

**SCHOOL DISTRICT OF THE
TOWN OF GUTTENBERG
COUNTY OF HUDSON, NEW JERSEY
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2021**

**School District
of**

Town of Guttenberg

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

**Comprehensive Annual Financial Report
Year Ended June 30, 2021**

Comprehensive Annual Financial Report

of the

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

Year Ended June 30, 2021

Prepared by

**Jolene Mantineo
Board Secretary/Business Administrator**

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Not Applicable

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Not Applicable

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INTRODUCTORY SECTION

BOARD OF EDUCATION
ANNA L. KLEIN SCHOOL
301 69th STREET
GUTTENBERG, NEW JERSEY 07093

Office of the Business Administrator
JOLENE MANTINEO

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

January 31, 2022

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, 2021, 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 2020-2021 fiscal year with an enrollment of 863 students, which are 119 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>
2020-2021	863	{12.1}
2019-2020	982	{.9%}
2018-2019	991	.82
2017-2018	983	{.07%}
2016-2017	990	1.23%
2015-2016	978	2.95%

ECONOMIC CONDITION AND OUTLOOK: The Town of Guttenberg area is continuing to experience 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, 2021.

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

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

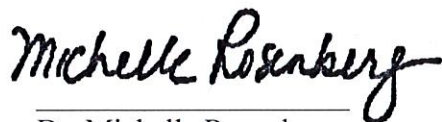
OTHER INFORMATION:

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

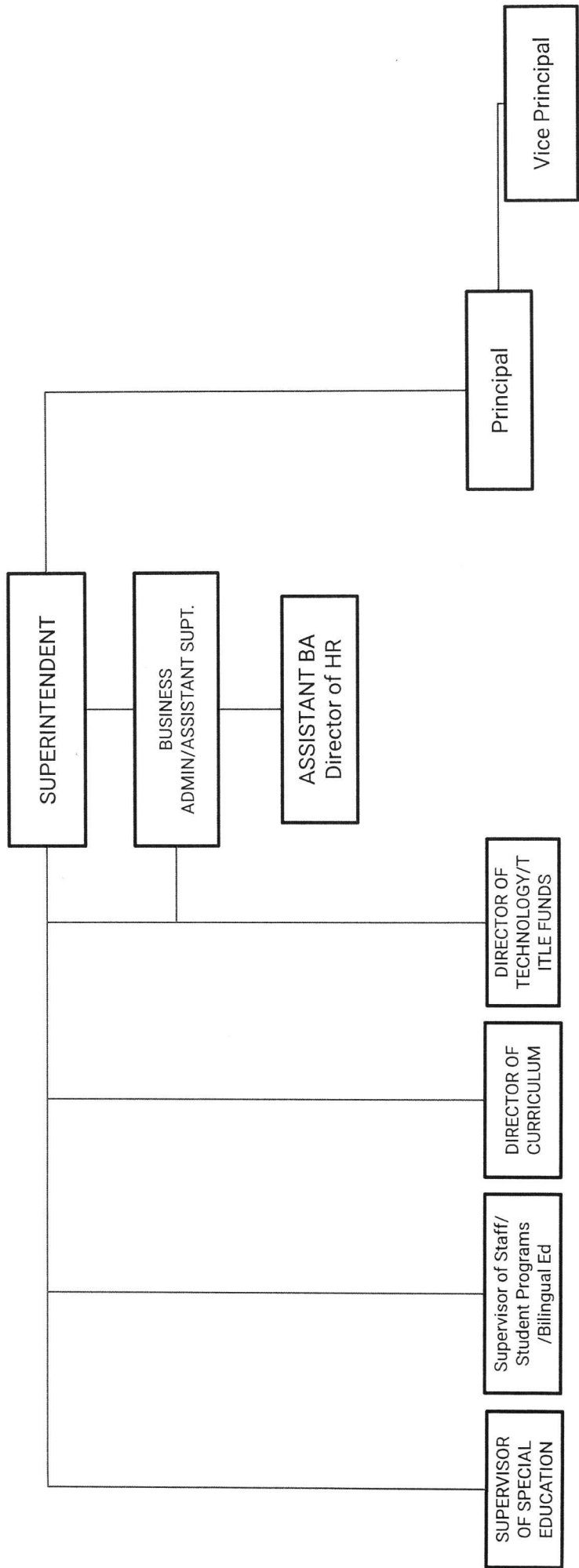
Respectfully submitted:



Dr. Michelle Rosenberg
Superintendent



Jolene Mantineo
Business Administrator/Board Secretary



Administrative Organizational Structure 2021-2022

BOARD OF EDUCATION
GUTTENBERG, NEW JERSEY

ROSTER OF OFFICIALS
June 24, 2021

<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
Blanca Garcia-Popiel	12/2023
Henry Rodriguez One Year Unexpired Term	12/2021
Amani Sayed	12/2023
Jean Sosnowski	12/2021

OTHER OFFICIALS

Dr. Michelle Rosenberg	Superintendent
Jolene Mantineo	Business Administrator/Board Secretary

GUTTENBERG BOARD OF EDUCATION

CONSULTANTS & ADVISORS

JUNE 30, 2021

Attorney

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

District Auditor

STEVEN D. WIELKOTZ, C.P.A.
Wielkocz & Company, LLC
401 Wanaque Avenue
Pompton Lakes, New Jersey 07442

Board Accountant

WILLIAM KATCHEN
William Katchen, CPA
596 Anderson Avenue
Suite 303
Cliffside Park, NJ 07010

Insurance Agent

Alamo Insurance Group Inc.
55 Flanagan Way
Suite 301
Secaucus, NJ 07094

FINANCIAL SECTION



WIELKOTZ & COMPANY LLC
CERTIFIED PUBLIC ACCOUNTANTS

STEVEN D. WIELKOTZ, CPA, RMA, PSA
MATTHEW B. WIELKOTZ, 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, 2021, 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.



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, 2021, 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.

Emphasis of Matter

Change in Accounting Principle

As discussed in Note 1, to the basic financial statements, in fiscal year 2021, the Board adopted Governmental Accounting Standards Board Statement No. 84, fiduciary activities. As a result, prior year balances were restated (Note 18) to reflect the implementation of this statement.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Information, schedules related to accounting and reporting for pensions, and schedules related to accounting and reporting for other post-employment benefits identified in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational,

economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Guttenberg Board of Education's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the combining and individual nonmajor fund financial statements, the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

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 31, 2022 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 31, 2022

**REQUIRED SUPPLEMENTARY
INFORMATION - PART I**

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

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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, 2021. The intent of this discussion and analysis is to look at the District’s financial performance as a whole and should not be interpreted as a replacement for the audit which consists of the financial statements and other supplemental information that presents all the District’s revenues and expenditures by program for the General Fund, Special Revenue Fund, Debt Service and Enterprise Fund.

FINANCIAL HIGHLIGHTS

- In total, net position increased by \$2,171,702. Net position of governmental activities increased \$2,147,037 while net position of business-type activities increased by \$24,665.
- General revenues accounted for \$24,621,391 in revenue or 92 percent of all district revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$2,229,516 or 8 percent of total revenues of \$26,850,907.
- The School District had \$24,679,205 in expenses related to governmental and business-type activities; only \$2,229,516 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily grants, entitlements and property taxes) of \$24,621,391 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, 2021
(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 two categories: Governmental Funds and Proprietary 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, 2021
(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 capital projects 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.

