total OPEB Liability			
Service Costs	989,377	\$ 1,117,421	\$ 1,358,037
Interest on Total OPEB Liability	779,452	883,699	760,681
Difference between Expected and Actual Experiences	(3,110,567)	(3,673,130)	
Changes in Assumptions	265,512	(2,227,878)	(3,368,446)
Gross Benefit Payments	(546,639)	(519,129)	(551,613)
Contribution from the Member	16,204	17,942	20,312
Net Changes in total Share of OPEB Liability	(1,606,661)	(4,401,075)	(1,781,029)
Total OPEB Liability - Beginning	19,414,214	23,815,289	25,596,318
Total OPEB Liability - Ending	\$ 17,807,553	\$ 19,414,214	\$ 23,815,289
District's Proportionate Share of OPEB Liability	\$ -	\$ -	\$ -
State's Proportionate Share of OPEB Liability	17,807,553	19,414,214	23,815,289
Total OPEB Liability - Ending	\$ 17,807,553	\$ 19,414,214	\$ 23,815,289
District's Covered Employee Payroll	\$ 7,458,570	\$ 7,458,570	\$ 6,876,791
Districts' Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	0%	0%	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.

THIS PAGE INTENTIONALLY LEFT BLANK

Supplementary Schedules

THIS PAGE INTENTIONALLY LEFT BLANK

SPECIAL REVENUE FUND

THIS PAGE INTENTIONALLY LEFT BLANK

GUTTENBERG BOARD OF EDUCATION
 Special Revenue Fund
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
 June 30, 2020

	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 2020
REVENUES						
State Sources	158,973					158,973
Federal Sources	334,531	98,592	32,536	9,777	57,084	1,325,241
Total Revenues	493,504	98,592	32,536	9,777	57,084	1,484,214
EXPENDITURES:						
Instruction:						
Salaries of Teachers	125,658	66,270	866			347,261
Other Salaries for Instruction	-		19,916	7,260		135,830
Purchased Professional - Educational Services	-		2,000			2,000
Other Purchased Services (400-500 series)	187,472					187,472
General Supplies	50,222	325	2,711	1,657	41,520	240,054
Total Instruction	363,352	66,595	25,493	8,917	41,520	912,617
Support services:						
Salaries of Program Directors	-					1,850
Salaries of Other Professional Staff	33,866				5,143	159,187
Personal Services - Employee Benefits	33,315	31,997	43		421	290,727
Purchased Professional - Technical Services	44,116		2,500		10,000	88,161
Other Purchased Services	10,335		4,500	860		16,544
Supplies & Materials	8,520					15,128
Other Objects	-					-
Total support services	130,152	31,997	7,043	860	15,564	571,597
Facilities acquisition and const. serv.:						
Instructional Equipment	-					-
Non-Instructional Improvements	-					-
Total facilities acquisition and const. serv.	-	-	-	-	-	-
Total Expenditures	493,504	98,592	32,536	9,777	57,084	1,484,214
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-	-

GUTTENBERG BOARD OF EDUCATION
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
Fiscal Year Ended June 30, 2020

	Title I, Part A Reallocation	I.D.E.A. Part B, Basic	I.D.E.A. Part B Preschool	CARES Act	Preschool Education Aid	Total Carried Forward
REVENUES						
State Sources	19,486	231,801	9,236	74,008	158,973	158,973
Federal Sources					334,531	334,531
Total Revenues	19,486	231,801	9,236	74,008	158,973	493,504
EXPENDITURES:						
Instruction:						
Salaries of Teachers					125,658	125,658
Other Salaries for Instruction	14,986	187,472	1,941	31,368		187,472
Other Purchased Services (400-500 series)		1,927				50,222
General Supplies						
Total Instruction	14,986	189,399	1,941	31,368	125,658	363,352
Support services:						
Salaries of Program Directors				33,866		33,866
Salaries of Other Professional Staff					33,315	33,315
Personal Services - Employee Benefits		37,841	6,275			44,116
Purchased Professional - Technical Services		1,561		8,774		10,335
Other Purchased Services	4,500	3,000	1,020			8,520
Supplies & Materials						
Other Objects						
Total support services	4,500	42,402	7,295	42,640	33,315	130,152
Facilities acquisition and const. serv.:						
Instructional Equipment						
Non-Instructional Improvements						
Total facilities acquisition and const. serv.	-	-	-	-	-	-
Total Expenditures	19,486	231,801	9,236	74,008	158,973	493,504
Excess (Deficiency) of Revenues Over (Under)	-	-	-	-	-	-
Expenditures and Other Financing Sources (Uses)	-	-	-	-	-	-

GUTTENBERG BOARD OF EDUCATION
Special Revenue Fund
Schedule of Preschool Education Aid
Budgetary Basis
Fiscal Year Ended June 30, 2020

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:			
Instruction:			
Salaries of Teachers	125,658	125,658	-
General Supplies	2,085	-	2,085
Total instruction	<u>127,743</u>	<u>125,658</u>	<u>2,085</u>
Support services:			
Personal Services - Employee Benefits	33,315	33,315	-
Total support services	<u>33,315</u>	<u>33,315</u>	<u>-</u>
Total expenditures	<u>161,058</u>	<u>158,973</u>	<u>2,085</u>

Calculation of Budget and Carryover

Total Revised 2018-19 Preschool Education Aid Allocation	163,387
Add: Actual ECPA/PEA Carryover (June 30, 2019)	69
Add: Budgeted transfer from General Fund 2019-2020	<u> </u>
Total Preschool Education Funds Available for 2019-20 Budget	163,456
Less: 2019-20 Budgeted Preschool Education Aid (Including prior year budgeted carryover)	<u>(161,058)</u>
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2020	2,398
Add: June 30, 2020 Unexpended Preschool Education Aid	<u>2,085</u>
2019-20 Actual Carryover - Preschool Education Aid Programs	<u>4,483</u>
2019-20 Preschool Education Aid Carryover Budgeted for Preschool Programs 2020-21	<u>69</u>

THIS PAGE INTENTIONALLY LEFT BLANK

CAPITAL PROJECTS FUND

THIS PAGE INTENTIONALLY LEFT BLANK

GUTTENBERG BOARD OF EDUCATION
Capital Projects Fund
Summary Schedule of Revenues, Expenditures, and Changes
in Fund Balance-Budgetary Basis
Fiscal Year Ended June 30, 2020

Revenues	
State Sources - SCC Grant	-
Certificates of Participation	-
Local Share	-
Transfers from Capital Reserve	-
Transfers from Capital Outlay	-
Transfers from Food Service Fund	-
Interest earnings	-
	-
	-
Expenditures	
Purchased professional and technical services	-
Land and improvements	-
Construction services	-
Equipment purchases	-
	-
	-
Net change in fund balance	-
Fund balance - beginning	523,183
Fund balance - ending	\$ 523,183
<u>Analysis of Fund Balance</u>	
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, 2020

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues				
State Sources - SCC Grant	3,651,737		3,651,737	
Certificates of Participation			-	
Local Share	18,781,583		18,781,583	
Transfers from Capital Reserve			-	
Transfers from Capital Outlay			-	
Donations			-	
	<u>22,433,320</u>	<u>-</u>	<u>22,433,320</u>	<u>-</u>
Expenditures				
Purchased professional and technical services	2,264,827		2,264,827	
Land and improvements	35,018		35,018	
Construction services	19,610,292		19,610,292	
Equipment purchases			-	
	<u>21,910,137</u>	<u>-</u>	<u>21,910,137</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>523,183</u>	<u>-</u>	<u>523,183</u>	<u>-</u>
Additional project information:				
Project number	1850-050-09-0ZZW			
Grant Date	5/20/2013			
Bond authorization date	5/29/2012			
Bonds authorized	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

THIS PAGE INTENTIONALLY LEFT BLANK

GUTTENBERG BOARD OF EDUCATION
Combining Statement of Net Position
Enterprise Funds
June 30, 2020

	<u>Enterprise Fund</u>	<u>Internal Service Fund</u>	
	<u>Food Service Program</u>	<u>Building Maintenance</u>	<u>Totals</u>
ASSETS			
Current assets:			
Cash and cash equivalents	156,405	149,656	306,061
Accounts receivable:			
State	92		92
Federal	9,524		9,524
Inventories	13,722		13,722
Total current assets	<u>179,743</u>	<u>149,656</u>	<u>329,399</u>
Noncurrent assets:			
Capital assets:			
Equipment	85,209		85,209
Less accumulated depreciation:			
Equipment	(47,502)		(47,502)
Total capital assets (net of accumulated depreciation)	<u>37,707</u>	<u>-</u>	<u>37,707</u>
Total assets	<u>217,450</u>	<u>149,656</u>	<u>367,106</u>
LIABILITIES			
Current liabilities:			
Accounts payable	13,344		
Interfund - General Fund	37,349		37,349
Total current liabilities	<u>50,693</u>	<u>-</u>	<u>37,349</u>
NET POSITION			
Net Investment in Capital Assets	37,707	-	37,707
Restricted contributed capital	32,055		32,055
Unrestricted	96,995	149,656	246,651
Total net position	<u>166,757</u>	<u>149,656</u>	<u>316,413</u>

GUTTENBERG BOARD OF EDUCATION
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Enterprise Funds
Fiscal Year Ended June 30, 2020

	<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	29,839		29,839
Daily sales - non-reimbursable programs	12,184		12,184
Total operating revenues	<u>42,023</u>	<u>-</u>	<u>42,023</u>
Operating expenses:			
Cost of sales - reimbursable programs	136,672		136,672
Cost of sales - non-reimbursable programs	18,459		18,459
Salaries	136,920		136,920
Supplies and materials	5,368		5,368
Employee benefits	24,949		24,949
Cleaning repair & maintenance	1,363		1,363
Purchased services	25,000		25,000
Miscellaneous	3,679		3,679
Depreciation	3,745		3,745
Total Operating Expenses	<u>356,155</u>	<u>-</u>	<u>356,155</u>
Operating income (loss)	<u>(314,132)</u>	<u>-</u>	<u>(314,132)</u>
Nonoperating revenues (expenses):			
State sources:			
State school lunch program	3,931		3,931
Federal sources:			
National school lunch program	223,273		223,273
National school breakfast program	52,443		52,443
National school snack program	7,089		7,089
Food distribution program	33,010		33,010
Interest and investment revenue	12,466	2,818	15,284
Total nonoperating revenues (expenses)	<u>332,212</u>	<u>2,818</u>	<u>335,030</u>
Income (loss) before contributions & transfers	<u>18,080</u>	<u>2,818</u>	<u>20,898</u>
Change in net position	18,080	2,818	20,898
Total net position—beginning	<u>148,677</u>	<u>146,838</u>	<u>295,515</u>
Total net position—ending	<u>166,757</u>	<u>149,656</u>	<u>316,413</u>

GUTTENBERG BOARD OF EDUCATION
Combining Statement of Cash Flows
Enterprise Funds
Fiscal Year Ended June 30, 2020

	<u>Enterprise Funds</u> Food Service Program	<u>Internal Service Fund</u> Building Maintenance	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	42,023	-	42,023
Payments to employees	(36,954)	-	(36,954)
Payments to outside food service management company	(266,575)	-	(266,575)
Payments for supplies	(521)	-	(521)
Payments for miscellaneous expenditures	(4,260)	-	(4,260)
Net cash provided by (used for) operating activities	<u>(266,287)</u>	<u>-</u>	<u>(266,287)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
State Sources	4,174	-	4,174
Federal Sources	296,209	-	296,209
Net cash provided by (used for) non-capital financing activities	<u>300,383</u>	<u>-</u>	<u>300,383</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends	12,466	2,818	15,284
Net cash provided by (used for) investing activities	<u>12,466</u>	<u>2,818</u>	<u>15,284</u>
Net increase (decrease) in cash and cash equivalents	46,562	2,818	49,380
Balances—beginning of year	109,843	146,838	256,681
Balances—end of year	<u>156,405</u>	<u>149,656</u>	<u>306,061</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	(314,132)	-	(314,132)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation and net amortization	3,745	-	3,745
Food Distribution Program	33,010	-	33,010
(Increase) decrease in inventories	(10,970)	-	(10,970)
Increase (decrease) in interfunds payable	8,716	-	8,716
Increase (decrease) in accounts payable	13,344	-	13,344
Total adjustments	<u>47,845</u>	<u>-</u>	<u>47,845</u>
Net cash provided by (used for) operating activities	<u>(266,287)</u>	<u>-</u>	<u>(266,287)</u>

THIS PAGE INTENTIONALLY LEFT BLANK

FIDUCIARY FUND

THIS PAGE INTENTIONALLY LEFT BLANK

GUTTENBERG BOARD OF EDUCATION
Combining Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2020

	Private Purpose Scholarship Fund	Agency Funds
	<u> </u>	<u> </u>
ASSETS		
Cash and cash equivalents	11,259	123,116
Total assets	<u>11,259</u>	<u>123,116</u>
LIABILITIES		
Payable to student groups		27,590
Payroll deductions and withholdings		91,873
Net salaries and wages		737
Interfund Payable - General Fund		2,916
Total liabilities	<u>-</u>	<u>123,116</u>
NET POSITION		
Reserved for Scholarships	<u>11,259</u>	

GUTTENBERG BOARD OF EDUCATION
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Fiscal Year Ended June 30, 2020

	Private Purpose Scholarship Fund
ADDITIONS	
Contributions:	
Prior Year Voided Checks	-
Total Contributions	-
Investment earnings:	
Interest	230
Net investment earnings	230
Total additions	230
DEDUCTIONS	
Scholarship Payments	1,100
Total deductions	1,100
Change in net position	(870)
Net position—beginning of the year	12,129
Net position—end of the year	11,259

GUTTENBERG BOARD OF EDUCATION
Student Activity Agency Fund
Schedule of Receipts and Disbursements
Fiscal Year Ended June 30, 2020

	<u>Balance</u> <u>July 1, 2019</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursed</u>	<u>Balance</u> <u>June 30, 2020</u>
Anna L. Klein School:				
Anna L. Klein School Funds	3,607	4,295	4,033	3,869
Anna L. Klein Student Activity	381	20,637	20,253	765
Graduating Class Fund	12,478	30,715	22,811	20,382
Student Council Account	693	2,965	1,821	1,837
Anna L. Klein Yearbook Account	512	1,729	1,504	737
Total	<u>17,671</u>	<u>60,341</u>	<u>50,422</u>	<u>27,590</u>