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, 2021
(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 \$27,859,667 at June 30, 2021 and \$25,649,117 at June 30, 2020. 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 2021 compared to 2020 (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>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Assets						
Current and Other Assets	\$6,743,192	\$3,757,630	\$175,896	\$142,394	6,919,088	\$4,522,502
Capital Assets	<u>25,906,672</u>	<u>26,494,678</u>	<u>34,767</u>	<u>37,707</u>	<u>25,941,439</u>	<u>26,532,385</u>
Total Assets	<u>32,649,864</u>	<u>30,252,308</u>	<u>210,663</u>	<u>180,101</u>	<u>32,860,527</u>	<u>31,054,887</u>
Deferred Outflows:						
Resources Related to PERS	<u>317,751</u>	<u>507,231</u>	_____	_____	<u>317,751</u>	<u>507,231</u>
Total Deferred Outflows	<u>317,751</u>	<u>507,231</u>	_____	_____	<u>317,751</u>	<u>507,231</u>
Liabilities						
Current Liabilities	1,498,512	1,076,647	19,221	13,344	1,517,733	1,089,991
Noncurrent Liabilities	<u>2,421,877</u>	<u>2,760,083</u>	_____	_____	<u>2,421,877</u>	<u>2,760,083</u>
Total Liabilities	<u>3,920,389</u>	<u>3,836,730</u>	<u>19,221</u>	<u>13,344</u>	<u>3,939,610</u>	<u>3,850,074</u>
Deferred Inflows:						
Resources Related to PERS	<u>1,378,981</u>	<u>1,440,449</u>	_____	_____	<u>1,378,981</u>	<u>1,440,449</u>
Total Deferred Inflows	<u>1,378,981</u>	<u>1,440,449</u>	_____	_____	<u>1,378,981</u>	<u>1,440,449</u>
Net Position						
Net invested in Capital Assets	25,906,672	26,494,678	34,747	37,707	25,941,419	26,532,385
Restricted	5,403,612	3,123,691	32,055	32,055	5,435,667	3,155,746
Unrestricted	<u>(3,642,039)</u>	<u>(4,136,009)</u>	<u>124,620</u>	<u>96,995</u>	<u>(3,517,419)</u>	<u>(4,137,959)</u>
Total Net Position	<u>\$27,668,245</u>	<u>\$25,482,360</u>	<u>\$191,422</u>	<u>\$166,757</u>	<u>\$27,859,667</u>	<u>\$25,649,117</u>

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

Table 2 below shows the changes in net position for fiscal year 2021.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Revenues	\$	\$	\$	\$	\$	\$
Program Revenues:						
Charges for Services and Sales	14,686		63	42,023	14,749	42,023
Operating Grants and Contributions	1,958,306	1,334,731	256,461	319,746	2,214,767	1,654,477
General Revenues:						
Taxes:						
Property taxes, levied for general purposes	11,321,822	11,321,822			11,321,822	11,321,822
Federal and State Aid not Restricted	13,002,180	11,189,886			13,002,180	11,189,886
Federal and State Aid - Restricted for Capital Outlay	230,766				230,766	0
Miscellaneous Income	58,616	69,701	8,007	12,466	66,623	82,167
Other Financing Sources/ (Uses)	<u> </u>	<u>(118,676)</u>	<u> </u>	<u> </u>	<u>0</u>	<u>(118,676)</u>
Total Revenues and Transfers	<u>\$26,586,376</u>	<u>\$23,797,464</u>	<u>\$264,531</u>	<u>\$374,235</u>	<u>\$26,850,907</u>	<u>\$24,171,699</u>

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Functions/Program Expenses						
Instruction:						
Regular	\$5,390,160	\$5,846,606	\$	\$	\$5,390,160	\$5,846,606
Special Education	781,428	1,321,154			781,428	1,321,154
Other Special Instruction	1,398,277	923,708			1,398,277	923,708
Other Instruction	49,208	70,618			49,208	70,618
Support Services:						
Tuition	5,679,991	6,475,842			5,679,991	6,475,842
Health Services	166,954	186,620			166,954	186,620
Student & Instruction						
Related Services	3,036,060	2,456,327			3,036,060	2,456,327
School Administrative						
Services	241,614	258,079			241,614	258,079
General Administrative						
Services	563,445	595,080			563,445	595,080
Central Services	341,072	355,337			341,072	355,337
Administrative Information						
Technology	173,848	168,501			173,848	168,501
Plant Operations and						
Maintenance	999,333	1,197,318			999,333	1,197,318
Pupil Transportation	279,190	197,460			279,190	197,460
Unallocated Benefits	4,485,095	3,137,967			4,485,095	3,137,967
Non-depreciable Capital						
Outlay	5,267	47,758			5,267	47,758
Food Service			239,866	356,155	239,866	356,155
Unallocated depreciation	<u>848,397</u>	<u>819,324</u>			<u>848,397</u>	<u>819,324</u>
Total Expenses and Transfers	<u>24,439,339</u>	<u>24,057,699</u>	<u>239,866</u>	<u>356,155</u>	<u>24,679,205</u>	<u>24,413,854</u>
Increase or (Decrease) in						
Net Position	<u>\$2,147,037</u>	<u>(\$260,235)</u>	<u>\$24,665</u>	<u>\$18,080</u>	<u>\$2,171,702</u>	<u>(\$242,155)</u>

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(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 \$24,679,205, 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 \$14,749 by other governments and organizations who subsidized certain programs with grants and contributions \$15,447,713, and by miscellaneous sources \$66,623.

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

- ✓ Food service revenues exceeded expenses by \$16,658.
- ✓ Charges for services provided totaled \$63. 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 \$256,461.

The following schedules present a summary of governmental fund revenues for the fiscal year ended June 30, 2021, 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 2020</u>	<u>Percent of Increase/ (Decrease)</u>	<u>Prior Year</u>
Local Source	\$11,395,306	46.0%	\$3,783	0.03%	\$11,391,523
State Source	11,356,143	45.8%	895,876	8.56%	10,460,267
Federal Source	<u>2,031,863</u>	<u>8.2%</u>	<u>840,885</u>	<u>70.60%</u>	<u>1,190,978</u>
	<u>\$24,783,312</u>	<u>100.0%</u>	<u>\$1,740,544</u>	<u>7.55%</u>	<u>\$23,042,768</u>

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2020</u>	<u>Percent of Increase/ (Decrease)</u>	<u>Prior Year</u>
Current Expenditures:					
Instruction	\$7,632,107	34.3%	(\$629,889)	(7.62)%	\$8,261,996
Undistributed	14,377,416	64.6%	96,349	0.67%	14,281,067
Capital Outlay	<u>236,033</u>	<u>1.1%</u>	<u>(343,564)</u>	<u>(59.28)%</u>	<u>579,597</u>
	<u>\$22,245,556</u>	<u>100.0%</u>	<u>(\$877,104)</u>	<u>(3.79)%</u>	<u>\$23,122,660</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, 2021
(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, 2021, the School District amended the budgets of these major governmental funds several times. Revisions in the budget were made to recognize revenues that were not anticipated and to prevent over-expenditures in specific line item accounts. Several of these revisions bear notation:

- TPAF, which is the state's contribution to the pension fund, is neither a revenue item nor an expenditure item to the district but is required to be reflected in the financial statements.
- The special revenue fund was increased by \$1,322,184 for increases in federal and state grant awards.

General Fund

The general fund actual revenue was \$22,613,831. That amount is \$2,840,839 above the final amended budget of \$19,772,992. The variance between the actual revenues and final budget was the result of non-budgeted on-behalf payments of \$2,738,591 for TPAF social security reimbursements and on-behalf pension payments and a \$102,248 excess in miscellaneous anticipated revenues and other state aids.

The actual expenditures of the general fund were \$20,033,477 including transfers which is \$1,028,112 less than the final amended budget of \$21,061,589. The variance between the actual expenditures and final budget was due to non-budgeted on-behalf TPAF social security and pension payments of \$2,738,591 and \$3,766,703 of unexpended budgeted funds.

Special Revenue Fund

The special revenue fund actual revenue was \$2,054,275. That amount is above the original budget estimate of \$1,035,068 and below the final amended budget of \$2,357,252. The \$1,322,184 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 \$302,977 variance between the final amended budget and the June 30, 2021 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 and the inclusion of scholarship and student activity fund revenue.