GUTTENBERG BOARD OF EDUCATION
Payroll Agency Fund
Schedule of Receipts and Disbursements
Fiscal Year Ended June 30, 2020

	<u>Balance July 1, 2019</u>	<u>Cash Receipts</u>	<u>Cash Disbursed</u>	<u>Balance June 30, 2020</u>
Net Payroll	-	5,809,019	5,808,282	737
Payroll Deductions and Withholdings	-	4,128,911	4,037,038	91,873
Interfund - General Fund	722	2,194		2,916
	<u>722</u>	<u>9,940,124</u>	<u>9,845,320</u>	<u>95,526</u>

STATISTICAL SECTION

THIS PAGE INTENTIONALLY LEFT BLANK

STATISTICAL SECTION (UNAUDITED)

Introduction to the Statistical Section

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

STATISTICAL SECTION (UNAUDITED) - INTRODUCTION

J SERIES

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the district's financial performance and well-being have changes over time.	J-1 to J-5
Revenue Capacity These schedules contain information to help the reader assess the district's most significant local revenue sources, the property tax.	J-6 to J-9
Debt Capacity These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.	J-10 to J-13
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	J-14 to J-15
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	J-16 to J-20
Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year. The district implemented GASB Statement 34 in the fiscal year ending June 30, 2004; schedules presenting district-wide information include information beginning in that year.	

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities										
Net investment in capital assets	\$ 1,898,763	\$ 1,945,793	\$ 2,199,143	\$ 2,336,568	\$ 3,761,335	\$ 8,871,172	\$ 17,357,797	\$ 25,027,092	26,663,442	26,494,678
Restricted	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	3,123,691
Unrestricted	(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)	(4,136,009)
Total governmental activities net position	\$ 1,414,044	\$ 2,759,915	\$ 3,910,970	\$ 4,334,773	\$ 3,630,631	\$ 8,821,009	\$ 16,860,513	\$ 24,078,620	\$ 25,742,595	\$ 25,482,360
Business-type activities										
Net investment in capital assets	\$ 47,171	\$ 59,732	\$ 59,720	\$ 16,156	\$ 16,156	\$ 58,450	\$ 58,961	\$ 31,634	41,452	37,707
Restricted	32,055	32,055	32,055	32,055	32,055	32,055	32,055	32,055	32,055	32,055
Unrestricted	106,241	44,334	86,128	132,551	132,551	70,055	38,498	37,062	75,170	96,995
Total business-type activities net position	\$ 185,467	\$ 136,121	\$ 177,903	\$ 180,762	\$ 180,762	\$ 160,560	\$ 129,514	\$ 100,751	\$ 148,677	\$ 166,757
District-wide										
Net investment in capital assets	\$ 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	\$ 26,532,385
Restricted	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	3,155,746
Unrestricted	(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)	(4,039,014)
Total district net position	\$ 1,599,511	\$ 2,896,036	\$ 4,088,873	\$ 4,513,535	\$ 3,811,393	\$ 8,981,569	\$ 16,990,027	\$ 24,179,371	\$ 25,891,272	\$ 25,649,117

Source: CAFR Schedule A-1

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental activities										
Instruction										
Regular	\$ 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	\$ 5,846,606
Special education	426,616	454,719	695,252	674,274	730,823	761,361	806,906	1,176,342	1,503,573	1,321,154
Other special education	511,494	1,074,001	905,656	653,184	936,955	691,013	894,821	979,583	977,622	983,708
Other instruction	14,403	90,344	47,221	51,488	179,549	71,727	73,178	65,655	85,122	70,618
Support Services:										
Tuition	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	6,475,842
Health Services	1,756,432	1,519,420	1,879,036	2,487,964	2,255,474	2,496,387	1,762,215	183,929	193,902	186,620
Student & instruction related services	487,660	452,274	342,949	456,939	451,504	436,067	2,373,964	2,523,399	2,777,214	2,456,327
General administrative services	446,212	340,190	408,945	153,128	139,430	146,736	276,839	305,469	327,729	595,080
Central Services	282,501	324,412	365,375	418,985	386,608	387,689	397,748	514,009	404,622	238,079
Administrative Information Technology	66,802	110,509	133,214	123,858	129,376	134,825	141,314	139,557	146,199	355,337
Plant operations and maintenance	541,852	747,347	816,015	876,566	823,904	889,641	883,228	916,960	1,249,596	1,197,318
Pupil transportation	356,367	243,864	197,769	171,554	182,233	286,834	223,753	252,183	217,093	197,460
Unallocated Benefits	879,746	789,850	995,799	1,117,086	2,299,526	3,170,724	4,701,242	5,136,887	2,683,829	3,137,967
Special Schools	-	-	-	-	-	-	-	-	44,465	-
Charter Schools	-	-	-	-	-	-	-	-	-	-
Debt Service:										
Interest and other charges	62,944	51,871	40,444	26,944	13,444					
Unallocated depreciation	137,242	160,970	158,990	224,737	229,134	208,550	179,239	431,989	757,450	819,324
Capital Outlay - nondepreciable	-	-	134,792	49,602	33,482	26,556		187,021	135,411	47,758
Total governmental activities expenses	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	24,057,699

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Business-type activities:										
Food service										
Child Care	439,701	467,576	429,824	414,772	480,218	516,641	523,843	450,833	407,086	356,155
Total business-type activities expense	439,701	467,576	429,824	414,772	480,218	516,641	523,843	450,833	407,086	356,155
Total district expenses	\$ 16,412,906	\$ 16,025,512	\$ 16,689,927	\$ 17,692,617	\$ 19,753,066	\$ 20,662,777	\$ 22,706,145	\$ 24,381,792	\$ 24,303,858	\$ 24,413,854
Program Revenues										
Governmental activities:										
Charges for services:										
Operating grants and contributions	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	1,394,731
Capital grants and contributions										
Total governmental activities program revenues	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	1,394,731
Business-type activities:										
Charges for services:										
Food service	27,499	54,767	48,867	49,084	54,623	45,836	44,706	56,994	56,878	42,023
Child care										
Operating grants and contributions	342,128	363,463	422,739	373,423	432,761	448,381	445,632	386,316	390,558	319,746
Capital grants and contributions										
Total business-type activities program revenues	369,627	418,230	471,606	422,507	487,384	494,217	490,338	443,310	447,436	361,769
Total district program revenues	\$ 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	\$ 1,696,500
Net (Expense)/Revenue										
Governmental activities	\$ (14,059,807)	\$ (14,166,730)	\$ (14,897,952)	\$ (16,049,591)	\$ (18,110,711)	\$ (18,907,336)	\$ (20,976,144)	\$ (22,514,739)	\$ (22,357,308)	\$ (22,722,968)
Business-type activities	(70,074)	(49,346)	41,782	7,735	7,166	(22,424)	(33,505)	(7,523)	40,350	5,614
Total district-wide net expense	\$ (14,129,881)	\$ (14,216,076)	\$ (14,856,170)	\$ (16,041,856)	\$ (18,103,545)	\$ (18,929,760)	\$ (21,009,649)	\$ (22,522,262)	\$ (22,316,958)	\$ (22,717,354)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 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	\$ 11,321,822
Taxes levied for debt service	251,211	240,688	230,165	236,003	243,377	229,841				
Local share, Capital Projects Fund					1,056,346	3,903,246	7,076,902	4,610,288	1,448,830	
Unrestricted grants and contributions	4,914,341	5,224,401	5,628,388	5,908,220	7,233,297	7,930,297	9,337,671	10,649,013	10,989,449	11,189,886
Restricted grants and contributions					363,174	1,095,521	1,460,695	730,348	182,587	
Investment earnings	29									
Miscellaneous income	23,831	116,960	36,402	125,013	232,635	36,627	40,555	66,682	78,595	69,701
Other financing sources (uses)			(100,471)	(218,269)						(118,676)
Total governmental activities	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	22,462,733
Business-type activities:										
Other financing sources (uses)				18,612	1,505	2,222	2,459	4,112	7,576	12,466
Total business-type activities				18,612	1,505	2,222	2,459	4,112	7,576	12,466
Total district-wide	\$ 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	\$ 22,475,199
Change in Net Position										
Governmental activities	\$ 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	\$ (260,235)
Business-type activities	(70,074)	(49,346)	41,782	26,347	8,671	(20,202)	(31,046)	(3,411)	47,226	18,080
Total district	\$ 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	\$ (242,155)

Source: CAFR Schedule A-2

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund										
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	2,891,232
Committed	162,052	334,701	55,018	15,093	-	-	-	-	-	-
Assigned	20,353	-	-	-	113,749	21,303	10,843	407,878	716,097	82,803
Unassigned	10,210	(71,539)	(133,496)	(172,025)	(164,723)	(116,945)	(78,566)	(144,101)	(293,597)	(320,756)
Total general fund	\$ 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	\$ 2,653,279
All Other Governmental Funds										
Reserved										
Unreserved, reported in:										
Special revenue fund	(4,404)									
Capital projects fund		(834)								
Debt service fund	1	1	1							
Permanent fund										
Total all other governmental funds	\$ (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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Tax levy	\$ 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	11,321,822
Interest earnings										
Miscellaneous	23,831	116,960	35,734	125,013	232,653	36,627	40,555	66,682	78,595	69,701
Local Share					1,036,546	3,903,246	7,076,902	4,660,288	1,448,830	
State sources	5,118,772	5,348,167	5,757,126	6,051,094	6,665,138	7,733,009	8,365,499	8,455,636	9,907,384	10,460,267
Federal sources	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	1,190,978
Total revenue	16,454,575	17,055,268	17,510,961	17,977,103	19,879,239	23,852,192	27,647,663	25,484,368	24,150,280	23,042,768
Expenditures										
Instruction										
Regular instruction	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	5,946,516
Special education instruction	426,616	454,719	695,252	674,274	730,823	761,361	806,906	1,176,342	1,421,587	1,321,154
Other special instruction	511,494	1,074,001	905,956	653,184	936,955	691,013	894,821	979,383	824,723	923,708
Other instruction	14,403	90,344	47,221	51,488	179,349	71,727	73,178	65,653	79,069	70,618
Support Services:										
Tuition	5,657,035	4,601,259	4,498,710	4,974,817	5,115,833	5,039,443	5,339,656	5,846,445	6,063,454	6,475,842
Health Services										
Student & instruction related services	1,756,452	1,519,420	1,879,036	2,457,964	2,255,474	2,496,387	2,375,964	2,512,758	183,929	186,620
General administrative services	487,660	340,190	342,949	456,959	451,504	436,067	461,485	514,009	2,631,763	2,444,897
School Administrative services	446,212	452,274	408,945	153,128	139,430	146,756	276,839	305,469	736,643	595,080
Business and other support services										
Central administrative services	282,501	324,412	365,375	418,985	386,608	387,689	397,748	366,742	370,150	355,337
Administrative Information Technology	66,802	110,509	133,214	123,858	129,376	134,825	141,314	139,537	134,640	168,501
Plant operations and maintenance	541,852	747,347	816,015	876,366	824,385	890,366	883,954	914,573	1,220,326	1,250,179
Pupil transportation	356,367	243,864	197,769	171,554	182,233	286,834	225,753	252,183	217,093	197,460
Unallocated employee benefits	160,278	118,261	98,802	110,521	108,164	132,909	150,984	146,311	143,341	120,823
Allocated Benefits										
On-behalf contributions	652,326	819,021	992,445	896,207	1,107,025	1,355,431	1,577,232	1,771,829	2,097,566	2,228,249
Special Schools										
Charter Schools										
Capital outlay	23,946	137,897	347,132	228,930	1,447,383	5,111,943	8,659,884	5,725,684	44,465	579,597
Debt service:										
Principal	200,000	200,000	200,000	240,000	240,000	239,000	-	-	-	-
Interest and other charges	68,569	57,319	46,069	35,694	20,194	6,722	-	-	-	-
Total expenditures	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	23,122,660
Excess (Deficiency) of revenues over (under) expenditures	476,183	1,163,525	876,347	588,213	238,748	245,114	(63,006)	(341,575)	(85,976)	(79,892)

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Other Financing sources (uses)										
To fund prior year uncollectible receivables-										(118,676)
On-behalf TP AF Reimbursed Social Security										(118,676)
Total other financing sources (uses)										
Net change in fund balances	\$ 476,183	\$ 1,163,525	\$ 876,347	\$ 588,213	\$ 238,748	\$ 245,114	\$ (63,006)	\$ (341,575)	\$ (85,976)	\$ (198,568)
Debt service as a percentage of noncapital expenditures	1.7%	1.6%	1.5%	1.6%	1.4%	1.3%	0.0%	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				
2011				7,908	6,712		9,211	23,831
2012	3,494			8,976			104,490	116,960
2013	2,526			9,723			23,485	35,734
2014		19,713		3,809	3,593	61,928	20,044	125,013
2015	555	136,861	15,926	18,077	39,151	4,745	33,246	232,635
2016	17,971	2,726		9,980			5,950	36,627
2017	22,922			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
2020	55,466			8,793	1,215		4,227	69,701

Source: District Records

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

Guttenberg Board of Education

Year Ended Dec. 31,	Vacant Land	Residential	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax-Exempt Property	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)	% of Net Assessed to Estimated Full Cash Valuations
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	80.33%
2012	\$ 1,828,600	\$ 604,283,500		\$ 82,503,700	\$ 24,010,300	\$ 88,336,200	\$ 800,962,100	\$ 50,836,600	\$ 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	85.33%
2014	\$ 2,398,700	\$ 600,470,300		\$ 80,894,200	\$ 21,282,100	\$ 90,577,700	\$ 795,723,000	\$ 51,089,100	\$ 617,530	\$ 743,251,430	1.358	\$ 904,717,609	82.37%
2015	\$ 2,145,700	\$ 601,229,600		\$ 80,909,200	\$ 21,591,400	\$ 90,909,500	\$ 796,785,400	\$ 51,090,000	\$ 133,508	\$ 743,828,908	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	\$ 598,879,176		\$ 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	\$ 594,322,276		\$ 77,287,600	\$ 17,731,100	\$ 97,614,800	\$ 789,861,176	\$ 61,935,400	\$ 542,343	\$ 728,468,119	1.433	\$ 1,193,325,756	61.05%
2020	\$ 3,346,999	\$ 592,447,376		\$ 77,233,800	\$ 17,319,500	\$ 94,253,800	\$ 784,601,473	\$ 67,856,502	\$ 506,232	\$ 717,251,205	1.433	\$ 1,189,147,371	60.32%