The actual expenditures of the special education fund were \$2,062,596, which is above the original budget of \$1,035,068 and below the final amended budget of \$2,357,252. The \$1,322,184 variance between the original and final budget was due to additional appropriations related to the additional grants awarded to the District after the original budget was approved. The \$294,656 variance between the final amended budget and the June 30, 2021 actual results was due to the anticipation of fully expending federal and state grant programs and the inclusion of scholarship and student activity fund expenditures. 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, 2021
(CONTINUED)**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2021 the School District had \$32,228,417 invested in sites, buildings and equipment. Of this amount, \$6,286,998 in depreciation has been taken over the years. We currently have a net book value of \$25,941,419. Total depreciable additions for the year were \$260,391, 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>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Land	\$9,957	\$9,957	\$	\$	\$9,957	\$9,957
Site Improvements	2,812	2,993			2,812	2,993
Buildings and Improvements	25,349,147	26,100,234			25,349,147	26,100,234
Machinery and Equipment	544,756	381,494	34,747	37,707	579,503	419,201
	<u>\$25,906,672</u>	<u>\$26,494,678</u>	<u>\$34,747</u>	<u>\$37,707</u>	<u>\$25,941,419</u>	<u>\$26,532,385</u>

Debt Administration

At June 30, 2021, the District had \$2,421,877 of long term debt. Of this amount, \$596,928 is for compensated absences; \$7,039 is the deferral of the annual PERS contribution; and \$1,817,910 for the net pension PERS liability.

At June 30, 2021, the school district's overall legal debt margin was \$35,812,599. 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 increased to the point that the legislature and governor have approved a State Aid funding bill for the 2021-2022 school year that is slightly higher than the level of the 2020-2021 school year.

The following factors were considered in preparing the 2021-2022 fiscal year budget:

- Estimated Student Enrollment
- Sources of revenue
- Cost of negotiated salaries and benefits
- Cost of fixed charges
- Mandated Programs
- Requirements for health and safety issues

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(CONTINUED)**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS, (continued)

Prior to the end of fiscal 2004, S1701 was enacted. The law is meant to control public school district budgets by revising the calculation of budget caps and reducing surplus. Starting in 2005-06 the CAP will be set at 2.5% or the cost of living, whichever is greater. A number of other changes will affect the calculation of SGLA's and per pupil administrative costs. Any undesignated general fund balance in excess of 2% or \$250,000, whichever is greater must be appropriated for tax relief. Pursuant to P.L. 2021, c.35, approved March 15, 2021, school districts other than county vocational school districts may maintain surplus at 4% or \$250,000 for 2020-2021 and 2021-2022 school years.

REQUESTS FOR INFORMATION

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

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

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

GUTTENBERG BOARD OF EDUCATION
Statement of Net Position
June 30, 2021

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	4,480,899	142,208	4,623,107
Receivables, net	1,675,723	62,938	1,738,661
Internal balances	37,349	(37,349)	-
Inventory		8,099	8,099
Restricted assets:			
Cash and cash equivalents	549,221		549,221
Capital assets:			
Land and construction in progress	9,957		9,957
Other Capital assets, net	25,896,715	34,747	25,931,462
Total Assets	<u>32,649,864</u>	<u>210,643</u>	<u>32,860,507</u>
Deferred Outflow of Resources:			
Deferred outflows of resources related to PERS	317,751	-	317,751
Total Deferred Outflows	<u>317,751</u>	<u>-</u>	<u>317,751</u>
LIABILITIES			
Accounts payable and accrued liabilities	1,190,996	19,221	1,210,217
Payable to federal government	99		99
Payable to local government	224,769		224,769
Unearned Revenue	5,515		5,515
Payroll Deductions & Withholdings	77,133		77,133
Noncurrent liabilities:			
Due within one year	2,870		2,870
Due beyond one year	2,419,007		2,419,007
Total liabilities	<u>3,920,389</u>	<u>19,221</u>	<u>3,939,610</u>
Deferred Inflow of Resources:			
Deferred inflows of resources related to PERS	1,378,981		1,378,981
Total Deferred Inflows	<u>1,378,981</u>	<u>-</u>	<u>1,378,981</u>
NET POSITION			
Net Investment in Capital Assets	25,906,672	34,747	25,941,419
Restricted for:			
Capital projects	1		1
Other purposes	5,403,611	32,055	5,435,666
Unrestricted (Deficit)	(3,642,039)	124,620	(3,517,419)
Total net position	<u>27,668,245</u>	<u>191,422</u>	<u>27,859,667</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, 2021

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	4,324,249	1,065,911		898,552		(4,491,608)		(4,491,608)
Special education	297,280	484,148				(781,428)		(781,428)
Other special instruction	1,398,277					(1,398,277)		(1,398,277)
Other instruction	49,208					(49,208)		(49,208)
Support services:								
Tuition	5,679,991					(5,679,991)		(5,679,991)
Health Services	142,414	24,540				(166,954)		(166,954)
Student & instruction related services	2,757,137	278,923	14,686 *	1,054,487 *		(1,966,887)		(1,966,887)
School administrative services	181,780	59,834				(241,614)		(241,614)
General administrative services	503,040	60,405				(563,445)		(563,445)
Central Services	296,849	44,223				(341,072)		(341,072)
Information Technology	138,531	35,317				(173,848)		(173,848)
Plant operations and maintenance	944,019	55,314				(999,333)		(999,333)
Pupil transportation	279,190					(279,190)		(279,190)
Unallocated benefits	4,485,095					(4,485,095)		(4,485,095)
Capital outlay - non-depreciable	5,267			5,267		-		-
Unallocated depreciation		848,397				(848,397)		(848,397)
Total governmental activities	21,482,327	2,957,012	14,686	1,958,306	-	(22,466,347)	-	(22,466,347)
Business-type activities:								
Food Service	239,866		63	256,461		16,658	16,658	16,658
Total business-type activities	239,866		63	256,461		16,658	16,658	16,658
Total primary government	21,722,193		14,749	2,214,767		(22,466,347)	16,658	(22,449,689)
General revenues:								
Taxes:								
Property taxes, levied for general purposes						11,321,822		11,321,822
Federal and State aid not restricted						13,002,180		13,002,180
Federal and State aid restricted for Capital Outlay						230,766		230,766
Miscellaneous Income						58,616	8,007	66,623
Total general revenues, special items, extraordinary items and transfers						24,613,384	8,007	24,621,391
Change in Net Position						2,147,037	24,665	2,171,702
Net Position—beginning,						25,482,360	166,757	25,649,117
Prior period adjustments						38,848	-	38,848
Net Position - beginning (restated)						25,521,208	166,757	25,687,965
Net Position—ending						27,668,245	191,422	27,859,667

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

* - Student Activity revenue is reported as "charges for services"; scholarship revenue is reported as "operating grants and contributions"

FUND FINANCIAL STATEMENTS

GUTTENBERG BOARD OF EDUCATION
Balance Sheet
Governmental Funds
June 30, 2021

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
ASSETS				
Cash and cash equivalents	4,329,505			4,329,505
Accounts Receivable -				
Intergovernmental - State	89,018	12,133	182,587	283,738
Intergovernmental - Federal		479,949		479,949
Intergovernmental - Other	912,036			912,036
Interfund receivables	245,555			245,555
Restricted cash and cash equivalents				
Capital reserve account	1			1
Net Payroll	4,116 *			4,116
Payroll Deductions and Withholdings	514,577 *			514,577
Scholarship accounts		10,342 *		10,342
Student activities		20,185 *		20,185
Total assets	<u>6,094,808</u>	<u>522,609</u>	<u>182,587</u>	<u>6,800,004</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Unearned Revenue		5,515		5,515
Intergovernmental payable:				
Federal		99		99
Accounts payable				
Payroll deductions and withholdings	77,133 **			77,133
Other	776,137	278,262		1,054,399
Payable to Local Government	42,182		182,587	224,769
Interfund payables		208,206		208,206
Total liabilities	<u>895,452</u>	<u>492,082</u>	<u>182,587</u>	<u>1,570,121</u>
Fund Balances:				
Restricted for:				
Excess Surplus - current year	3,502,692			3,502,692
Excess Surplus - prior year - designated for subsequent year's expenditures	1,685,437			1,685,437
Capital reserve	1			1
Student Groups		20,185		20,185
Scholarships		10,342		10,342
Assigned to:				
Year End Encumbrances	30,101			30,101
Designated by the Board of Education for Subsequent year's expenditures	33,987			33,987
Unassigned:				
General fund	(52,862)			(52,862)
Total Fund balances	<u>5,199,356</u>	<u>30,527</u>	<u>-</u>	<u>5,229,883</u>
Total liabilities and fund balances	<u>6,094,808</u>	<u>522,609</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 \$32,143,208 and the accumulated depreciation is \$6,236,536.	25,906,672
Accounts payable for subsequent Pension payment is not a payable in the funds	(136,597)
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	317,751
Deferred inflows of resources related to PERS Pension Liability	(1,378,981)
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds	(2,421,877)
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	151,394
Net position of governmental activities	<u>27,668,245</u>

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

* Includes former fiduciary fund cash and cash equivalents

** Includes payroll deductions payable

GUTTENBERG BOARD OF EDUCATION
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Fiscal Year Ended June 30, 2021

	<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	58,616			58,616
Scholarship Donations		182 **		182
Student Group Receipts		14,686 **		14,686
Total - Local Sources	<u>11,380,438</u>	<u>14,868</u>	<u>-</u>	<u>11,395,306</u>
Local sources				
State sources	11,189,985	166,158		11,356,143
Federal sources	9,131	2,022,732		2,031,863
Total revenues	<u>22,579,554</u>	<u>2,203,758</u>	<u>-</u>	<u>24,783,312</u>
EXPENDITURES				
Current:				
Regular instruction	4,504,642	898,552		5,403,194
Special education instruction	781,428			781,428
Other special instruction	1,398,277			1,398,277
School sponsored/other instructional	49,208			49,208
Support services and undistributed costs:				
Tuition	5,679,991			5,679,991
Health services	166,954			166,954
Student & instruction related services	1,958,566	1,077,494 ***		3,036,060
School administrative services	241,614			241,614
General administrative services	563,445			563,445
Central services	341,072			341,072
Information technology	173,848			173,848
Plant operations and maintenance	1,030,696			1,030,696
Pupil transportation	279,190			279,190
Unallocated benefits	125,955			125,955
On-behalf contributions	2,738,591			2,738,591
Capital outlay	-	236,033	-	236,033
Total expenditures	<u>20,033,477</u>	<u>2,212,079</u>	<u>-</u>	<u>22,245,556</u>
Excess (Deficiency) of revenues over expenditures	<u>2,546,077</u>	<u>(8,321)</u>	<u>-</u>	<u>2,537,756</u>
Fund balance - July 1	2,653,279		-	2,653,279
Prior period adjustments	****	38,848 *****	-	38,848
Fund Balance - July 1 (Restated)	<u>2,653,279</u>	<u>38,848</u>	<u>-</u>	<u>2,692,127</u>
Fund balance - June 30	<u>5,199,356</u>	<u>30,527</u>	<u>-</u>	<u>5,229,883</u>

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

** Special revenue fund now includes revenues from scholarships and student activities

*** Special revenue fund now includes expenditures from scholarships and student activities

***** Scholarship Fund and Student Activity Fund Net Position as of June 30, 2020

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, 2021

Total net change in fund balances - governmental funds (from B-2)	2,537,756									
<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%;"></td> <td style="width: 20%; text-align: right;">Depreciation expense</td> <td style="width: 20%; text-align: right;">(848,397)</td> </tr> <tr> <td></td> <td style="text-align: right;">Non-Depreciable Capital Outlays - Construction in Progress</td> <td style="text-align: right;">-</td> </tr> <tr> <td></td> <td style="text-align: right;">Depreciable Capital outlays</td> <td style="text-align: right;"><u>260,391</u></td> </tr> </table>		Depreciation expense	(848,397)		Non-Depreciable Capital Outlays - Construction in Progress	-		Depreciable Capital outlays	<u>260,391</u>	(588,006)
	Depreciation expense	(848,397)								
	Non-Depreciable Capital Outlays - Construction in Progress	-								
	Depreciable Capital outlays	<u>260,391</u>								
<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%;"></td> <td style="width: 20%; text-align: right;">Payment of Unfunded Pension Liability</td> <td style="width: 20%; text-align: right;">13,034</td> </tr> <tr> <td></td> <td style="text-align: right;">Payment of Deferred PERS Pension Contribution</td> <td style="text-align: right;"><u>2,623</u></td> </tr> </table>		Payment of Unfunded Pension Liability	13,034		Payment of Deferred PERS Pension Contribution	<u>2,623</u>	15,657			
	Payment of Unfunded Pension Liability	13,034								
	Payment of Deferred PERS Pension Contribution	<u>2,623</u>								
<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%;"></td> <td style="width: 20%; text-align: right;">Increase in compensated absences payable</td> <td style="width: 20%; text-align: right;">(10,836)</td> </tr> </table>		Increase in compensated absences payable	(10,836)	(10,836)						
	Increase in compensated absences payable	(10,836)								
<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%;"></td> <td style="width: 20%; text-align: right;">District Pension Contributions</td> <td style="width: 20%; text-align: right;">121,951</td> </tr> <tr> <td></td> <td style="text-align: right;">Less: Pension Expense</td> <td style="text-align: right;"><u>68,777</u></td> </tr> </table>		District Pension Contributions	121,951		Less: Pension Expense	<u>68,777</u>	190,728			
	District Pension Contributions	121,951								
	Less: Pension Expense	<u>68,777</u>								
<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%;"></td> <td style="width: 20%; text-align: right;">Increase in On-behalf State Aid TPAF Pension</td> <td style="width: 20%; text-align: right;">603,678</td> </tr> <tr> <td></td> <td style="text-align: right;">Increase in On-behalf TPAF Pension Expense</td> <td style="text-align: right;"><u>(603,678)</u></td> </tr> </table>		Increase in On-behalf State Aid TPAF Pension	603,678		Increase in On-behalf TPAF Pension Expense	<u>(603,678)</u>	-			
	Increase in On-behalf State Aid TPAF Pension	603,678								
	Increase in On-behalf TPAF Pension Expense	<u>(603,678)</u>								
<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: 20%;"></td> <td style="width: 20%; text-align: right;"><u>1,738</u></td> </tr> </table>			<u>1,738</u>	1,738						
		<u>1,738</u>								
<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%;"></td> <td style="width: 20%; text-align: right;">Increase in On-behalf State Aid TPAF Post Employment Medical Revenue</td> <td style="width: 20%; text-align: right;">1,199,386</td> </tr> <tr> <td></td> <td style="text-align: right;">Increase in On-behalf State Aid TPAF Post Employment Medical Expense</td> <td style="text-align: right;"><u>(1,199,386)</u></td> </tr> </table>		Increase in On-behalf State Aid TPAF Post Employment Medical Revenue	1,199,386		Increase in On-behalf State Aid TPAF Post Employment Medical Expense	<u>(1,199,386)</u>	-			
	Increase in On-behalf State Aid TPAF Post Employment Medical Revenue	1,199,386								
	Increase in On-behalf State Aid TPAF Post Employment Medical Expense	<u>(1,199,386)</u>								
Change in net position of governmental activities	<u>2,147,037</u>									