Sources: Municipal Tax Assessor (Tax List District Summary - Table of Aggregates); Abstract of Ratables

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

* - Revaluation conducted

Reassessment occurs when ordered by the County Board of Taxation

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

b Tax rates are per \$100

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

Fiscal Year Ended June 30,	Guttenberg Board of Education			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Town of Guttenberg	Hudson County	REAP Deduction	
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
2020	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: N.J.S.A. 18A:7F-5d limits the amount that the district can submit for a general fund tax levy. The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation 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	2020			2011		
	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	3.46%	25,400,000	1	3.54%
6819 Guttenberg LLC	5,445,800	2	0.76%			
422-430 68th Street, LLC	4,840,000	3	0.67%			
6803 Boulevard East LLC	3,918,900	4	0.55%			
Polk Street Partners, LLC	3,600,000	5	0.50%			
AM 68th Street LLC	2,690,500	6	0.38%	2,690,500	4	0.38%
7014 Jackson Street	2,600,000	7	0.36%			
AL-2 Properties Corp.	2,138,600	8	0.30%			
Guttenberg Savings and Loan	2,077,600	9	0.29%	2,177,000	5	0.30%
63-67 69th St. Assoc. LLC	1,884,500	10	0.26%	1,884,500	7	0.26%
Palisades Operations LLC				5,445,800	2	0.76%
6803 Boulevard East LLC				4,068,900	3	0.57%
6909 Blvd. East. Inc.				2,138,600	6	0.30%
Lagattuta Partners, L.P.				1,614,400	8	0.23%
Hector, Mignel A				1,560,000	9	0.22%
7000 Corp NJ Corporation				1,543,200	10	0.22%
Total	\$ 53,995,900		7.53%	\$ 48,522,900		6.77%

Net Assessed Valuation: 717,251,205 751,424,418

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	
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%	\$ -
2020	\$11,321,822	\$ 10,434,946	92.17%	\$ 886,876

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 ^a	Per Capita ^a
	General Obligation Bonds ^b	Capital Leases	Bond Anticipation Notes (BANs)	Business-Type Activities				
				Capital Leases	Business-Type Activities			
2011	1,312,251	-	-	-	1,312,251	0.25%	\$ 28.36	
2012	1,091,862	-	-	-	1,091,862	0.20%	\$ 22.70	
2013	871,774	-	-	-	871,774	0.15%	\$ 17.76	
2014	611,732	-	-	-	611,732	0.10%	\$ 11.58	
2015	351,690	-	-	-	351,690	0.05%	\$ 6.22	
2016	92,648	-	-	-	92,648	0.01%	\$ 1.58	
2017	72,606	-	-	-	72,606	0.01%	\$ 1.16	
2018	52,721	-	-	-	52,721	0.01%	\$ 0.81	
2019	32,836	-	-	-	32,836	Not Available	Not Available	
2020	13,034	-	-	-	13,034	Not Available	Not Available	

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

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

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

b Includes Early Retirement Incentive Plan (ERIP) refunding

Exhibit J-11

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2011	1,312,251	-	\$ 1,312,251	0.17%	\$ 28.36
2012	1,091,862	-	\$ 1,091,862	0.15%	\$ 22.70
2013	871,774	-	\$ 871,774	0.12%	\$ 17.76
2014	611,732	-	\$ 611,732	0.08%	\$ 11.58
2015	351,690	-	\$ 351,690	0.05%	\$ 6.22
2016	92,648	-	\$ 92,648	0.01%	\$ 1.58
2017	72,606	-	\$ 72,606	0.01%	\$ 1.16
2018	52,721	-	\$ 52,721	0.01%	\$ 0.81
2019	32,836	-	\$ 32,836	0.00%	Not Available
2020	13,034	-	\$ 13,034	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, 2020**

<u>Governmental Unit</u>	<u>Estimated Percentage Applicable^a</u>	<u>Debt Outstanding</u>	<u>Estimated Share of Overlapping Debt</u>
Direct Debt of School District as of June 30, 2020			\$ -
Net overlapping debt of School District:			
Guttenberg Town	100.000%	\$ 23,477,311	
County of Hudson	1.243%	\$ 6,400,959	
Subtotal, overlapping debt		<u>\$ 29,878,270</u>	
Total direct and overlapping debt			<u>\$ 29,878,270</u>

Sources: Hudson County Treasurer's Office (2019 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 2020

Equalized valuation basis

2020	\$ 1,189,147,371
2019	1,193,325,756
2018	1,094,836,656

[A] \$ 3,477,509,783

[A/3] \$ 1,159,103,261

[B] 34,773,098 ^a

[C] -

[B-C] \$ 34,773,098

Average equalized valuation of taxable property

Debt limit (3 % of average equalization value)

Net bonded school debt

Legal debt margin

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt limit	\$ 30,709,115	\$ 28,504,060	\$ 27,108,961	\$ 26,825,123	\$ 26,825,123	\$ 26,834,020	\$ 27,574,547	\$ 28,178,867	\$ 33,321,093	\$ 34,773,098
Total net debt applicable to limit	1,119,000	919,000	719,000	479,000	239,000					
Legal debt margin	\$ 29,590,115	\$ 27,585,060	\$ 26,389,961	\$ 26,346,123	\$ 26,586,123	\$ 26,834,020	\$ 27,574,547	\$ 28,178,867	\$ 33,321,093	\$ 34,773,098
Total net debt applicable to the limit as a percentage of debt limit	3.64%	3.22%	2.65%	1.79%	0.89%	0.00%	0.00%	0.00%	0.00%	0.00%

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

^a Limit set by N.J.S.A. 18A:24-19 for a K through 12 district; other % limits would be applicable for other districts

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

Year	Population ^a	Personal Income (thousands of dollars)	Per Capita	
			Personal Income ^c	Unemployment Rate ^d
2011	11,367	525,985,191	\$ 46,273.00	10.10%
2012	11,417	549,191,951	\$ 48,103.00	10.50%
2013	11,510	564,853,250	\$ 49,075.00	8.60%
2014	11,509	607,893,871	\$ 52,819.00	5.50%
2015	11,466	648,287,640	\$ 56,540.00	4.80%
2016	11,437	668,675,642	\$ 58,466.00	4.00%
2017	11,365	709,869,265	\$ 62,461.00	4.00%
2018	11,231	731,576,109	\$ 65,139.00	3.30%
2019	11,121	Not Available	Not Available	Not Available
2020	Not Available	Not Available	Not Available	Not Available

Source:

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

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

Employer	2020		2011		Percentage of Total Employment	Rank (Optional)	Percentage of Total Employment
	Employees	Percentage of Total Employment	Employees	Rank (Optional)			
	-	0.00%	-				0.00%