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, 2021

	<u>Enterprise Fund</u> Food Service Program	<u>Internal Service Fund</u> Building Maintenance	<u>Totals</u>
ASSETS			
Current assets:			
Cash and cash equivalents	142,208	151,394	293,602
Accounts receivable:			
State	945		945
Federal	61,993		61,993
Inventories	8,099		8,099
Total current assets	<u>213,245</u>	<u>151,394</u>	<u>364,639</u>
Noncurrent assets:			
Capital assets:			
Equipment	85,209		85,209
Less accumulated depreciation:			
Equipment	(50,462)		(50,462)
Total capital assets (net of accumulated depreciation)	<u>34,747</u>	<u>-</u>	<u>34,747</u>
Total assets	<u>247,992</u>	<u>151,394</u>	<u>399,386</u>
LIABILITIES			
Current liabilities:			
Accounts payable	19,221		19,221
Interfund - General Fund	37,349		37,349
Total current liabilities	<u>56,570</u>	<u>-</u>	<u>56,570</u>
NET POSITION			
Net Investment in Capital Assets	34,747	-	34,747
Restricted Contributed Capital	32,055		32,055
Unrestricted	124,620	151,394	276,014
Total net position	<u>191,422</u>	<u>151,394</u>	<u>342,816</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, 2021

	<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	-		-
Daily sales - non-reimbursable programs	63		63
Total operating revenues	<u>63</u>	<u>-</u>	<u>63</u>
Operating expenses:			
Cost of sales - reimbursable programs	59,389		59,389
Cost of sales - non-reimbursable programs	-		-
Salaries	107,169		107,169
Supplies and materials	(84)		(84)
Employee benefits	20,085		20,085
Cleaning repair & maintenance	2,146		2,146
Purchased services	25,500		25,500
COVID 19 Emergency Costs	18,620		18,620
Miscellaneous	4,081		4,081
Depreciation	2,960		2,960
Total Operating Expenses	<u>239,866</u>	<u>-</u>	<u>239,866</u>
Operating income (loss)	<u>(239,803)</u>	<u>-</u>	<u>(239,803)</u>
Nonoperating revenues (expenses):			
State sources:			
State school lunch program	5,818		5,818
FY20 additional state aid	1,289		1,289
Federal sources:			
National school lunch program	120,219		120,219
National school breakfast program	75,470		75,470
Emergency operational cost program	39,650		39,650
P-EBT administrative costs	614		614
Food distribution program	13,401		13,401
Interest and investment revenue	8,007	1,738	9,745
Total nonoperating revenues (expenses)	<u>264,468</u>	<u>1,738</u>	<u>266,206</u>
Change in net position	24,665	1,738	26,403
Total net position—beginning	<u>166,757</u>	<u>149,656</u>	<u>316,413</u>
Total net position—ending	<u><u>191,422</u></u>	<u><u>151,394</u></u>	<u><u>342,816</u></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, 2021

	<u>Enterprise Funds</u>	<u>Internal</u>	
	<u>Food</u>	<u>Service Fund</u>	
	<u>Service</u>	<u>Building</u>	
	<u>Program</u>	<u>Maintenance</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	63		63
Payments to employees	(26,608)		(26,608)
Payments to outside food service management company	(183,781)		(183,781)
Payments for supplies	(1,616)		(1,616)
Payments for miscellaneous expenditures	-		-
Net cash provided by (used for) operating activities	<u>(211,942)</u>	<u>-</u>	<u>(211,942)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
State Sources	6,254		6,254
Federal Sources	183,484		183,484
Net cash provided by (used for) non-capital financing activities	<u>189,738</u>	<u>-</u>	<u>189,738</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends	8,007	1,738	9,745
Net cash provided by (used for) investing activities	<u>8,007</u>	<u>1,738</u>	<u>9,745</u>
Net increase (decrease) in cash and cash equivalents	(14,197)	1,738	(12,459)
Balances—beginning of year	156,405	149,656	306,061
Balances—end of year	<u>142,208</u>	<u>151,394</u>	<u>293,602</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	(239,803)	-	(239,803)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation and net amortization	2,960		2,960
Food Distribution Program	13,401		13,401
(Increase) decrease in inventories	5,623		5,623
(Increase) decrease in accounts payable	5,877		5,877
Total adjustments	<u>27,861</u>	<u>-</u>	<u>27,861</u>
Net cash provided by (used for) operating activities	<u>(211,942)</u>	<u>-</u>	<u>(211,942)</u>

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

NOTES TO THE FINANCIAL STATEMENTS

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2021**

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, 2021**

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

B. Basis of Presentation:

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

District-wide Financial Statements:

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

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

Fund Financial Statements:

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

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2021**

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, 2021**

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. The District does not have any activities that are required to be included in the Fiduciary 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, 2021**

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, 2021**

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, 2021**

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, 2021**

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, 2021, 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, 2021**

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, 2021**

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, 2021**

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, 2021**

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, 2021**

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 2021, the District adopted the following GASB Statement;

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2021**

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

X. New Accounting Standards: (continued)

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

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

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. 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.

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2021**

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

X. New Accounting Standards: (continued)

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. 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. 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.

GASB Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022.

GASB Statement No. 96, Subscription-Based Information Technology Arrangements. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). The requirements of this Statement are effective for fiscal years beginning after June 15, 2022.

GASB Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The requirements of this Statement that are

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2021**

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

X. New Accounting Standards: (continued)

related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021. For purposes of determining whether a primary government is financially accountable for a potential component unit, the requirements of this Statement that provide that for all other arrangements, the absence of a governing board be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform, are effective for reporting periods beginning after June 15, 2021.

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, 2021, \$-0- of the District's bank balance of \$4,563,444 was exposed to custodial credit risk.

Investments

Investment Rate Risk

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

Credit Risk

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

Concentration of Credit Risk

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

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2021**

NOTE 3. RECEIVABLES

Receivables at June 30, 2021, 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 Statements	Enterprise Fund	District Wide Financial Statements
Local Tax Levy Receivable	\$912,036	\$	\$912,036
State Aid	283,738	945	284,683
Federal Aid	479,949	61,993	541,942
Due from Other Funds	<u>245,555</u>	<u> </u>	<u> </u>
Gross Receivables	1,921,278	62,938	1,738,661
Less: Allowance for Uncollectibles	<u> </u>	<u> </u>	<u> </u>
Total Receivables, Net	<u>\$1,921,278</u>	<u>\$62,938</u>	<u>\$1,738,661</u>

NOTE 4. INTERFUND BALANCES AND ACTIVITY

Interfund transfers for the year ended June 30, 2020, consisted of the following:

\$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>208,206</u>	Due to the General Fund from the Special Revenue Fund for short-term loans.
<u>\$245,555</u>	

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

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2021**

NOTE 5. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2021 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	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Capital Assets Not Being Depreciated	<u>9,957</u>	<u> </u>	<u> </u>	<u>9,957</u>
Capital Assets Being Depreciated:				
Sites and Site Improvements	61,248			61,248
Buildings and Improvements	30,526,051	21,158		30,547,209
Machinery and Equipment	<u>1,285,561</u>	<u>239,233</u>	<u> </u>	<u>1,524,794</u>
Total Capital Assets, Being Depreciated	<u>31,872,860</u>	<u>260,391</u>	<u> </u>	<u>32,133,251</u>
Less Accumulated Depreciation:				
Land Improvements	(58,255)	(181)		(58,436)
Buildings and Improvements	(4,425,817)	(772,245)		(5,198,062)
Equipment	<u>(904,067)</u>	<u>(75,971)</u>	<u> </u>	<u>(980,038)</u>
Total Accumulated Depreciation	<u>(5,388,139)</u>	<u>(848,397)</u>	<u> </u>	<u>(6,236,536)</u>
Total Capital Assets, Being Depreciated, Net of Accumulated Depreciation	<u>26,484,721</u>	<u>(588,006)</u>	<u> </u>	<u>25,896,715</u>
Governmental Activities Capital Assets, Net	<u>\$26,494,678</u>	<u>(\$588,006)</u>	<u> </u>	<u>\$25,906,672</u>
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
Business-Type Activity				
Equipment	\$85,209	\$	\$	\$85,209
Site Improvements	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Totals at Historical Cost	<u>85,209</u>	<u> </u>	<u> </u>	<u>85,209</u>
Less Accumulated Depreciation for:				
Equipment	(47,502)	(2,960)		(50,462)
Site Improvements	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Accumulated Depreciation	<u>(47,502)</u>	<u>(2,960)</u>	<u> </u>	<u>(50,462)</u>
Business-Type Activity Capital Assets, Net	<u>\$37,707</u>	<u>(\$2,960)</u>	<u> </u>	<u>\$34,747</u>

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2021**

NOTE 5. CAPITAL ASSETS, (continued)

Depreciation expense was charged to governmental functions as follows:

Support Services:	
Unallocated Depreciation	<u>\$851,357</u>
	<u>\$851,357</u>

NOTE 6. LONG-TERM OBLIGATION ACTIVITY

Changes in long-term obligations for the year ended June 30, 2021 were as follows:

	Balance <u>June 30, 2020</u>	<u>Issued</u>	<u>Retired</u>	Balance <u>June 30, 2021</u>	Amount Due Within <u>One Year</u>	Long-term <u>Portion</u>
Deferred PERS Pension Contribution	\$9,662	\$	\$2,623	\$7,039	\$2,870	\$4,169
Compensated Absences Payable	586,092	83,317	72,481	596,928		596,928
Unfunded Pension Liability - PERS	13,034		13,034	0		
Net Pension Liability	<u>2,151,295</u>	<u>83,317</u>	<u>333,385</u>	<u>1,817,910</u>		<u>1,817,910</u>
	<u>2,760,083</u>	<u>83,317</u>	<u>421,523</u>	<u>2,421,877</u>	<u>2,870</u>	<u>2,419,007</u>
Total Other Liabilities	<u>\$2,760,083</u>	<u>\$83,317</u>	<u>\$421,523</u>	<u>\$2,421,877</u>	<u>\$2,870</u>	<u>\$2,419,007</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, 2021.

B. Bonds Authorized But Not Issued:

As of June 30, 2021 the Board has no authorized but not issued bonds.

C. Capital Leases

The District has no capital leases outstanding at June 30, 2021.

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2021**

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 2021. Total operating lease payments made during the year ended June 30, 2021 were \$90,195. Future minimum lease payments are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2022	<u>\$13,435</u>
	<u>\$13,435</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, 2021**

NOTE 8. PENSION PLANS (continued)

The following represents the membership tiers for TPAF:

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

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:

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

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2021**

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> 6/30/21	\$121,951	\$1,667
6/30/20	116,135	1,776
6/30/19	138,491	1,548

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2021**

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>
6/30/21	\$1,667,763	\$532,595	\$31,731	\$1,626
6/30/20	1,233,708	465,886	22,113	1,847
6/30/19	1,093,361	506,328	22,887	1,958

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 \$504,876 during the year ended June 30, 2021 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, 2021, the District had a liability of \$1,817,910 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2020, 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, 2020, the District's proportion was .0111477717 percent, which was a decrease of .000791609 percent from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the District recognized pension expense of (\$68,777). At June 30, 2021, 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, 2021**

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	\$33,101	\$6,429
Changes of assumptions	58,975	761,176
Net difference between projected and actual earnings on pension plan investments	62,138	
Changes in proportion and differences between the District's contributions and proportionate share of contributions	26,940	611,376
District contributions subsequent to the measurement date	<u>136,597</u>	<u> </u>
Total	<u>\$317,751</u>	<u>\$1,378,981</u>

The \$136,597 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, 2021, the plan measurement date is June 30, 2020) will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. 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:	
2021	(\$228,114)
2022	(207,971)
2023	(118,850)
2024	(48,061)
2025	(10,395)

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 5.16, 5.21, 5.63, 5.48, 5.57, 5.72, and 6.44 years for 2020, 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, 2021**

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, 2020 and June 30, 2019 are as follows:

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Collective deferred outflows of resources	\$2,347,583,337	\$3,149,522,616
Collective deferred inflows of resources	7,849,949,467	7,645,087,574
Collective net pension liability	16,435,616,426	18,018,482,972
Borough's Proportion	.0111477717%	0.018754907%

Actuarial Assumptions

The collective total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which rolled forward to June 30, 2020. 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, 2019 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, 2021**

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-2020.

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, 2020) 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>
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Market Equity	13.50%	8.57%
Emerging Market Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2021**

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 7.00% as of June 30, 2020. 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 and the nonemployer contributing entity will be based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine 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, 2020 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, 2020</u>		
	<u>1%</u> Decrease <u>6.00%</u>	<u>At Current</u> Discount Rate <u>7.00%</u>	<u>1%</u> Increase <u>8.00%</u>
District's proportionate share of the pension liability	\$2,292,145	\$1,817,910	\$1,415,508

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, 2021**

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, 2021 was as follows:

Net Pension Liability:	
District's proportionate share	\$ -0-
State's proportionate share associated with the District	<u>37,037,867</u>
	<u>\$37,037,867</u>

The net pension liability was measured as of June 30, 2020, 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, 2020. 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, 2020, the proportion of the TPAF net pension liability associated with the District was .0562468390%.

For the year ended June 30, 2021, the District recognized on-behalf pension expense and revenue of \$2,303,172 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, 2021**

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, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. 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-2020.

The actuarial assumptions used in the July 1, 2019 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, 2021**

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, 2020) 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, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Market Equity	13.50%	8.57%
Emerging Market Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2021**

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 5.40% as of June 30, 2020. 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 2.21% as of June 30, 2020 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 78% 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 2062. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2062, 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 2020, the State paid PRM benefits for 143,053 State and local retirees.

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2021**

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 2020, the State contributed \$1.578 billion to pay for “pay-as-you-go” PRM benefit costs incurred by covered retirees. The State’s “pay-as-you-go” contributions have decreased from Fiscal Year 2019 amounts. Reductions are attributable to various cost savings initiatives implemented by the State, including new medicare advantage contracts. The Fiscal Year 2021 Appropriations Act includes \$1.775 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 2020 total State OPEB liability to provide these benefits is \$65.5 billion, a decrease of \$10.5 billion or 13.8 percent from the \$76.0 billion liability recorded in Fiscal Year 2019.

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/GASB-notices-OPEB.SHTML>.

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2021**

NOTE 9. POST-RETIREMENT BENEFITS, (continued)

The portion of the OPEB Liability that was associated with the District recognized at June 30, 2021 was as follows:

OPEB Liability:	
District's proportionate share	\$
State's proportionate share associated with the District	<u>29,339,576</u>
	<u><u>\$29,339,576</u></u>

Actual Assumptions and Other Imputes

The total OPEB liability in the June 30, 2020 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, 2020 was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2020. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	2.50%	
	<u>TPAF/ABP</u>	<u>PERS</u>
Salary increases:		
Through 2026	1.55 - 4.45% based on service years	2.00 - 6.00% based on service years
Thereafter	1.55 - 4.45% 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, 2021**

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-2020. 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-2020. 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-2020.

The actuarial assumptions used in the June 30, 2019 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.