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

Source: Town of Guttenberg

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

<u>Function/Program</u>	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Instruction										
Regular	*	*	59.0	59.0	59.0	59.0	62.0	57.0	63.0	59.0
Special education	*	*	10.0	12.0	12.0	12.0	12.0	11.0	11.0	11.0
Other special education								5.0	5.0	5.0
Vocational										
Other instruction	*	*	10.0	10.0	10.0	14.0	14.0	6.0	7.0	9.0
Nonpublic school programs										
Adult/continuing education programs										
Support Services:										
Student & instruction related services					18.0		23.5	23.0	23.0	24.0
General administrative services	*	*	3.0	3.0	6.0	6.0	2.0	3.0	3.0	3.0
School administrative services	*	*	4.0	4.0	4.0	4.0	3.0	2.0	2.0	2.0
Business administrative services	*	*	3.0	3.0	0.0	0.0	4.5	3.0	3.0	3.0
Plant operations and maintenance	*	*	6.0	6.0	6.0	6.0	7.0	3.5	3.0	3.0
Total	0.0	0.0	95.0	97.0	115.0	97.0	128.0	113.5	120.0	119.0

* 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 ^b	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	High School				
2011	1,022.0	15,685,877	15,348	-10.27%	*	*	N/A	N/A	*	*	*	*
2012	1,031.0	15,496,527	15,051	-2.07%	*	*	N/A	N/A	*	*	*	*
2013	1,010.0	16,041,413	15,883	5.67%	*	*	N/A	N/A	*	*	*	*
2014	1,024.0	16,886,246	16,490	3.82%	81	1:13	N/A	N/A	*	*	*	*
2015	982.0	17,932,974	18,262	10.74%	81	1:12	N/A	N/A	934	*	*	95.02%
2016	972.0	18,249,413	18,775	2.81%	91	1:12	N/A	N/A	956.98	2.49%	2.49%	94.99%
2017	1,015.0	19,050,785	18,769	-0.03%	98	1:10	N/A	N/A	959.94	0.49%	0.49%	94.87%
2018	1,000.0	20,100,259	20,100	7.05%	102	1:10	N/A	N/A	983.39	-2.82%	-2.82%	94.71%
2019	991.0	21,694,845	21,892	8.91%	109	1:09	N/A	N/A	959.29	-2.45%	-2.45%	95.11%
2020	982.0	22,543,063	22,956	4.86%	108	1:09	N/A	N/A	977.47	1.90%	1.90%	96.73%

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
District Buildings										
Elementary										
Anna L. Klein School	90,487	90,487	90,487	90,487	90,487	90,487	90,487	138,002	138,002	138,002
Square Feet	872	872	872	872	872	872	872	1,326	1,326	1,326
Capacity (students)	1,022	1,031	1,010	1,024	982	982	982	1,000	991	982
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)	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Anna L. Klein School	N/A	619,295	259,241	326,059	137,814	167,380	111,447	178,316	137,270	217,797	104,122
Total School Facilities		619,295	259,241	326,059	137,814	167,380	111,447	178,316	137,270	217,797	104,122
Grand Total		\$ 619,295	\$ 259,241	\$ 326,059	\$ 137,814	\$ 167,380	\$ 111,447	\$ 178,316	\$ 137,270	\$ 217,797	\$ 104,122

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, 2020**

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

THIS PAGE INTENTIONALLY LEFT BLANK



WIELKOTZ & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

Steven D. Wielkocz, CPA, RMA, PSA
Matthew B. Wielkocz, CPA, PSA
Paul J. Cuva, CPA, RMA, PSA
James J. Cerullo, CPA, RMA, PSA
Thomas M. Ferry, CPA, RMA, PSA

Headquarters
401 Wanaque Avenue
Pompton Lakes, New Jersey 07442
(973)-835-7900

Newton Office
100 enterprise drive, suite 301
Rockaway, new jersey 07866
(973)-835-7900

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, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 15, 2021.

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 January 15, 2021.

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

Wielkotz & Company, LLC

WIELKOTZ & COMPANY, LLC
Certified Public Accountants
Pompton Lakes, New Jersey

January 15, 2021



WIELKOTZ & COMPANY LLC
CERTIFIED PUBLIC ACCOUNTANTS

Steven D. Wielkocz, CPA, RMA, PSA
Matthew B. Wielkocz, CPA, PSA
Paul J. Cuva, CPA, RMA, PSA
James J. Cerullo, CPA, RMA, PSA
Thomas M. Ferry, CPA, RMA, PSA

Headquarters
401 Wanaque Avenue
Pompton Lakes, New Jersey 07442
(973)-835-7900

Newton Office
100 enterprise drive, suite 301
Rockaway, new jersey 07866
(973)-835-7900

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, 2020. 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, 2020.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and N.J. OMB Circular 15-08 which are described in the accompanying schedule of findings and questioned costs as items 2020-001 and 2020-002. Our opinion on each federal and state program is not modified with respect to these matters.

The Town of Guttenberg Board of Education's response to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The Town of Guttenberg Board of Education's response was not subjected to the auditing procedures applied in the audit of noncompliance and, accordingly, we express no opinion on the response.

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 over compliance, described in the accompanying schedule of findings and questioned costs as items 2020-001 and 2020-002 that we consider to be significant deficiencies.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of 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