(a) *Health Care Trend Assumptions*

For pre-Medicare medical benefits, the trend rate is initially 5.6% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal year 2021 through 2022 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to a 4.5% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

(b) *Discount Rate*

The discount rate for June 30, 2020 was 2.21%. 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, 2021**

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, 2021, the board of education/board of trustees recognized on-behalf OPEB expense of \$1,731,981 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, 2021**

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, 2021 consisted of the following:

Food	\$5,766
Supplies	<u>2,333</u>
	<u>\$8,099</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, 2020 to June 30, 2021 fiscal year is as follows:

Beginning Balance, July 1, 2020	<u>\$1.00</u>
Ending Balance, June 30, 2021	<u>\$1.00</u>

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2021**

NOTE 14. FUND BALANCE APPROPRIATED

General Fund [Exhibit B-1] - Of the \$5,199,356 General Fund fund balance at June 30, 2021, \$30,101 is reserved for encumbrances; \$5,188,129 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7 \$1,685,437 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2022); \$1 has been reserved in the Capital Reserve Account; \$33,987 has been appropriated and included as anticipated revenue for the year ending June 30, 2022; and (\$52,862) is unreserved and undesignated.

NOTE 15. DEFICIT FUND BALANCES

The District has a deficit fund balance of \$52,862 in the General Fund as of June 30, 2021 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 \$52,862 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, 2021 is \$5,199,356. Of this amount, \$3,502,692 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, 2021**

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. RESTATEMENT

Net position for June 30, 2020 was restated to reflect the reclassification of the Unemployment Trust Fund net position from the Fiduciary Fund to the General Fund and reclassification of the Student Activity Fund to the Special Revenue Fund as per Governmental Accounting Standards Board ("GASB") number 84. This resulted in restatement of net position and/or fund balance as of June 30, 2020 as follows:

	<u>Governmental Activities</u>	<u>General Fund</u>	<u>Special Revenue Fund</u>
Net Position/Fund Balance at June 30, 2020	\$25,482,360	\$3,428,027	\$
Prior Period Adjustment for Implementation of GASB #84	<u>38,848</u>	<u> </u>	<u>38,848</u>
Net Position/Fund Balance at June 30, 2020 - Restated	<u>\$25,521,208</u>	<u>\$3,428,027</u>	<u>\$38,848</u>

NOTE 19. 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.

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2021**

NOTE 20. RELATED PARTY TRANSACTION

The District did not approve an extension of the rental agreement for office space with the estate of a family member of the Business Administrator. However, the Board continued to pay the same agreed upon monthly rent from the lease agreement that had expired on June 30, 2020. Total rental payments amounted to \$21,420. A new lease was approved for fiscal years July 1, 2021-June 30, 2024 at an annual rental cost of \$22,620.

NOTE 21. OTHER MATTERS

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. 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. During the year, the District has received grants from the federal government for increase expenditures related to the COVID-19 pandemic. The Board will continue to monitor the situation closely.

NOTE 22. SUBSEQUENT EVENTS

The District has evaluated subsequent events through January 31, 2022, the date which the financial statements were available to be issued and the following item was noted for disclosure:

**REQUIRED SUPPLEMENTARY
INFORMATION - PART II**

BUDGETARY COMPARISON SCHEDULES

GUTTENBERG BOARD OF EDUCATION
 Budgetary Comparison Schedule
 General Fund
 Fiscal Year Ended June 30, 2021

	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				58,616	58,616
Total - Local Sources	11,321,822		11,321,822	11,380,438	58,616
State Sources:					
Transportation Aid	60,778		60,778	60,778	
Special Education Aid	1,189,648		1,189,648	1,189,648	
Equalization Aid	7,349,833	(782,140)	6,567,693	6,567,693	
Security Aid	603,184		603,184	603,184	
Extraordinary Aid				64,368	64,368
TPAF Pension Contributions (On-Behalf - Non Budgeted)				1,667,763	1,667,763
TPAF Postretirement Medical Contributions (On-Behalf - Non Budgeted)				532,595	532,595
TPAF LTDI (On-Behalf - Non Budgeted)				1,626	1,626
TPAF Non-Contributory Insurance (On-Behalf - Non Budgeted)				31,731	31,731
TPAF Social Security (Reimbursed - Non-Budgeted)				504,876	504,876
Total - State Sources	9,203,443	(782,140)	8,421,303	11,224,262	2,802,959
Federal Sources:					
Medical Assistance Program (SEMI)	29,867		29,867	9,131	(20,736)
Total - Federal Sources	29,867		29,867	9,131	(20,736)
TOTAL REVENUES	20,555,132	(782,140)	19,772,992	22,613,831	2,840,839
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
Salaries of Teachers:					
Kindergarten - Salaries of Teachers	341,207		341,207	284,453	56,754
Grades 1-5 - Salaries of Teachers	1,684,125	(142,428)	1,541,697	1,519,462	22,235
Grades 6-8 - Salaries of Teachers	1,465,260	(5,998)	1,459,262	1,343,949	115,313
Regular Programs - Home Instruction:					
Salaries of Teachers	5,000	5,998	10,998	1,918	9,080
Other Purchased Services	40,000		40,000	13,125	26,875
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	284,623	(136,367)	148,256	138,027	10,229
Purchases Tech Services					
Purchased Technical Services					
General Supplies	238,106	(55,000)	183,106	57,762	125,344
Other Purchased Services (400-500 series)	83,000		83,000	67,001	15,999
Textbooks	44,155	(25,000)	19,155	19,155	19,155
TOTAL REGULAR PROGRAMS - INSTRUCTION	4,185,476	(358,795)	3,826,681	3,425,697	400,984
SPECIAL EDUCATION - INSTRUCTION					
Learning and/or Language Disabilities:					
Salaries of Teachers	183,580	600	184,180	184,180	
Total Learning and/or Language Disabilities	183,580	600	184,180	184,180	
Multiple Disabilities					
Salaries of Teachers	60,801	10,605	71,406	71,406	
Total Multiple Disabilities	60,801	10,605	71,406	71,406	
Resource Room/Resource Center:					
Salaries of Teachers	454,298	(24,656)	429,642	393,967	35,675
Total Resource Room/Resource Center	454,298	(24,656)	429,642	393,967	35,675
Autism:					
Salaries of Teachers	71,406	(10,605)	60,801	60,801	
Total Autism	71,406	(10,605)	60,801	60,801	
Preschool Disabilities - Full-Time:					
Salaries of Teachers	71,406		71,406	71,074	332
Total Preschool Disabilities - Full-Time	71,406		71,406	71,074	332
TOTAL SPECIAL EDUCATION - INSTRUCTION	841,491	(24,056)	817,435	781,428	36,007
Basic Skills/Remedial-Instruction					
Salaries of Teachers	494,922	(60,000)	434,922	402,934	31,988
Total Basic Skills/Remedial-Instruction	494,922	(60,000)	434,922	402,934	31,988
Bilingual Education - Instruction					
Salaries of Teachers	483,759	24,056	507,815	507,815	
Other Salaries	3,500		3,500	3,000	500
General Supplies	5,380	(4,986)	394	380	14
Textbooks	15,000	(15,000)			
Total Bilingual Education - Instruction	507,639	4,070	511,709	511,195	514

GUTTENBERG BOARD OF EDUCATION
 Budgetary Comparison Schedule
 General Fund
 Fiscal Year Ended June 30, 2021