Wielkotz + Company, LLC

WIELKOTZ & COMPANY, LLC
Certified Public Accountants
Pompton Lakes, New Jersey

January 15, 2021

THIS PAGE INTENTIONALLY LEFT BLANK

TOWN OF GUTTENBERG
BOARD OF EDUCATION

Schedule of Expenditures of Federal Awards

Year ended June 30, 2020

Federal CFDA Number	Federal Grant or Project Number	Grant Period	Award Amount	Balance at June 30, 2019	Carryover/(Walkover) Amount	Cash Received	Budgetary Expenditures	Prior Year Accounts Payable Cancelled	(Accounts Receivable) at June 30, 2020	Deferred Revenue at June 30, 2020
U.S. Department of Agriculture										
Passed-through State Department of Education:										
Enterprise Fund:										
10.550	201NJ309N1096	7/1/19-6/30/20	\$ 33,010			33,010	33,010			
	USDA Commodities Program									
10.555	201NJ309N1099	7/1/19-6/30/20	223,273	(18,419)		217,425	223,275		(5,848)	
	National School Lunch Program									
10.555	191NJ304N1099	7/1/18-6/30/19	286,532			18,419				
	National School Lunch Program									
10.555	201NJ309N1099	7/1/19-6/30/20	7,089			7,089	7,089			
	After School Snack Program									
10.553	201NJ304N1099	7/1/19-6/30/20	52,443	(4,509)		48,767	52,443		(3,676)	
	National School Breakfast Program									
10.553	191NJ304N1099	7/1/18-6/30/19	63,495	(22,928)		4,509	315,815		(9,524)	
	National School Breakfast Program									
Total Enterprise Fund										
U.S. Department of Health and Human Services										
General Fund:										
93.778	2005N15MAP	7/1/19-6/30/20	15,220	(2,321)		15,220	15,220			
	Medical Assistance Program (SEMI)									
93.778	1905N15MAP	7/1/18-6/30/19	19,547	(2,321)		17,541	15,220			
	Medical Assistance Program (SEMI)									
Total General Fund										
U.S. Department of Education										
Passed-through State Department of Education:										
Special Revenue Fund:										
84.010A	S010A190030	7/1/19-6/30/20	809,839	(448,585)		984,401	792,721	(6,033)	(250,872)	58
	Title I, Improving Basic Programs									
84.010A	S010A180030	7/1/18-6/30/19	863,384	(448,585)						
	Title I, Improving Basic Programs									
84.010A	S010A190030	7/1/19-6/30/20	19,543			50,871	19,486			
	Reallocated Title I - Formula Grant									
84.010A	S010A180030	7/1/18-6/30/19	31,528	(31,327)		31,327				
	Title II, Part A - Teacher/Principal Training and Recruiting									
84.367	S367A190029	7/1/19-6/30/20	97,377	(43,528)		70,260	98,592		(71,860)	
	Title II, Part A - Teacher/Principal Training and Recruiting									
84.367	S367A180029	7/1/18-6/30/19	91,592	(43,528)		43,528				
	Title II, Part A - Teacher/Principal Training and Recruiting									
84.365	S365A190030	7/1/19-6/30/20	35,222			48,915	32,556		(2,831)	
	Title III - English Language Acquisition and Language Enhancement									
84.365	S365A180030	7/1/18-6/30/19	35,752	(18,310)						
	Title III - Immigrant and Language Acquisition and Language Enhancement									
84.365	S365A190030	7/1/19-6/30/20	8,599	(5,388)		13,301	9,777		(1,856)	
	Title III - Immigrant and Language Acquisition and Language Enhancement									
84.424	S424A190031	7/1/19-6/30/20	56,537			83,302	57,084		(6,547)	
	Title IV, Student Support/Academic Enrichment									
84.424	S424A180031	7/1/18-6/30/19	52,074	(32,765)						
	Title IV, Student Support/Academic Enrichment									
84.027A	H027A190100	7/1/19-6/30/20	228,257	(9,173)		113,502	231,801	(269)	(127,203)	
	ID.E.A. Part B, Basic Regular									
84.027A	H027A180100	7/1/18-6/30/19	234,950	(9,173)						
	ID.E.A. Part B, Basic Regular									
84.173	H173A190114	7/1/19-6/30/20	9,296			9,965	9,236	4	(1)	
	ID.E.A. Part B, Preschool CARES Relief Act									
84.425D	S425D200027	3/13/20-9/30/22	651,041	(726)		74,008	74,008		(74,008)	
	Total Special Revenue Fund					1,373,617	1,325,241	(6,298)	(535,178)	58
Total Federal Financial Assistance										
(615,043)										
1,656,276										
(6,298)										
(544,702)										

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

THIS PAGE INTENTIONALLY LEFT BLANK

TOWN OF GUTTENBERG
BOARD OF EDUCATION

Schedule of Expenditures of State Awards

Year ended June 30, 2020

State Grantor/Program Title	Grant or State Project Numbers	Grant Period	Program or Award Amount	Balance June 30, 2019		Balance at June 30, 2020			MEMO			
				Deferred Revenue (Accounts Receivable)	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustment		(Accounts Receivable)	Deferred Revenue	Budgetary Receivable
State Department of Education:												
General Fund:												
Equalization Aid	20-495-034-5120-078	7/1/19-6/30/20	6,203,359	\$	5,606,852	6,203,359				*	596,507	6,203,359
Special Education Categorical Aid	20-495-034-5120-089	7/1/19-6/30/20	1,189,648		1,075,253	1,189,648				*	114,395	1,189,648
Transportation Aid	20-495-034-5120-014	7/1/19-6/30/20	60,778		54,934	60,778				*	5,844	60,778
Security Aid	20-495-034-5120-084	7/1/19-6/30/20	603,184		545,182	603,184				*	58,002	603,184
Extraordinary Aid	19-495-034-5120-044	7/1/18-6/30/19	55,071		55,071					*		55,071
Extraordinary Aid	20-495-034-5120-044	7/1/19-6/30/20	62,798			62,798		(62,798)		*		62,798
Reimbursed TPAF Social Security	19-495-034-5094-003	7/1/18-6/30/19	473,032		272,003			(126,998)		*		473,032
Reimbursed TPAF Social Security	20-495-034-5094-003	7/1/19-6/30/20	504,695		487,509	504,695		8,322	(25,508)	*		504,695
On Behalf TPAF Pension - Post Retirement	20-495-034-5094-001	7/1/19-6/30/20	465,886		465,886	465,886				*		465,886
On Behalf TPAF NCGI Premiums	20-495-034-5094-004	7/1/19-6/30/20	22,113		22,113	22,113				*		22,113
On Behalf LTDFI	20-495-034-5094-002	7/1/19-6/30/20	1,847		1,847	1,847				*		1,847
On Behalf TPAF Pension - Contribution	20-495-034-5094-002	7/1/19-6/30/20	1,233,708		1,233,708	1,233,708				*		1,233,708
Total General Fund			1,233,708		9,820,258	10,348,016		(118,676)	(88,306)	*	774,748	10,876,119
Special Revenue Fund:												
Preschool Education Aid	20-495-034-5120-086	7/1/19-6/30/20	163,387		163,154	158,973			(11,856)	*		158,973
Preschool Education Aid	19-495-034-5120-086	7/1/18-6/30/19	161,058		16,037					*		165,462
Total Special Revenue Fund			3,651,737		(16,037)	158,973			(11,856)	*		324,435
Capital Projects Fund:												
Schools Development Authority Construction Grant:										*		
Additions/Alterations to the Alma L. Klein School	GS-3814	1850-050-09-0ZZW	3,651,737		(182,587)				(182,587)	*		3,651,737
Alma L. Klein School										*		

TOWN OF GUTTENBERG
BOARD OF EDUCATION

Schedule of Expenditures of State Awards

Year ended June 30, 2020

	Grant or State Project Numbers	Grant Period	Program or Award Amount	Balance June 30, 2019		Cash Received	Budgetary Expenditures	Adjustment	Balance at June 30, 2020		MEMO
				Deferred Revenue (Accounts Receivable)	Carryover/ (Walkover) Amount				(Accounts Receivable)	Deferred Revenue	
State Department of Agriculture Enterprise Fund:											
State Share:											
National School Lunch Program	19-100-010-3350-023	7/1/18-6/30/19	5,237	(335)	335						
National School Lunch Program	20-100-010-3350-023	7/1/19-6/30/20	3,931	(335)	3,839	3,931			(92)		
					4,174	3,931			(92)		
Total State Financial Assistance			\$ (653,031)		9,987,686	10,510,920		(118,676)	(282,841)		

Less: On-Behalf TPAF Pension System Contributions

TPAF - Post Retirement Medical Contribution	20-495-034-5094-001	7/1/19-6/30/20			465,886	465,886					
TPAF - Long Term Disability Insurance	20-495-034-5094-002	7/1/19-6/30/20			1,847	1,847					
TPAF - Non-contributory Insurance	20-495-034-5094-004	7/1/19-6/30/20			22,113	22,113					
TPAF - Pension Contribution	20-495-034-5094-002	7/1/19-6/30/20			1,233,708	1,233,708					
					1,723,554	1,723,554					

Total for State Financial Assistance - Major Program Determination

\$ 8,264,132 8,787,366

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 (\$46,722) for the general fund and (\$149,483) for the special revenue fund. See Notes to Required Supplemental Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$15,220	\$10,301,294	\$10,316,514
Special Revenue Fund	1,175,758	158,973	1,334,731
Food Service Fund	<u>315,815</u>	<u>3,931</u>	<u>319,746</u>
Total Awards and Financial Assistance	<u>\$1,506,793</u>	<u>\$10,464,198</u>	<u>\$11,970,991</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, 2020. 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, 2020.

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 \$1,723,554 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>	\$812,207
Title II, Part A: <i>Improving Teacher Quality State Grants</i>	98,592
Title III: <i>English Language Acquisition State Grants</i>	32,536
Title III: <i>Immigrant</i>	9,777
Title IV: <i>Student Support and Academic Enrichment Grants</i>	<u>57,084</u>
Total	<u>\$1,010,196</u>

THIS PAGE INTENTIONALLY LEFT BLANK

**TOWN OF GUTTENBERG SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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? X yes no

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? X yes no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>FEIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>84.010</u> (A)	<u>S010A190030</u>	<u>Title I: Improvement Basic Programs</u>
<u>84.027/ 84.173</u> (B)	<u>H027A190100</u>	<u>Special Education Cluster (IDEA)</u>
<u>10.553/10.555</u> (B)	<u>201NJ309N1099</u>	<u>Child Nutrition Cluster</u>

(A) Tested as a major Type A Program
(B) Tested as a major Type B Program

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

Auditee qualified as low-risk auditee? yes X no

**GUTTENBERG BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(continued)**

Section II – Financial Statement Findings

NONE

**TOWN OF GUTTENBERG BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

FEDERAL AWARDS

Finding 2020-001

Information on the federal program:

Title I, Part A – Improving Basic Programs; Reallocated Title I, Part A – Improving Basic Programs, CFDA #84.010A, Grant Period 7/1/19 – 6/30/20

Compliance/Internal Control over Compliance:

Allowable Costs/Cost Principles – *Documentation of Employee Time and Effort*

Criteria or specific requirement:

As per 2 C.F.R. Appendix A Part 225 (formerly OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*), *Illustrative Time and Activity Report for Title I Instructional Staff*, an employee whose salary and wages are supported, in whole or in part, with Federal funds must document his/her time spent working on Federal programs in order to ensure that charges to each Federal program reflect an accurate account of the employee's time and effort devoted to that program. The Appendix addresses two types of documentation: semiannual certifications and personnel activity reports.

Semiannual certifications must be completed semiannually by an employee whose contractual salary is funded in whole by the Federal program. The distribution of the employee's salary and wages must be supported by periodic certifications that the employee worked solely on the Federal program for the period covered by the certification.

Personnel Activity Reports must be completed monthly by an employee whose contractual salary is partially funded by the Federal program. The distribution of the employee's salary and wages must be supported by a personnel activity report (PAR) or equivalent documentation. The personnel activity reports must reflect:

Both the Semiannual certifications and the Personnel Activity Reports must reflect:

- (1) what, where, and when the Title I work is being performed;
- (2) the approving signature of the employee and the supervisory official having firsthand knowledge of the work performed by the employee;
- (3) dates coinciding to the payroll periods.

**TOWN OF GUTTENBERG BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(continued)**

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

Finding 2020-001 (continued)

Condition:

There were instances in which not all the District's Title I funded personnel prepared detailed time and activity reports in a manner consistent with the requirement of 2 C.F.R. Appendix A Part 225 (formerly OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*), *Illustrative Time and Activity Report for Title I Instructional Staff*.

Questioned Costs:

Unknown.

Context:

During our audit testing, we noted that the District's Title I funded personnel were required to prepare and submit time and effort documentation that conform with the requirements of 2 C.F.R. Appendix A Part 225 (formerly OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*), *Illustrative Time and Activity Report for Title I Instructional Staff*. However, there were instances in which employee time and effort documentation did not detail the Title I activities performed and charged to the federal program and did not contain the signature of the employee and/or the supervisory official. In addition, there were various District Title I funded personnel whose time and effort documentation were either not prepared and submitted or were simply not provided for multiple payroll periods.

Effect:

The District is not in compliance with federal requirements regarding allowable costs/cost principles. Ineffective controls to monitor program requirements could result in inaccurate information regarding the employee's time and effort devoted to the program, the risk of non-compliance and increase the District's risk of loss of funding.

Cause:

The District's Title I funded personnel did not consistently prepare detailed time and effort documentation of the Title I activities performed and charged to the federal program and the signature of the employee and/or the supervisory official were not always present. In addition, there were District Title I funded personnel whose time and effort documentation were either not prepared and submitted or were simply not provided for multiple payroll periods.

**TOWN OF GUTTENBERG BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(continued)**

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

Finding 2020-001 (continued)

Recommendation:

The Guttenberg Board of Education should implement policies and procedures to ensure that Title I funded personnel prepare time and activity reports in accordance with 2 C.F.R. Appendix A Part 225 (formerly OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*), *Illustrative Time and Activity Report for Title I Instructional Staff*.

Management's response:

The Guttenberg Board of Education will ensure that all required allowable cost/cost principle requirements are met by ensuring that more detailed time and effort documentation is prepared and approved for all employees whose salary is funded fully or in part by Title I.

Finding 2020-002

Information on the federal program:

Title I, Part A – Improving Basic Programs; Reallocated Title I, Part A – Improving Basic Programs, CFDA #84.010A, Grant Period 7/1/19 – 6/30/20

Compliance/Internal Control over Compliance:

Allowable Costs/Cost Principles

Criteria or specific requirement:

As per UGG §200.430, *Compensation – personal services*, the Guttenberg Board of Education must approve personnel partially or fully funded by Title I monies via Board Resolution. The Board Resolution must state the Title I funded personnel's name, salary, work location, and the funding percentage for each program.

Condition:

The District did not prepare Board Resolutions that approved all Title I funded personnel in the above described format.

Questioned Costs:

Unknown

**TOWN OF GUTTENBERG BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(continued)**

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

Finding 2020-002 (continued)

Context:

Based on the results of our audit testing, we noted that the District was required to prepare and submit the Board Resolutions as described above. However, it was noted that not all resolutions detailed the employee and the allocation of their compensation to be funded through Title I funding.

Effect:

The District is not in compliance with federal requirements regarding allowable costs/cost principles. Ineffective controls to monitor program requirements could result in inaccurate information, increase the risk of non-compliance and exposes the Board of Education to the risk of loss of funding.

Cause:

The Guttenberg Board of Education was unable to provide or did not prepare Board Resolutions that approved all Title I funded personnel.

Recommendation:

The Guttenberg Board of Education should implement policies and procedures to ensure that all employees participating in the Title I program are approved via Board Resolution, and that the Board Resolution stipulates the partial or full funding of the employees' salaries through the distribution of Title I monies.

Management's response:

The Guttenberg Board of Education will ensure that all required allowable cost/cost principle requirements are met by approving, via Board Resolution, the employee, their position and the allocation of their compensation to be paid by the applicable Title I allocation.

**TOWN OF GUTTENBERG BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(continued)**

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

STATE AWARDS

None

**GUTTENBERG BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Status of Prior Year Findings:

Finding 2019-01: There were numerous instances in which the workpapers provided by the District were not in agreement with the numbers reported per the ASSA Data Listing.

Status
Resolved

THIS PAGE INTENTIONALLY LEFT BLANK