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final To Actual
School-Sponsored Cocurricular Activities - Instruction					
Salaries	45,000		45,000	41,458	3,542
Other Purchased Services (300-500 series)	36,000		36,000	750	35,250
Total School-Sponsored Cocurricular Activities - Instruction	<u>81,000</u>		<u>81,000</u>	<u>42,208</u>	<u>38,792</u>
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	<u>15,000</u>		<u>15,000</u>	<u>7,000</u>	<u>8,000</u>
Total Distributed Expenditures	<u>6,125,528</u>	<u>(438,781)</u>	<u>5,686,747</u>	<u>5,170,462</u>	<u>516,285</u>
Undistributed Expenditures - Instruction					
Tuition to Other LEAs within the State - Regular	5,451,000	(9,645)	5,441,355	4,504,794	936,561
Tuition to Other LEAs within the State - Special	1,019,374		1,019,374	513,588	505,786
Tuition to CSSD & Regional Day Schools	391,579		391,579	305,332	86,247
Tuition to Priv.Sch. For the Disabled W/I State	453,984	(42,245)	411,739	240,144	171,595
Tuition - Other		116,133	116,133	116,133	
Total Undistributed Expenditures - Instruction	<u>7,315,937</u>	<u>64,243</u>	<u>7,380,180</u>	<u>5,679,991</u>	<u>1,700,189</u>
Undist. Expend. - Health Services					
Salaries	158,632	(26,097)	132,535	132,535	
Purchased Professional and Technical Services	9,000	(379)	8,621	4,500	4,121
Supplies and Materials	5,000	379	5,379	5,379	
Total Undistributed Expenditures - Health Services	<u>172,632</u>	<u>(26,097)</u>	<u>146,535</u>	<u>142,414</u>	<u>4,121</u>
Undist. Expenditures - Speech, OT, PT & Related Serv.					
Salaries	227,689	(42,812)	184,877	94,559	90,318
Other Salaries for Instruction		92,512	92,512	90,284	2,228
Purchased Professional - Educational Services	340,000	10,300	350,300	350,300	
Total Undist. Expend. - Speech, OT, PT & Related Serv.	<u>567,689</u>	<u>60,000</u>	<u>627,689</u>	<u>535,143</u>	<u>92,546</u>
Undist. Expend. - Guidance					
Salaries of Other Professional Staff	155,585		155,585	155,585	
Salaries of Secretarial and Clerical Assistants	64,701	1,029	65,730	65,730	
Total Undist. Expend. - Guidance	<u>220,286</u>	<u>1,029</u>	<u>221,315</u>	<u>221,315</u>	
Undistributed Expenditures - Child Study Teams					
Salaries of Other Professional Staff	248,067	12,308	260,375	260,375	
Salaries of Secretarial and Clerical Assistants	19,602	1,029	20,631	20,631	
Other Salaries	375,253	(159,648)	215,605	196,430	19,175
Other Purchased Prof. and Ed. Services		9,429	9,429	9,429	
Other Purchased Prof. and Tech. Services	8,600	(2,525)	6,075		6,075
Supplies and Materials	4,000	2,525	6,525	6,525	
Total Undistributed Expenditures - Child Study Teams	<u>655,522</u>	<u>(136,882)</u>	<u>518,640</u>	<u>493,390</u>	<u>25,250</u>
Undist. Expend. - Improvement of Instructional Services					
Salaries of Supervisor of Instruction					
Salaries of Other Professional Staff	95,000	(33,620)	61,380	55,596	5,784
Total Undist. Expend. - Improvement of Instructional Services	<u>95,000</u>	<u>(33,620)</u>	<u>61,380</u>	<u>55,596</u>	<u>5,784</u>
Undist. Expend. - Instructional Staff Training Services					
Salaries - Supervisors of Instruction	329,653		329,653	319,203	10,450
Salaries - Secretarial and Clerical Assistant	36,084		36,084	36,083	1
Purchased Professional - Educational Services	55,000		55,000	18,913	36,087
Other Purchased Prof & Tech Services	35,000		35,000		35,000
Other Purchased Services (400-500 Series)	28,000		28,000		28,000
Total Undist. Expend. - Instructional Staff Training Services	<u>483,737</u>		<u>483,737</u>	<u>374,199</u>	<u>109,538</u>
Undist. Expend. - Support Serv. - General Administration					
Salaries - Superintendent	263,007	(63,979)	199,028	199,028	
Salaries - Secretary to Superintendent		81,322	81,322	81,322	
Legal Services	51,000		51,000	51,000	
Audit Fees	36,000	500	36,500	36,500	
Internal Control Audit Fees	27,000		27,000	27,000	
Purchased Technical Services	15,000	(500)	14,500	12,610	1,890
Communications/Telephone	65,000	(17,343)	47,657	32,606	15,051
BOE Other Purchased Services	500		500		500
Misc. Purchase 400-500 (Other 530 & 385)	6,000		6,000	4,113	1,887
General Supplies	6,420		6,420	6,419	1
BOE In-House Training/Meeting Supplies	5,000		5,000	391	4,609
Miscellaneous Expenditures	51,800		51,800	45,605	6,195
BOE Membership Dues and Fees	6,446		6,446	6,446	
Total Undist. Expend. - Supp. Serv. - General Administration	<u>533,173</u>		<u>533,173</u>	<u>503,040</u>	<u>30,133</u>

GUTTENBERG BOARD OF EDUCATION
 Budgetary Comparison Schedule
 General Fund
 Fiscal Year Ended June 30, 2021

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final To Actual
Undist. Expend. - Support Serv. - School Administration					
Salaries - Principal & Asst. Principal	125,549		125,549	125,549	
Salaries of Secretarial and Clerical Assistants	45,100		45,100	45,100	
Other Salaries	3,000		3,000		3,000
Purchased Professional and Technical Services	26,500		26,500	7,925	18,575
Other Purchased Services	3,000		3,000		3,000
Supplies and Materials	13,000		13,000	3,206	9,794
Total Undist. Expend. - Support Serv. - School Administration	216,149		216,149	181,780	34,369
Undistributed Expenditures - Central Services					
Salaries	292,920	(1,542)	291,378	291,375	3
Supplies and Materials	9,000	(3,494)	5,506	5,474	32
Total Undists Expend. - Central Services	301,920	(5,036)	296,884	296,849	35
Undist. Expend. - Admin. Info. Tech.					
Salaries	110,618	18,363	128,981	128,981	
Purchased Technical Services	21,500	(11,950)	9,550	9,550	
Total Undist. Expend. - Admin. Info. Technology	132,118	6,413	138,531	138,531	
Undist. Expend. - Required Maint. for School Facilities					
Salaries	72,100		72,100	60,083	12,017
Cleaning, Repair and Maintenance Services	515,750	(277,875)	237,875	98,842	139,033
Lead Testing	1,800		1,800		1,800
Total Undist. Expend. - Required Maint. for School Facilities	589,650	(277,875)	311,775	158,925	151,050
Undist. Expend. - Custodial Services					
Salaries	65,238	3,875	69,113	69,113	
Salaries of Non-Instructional Aides	70,400	(50,000)	20,400		20,400
Contracted Maintenance - Cleaning		274,000	274,000	268,504	5,496
Rental of Land & Bldg. Other than Lease Purch Agreement	22,620		22,620	21,420	1,200
Other Purchased Property Services	77,000	(47,790)	29,210	12,806	16,404
Insurance	250,000		250,000	213,846	36,154
Miscellaneous Purchased Services	10,000		10,000	1,732	8,268
General Supplies	106,915		106,915	44,638	62,277
Energy (Natural Gas)	150,000		150,000	83,460	66,540
Energy (Electricity)	190,000		190,000	100,938	89,062
Total Undist. Expend. - Other Oper. & Maint. of Plant Svcs.	942,173	180,085	1,122,258	816,457	305,801
Undist. Expend. - Security					
Salaries	110,000	(110,000)			
Purchased Professional and Technical Services	108,000		108,000		108,000
Total Undistributed Expenditures - Security	218,000	(110,000)	108,000		108,000
Total Undistributed Expend.-Oper & Maint of Plant Svcs.	1,749,823	(207,790)	1,542,033	975,382	456,851
Undistributed Expenditures - Student Transportation Svcs.					
Contract Serv. (Spec Ed Stds) - Joint Agreemnts	292,866		292,866	279,190	13,676
Total Undist. Expend. - Student Transportation Svcs.	292,866		292,866	279,190	13,676
TOTAL UNDISTRIBUTED EXPENDITURES	12,736,852	(277,740)	12,459,112	9,876,820	2,580,492
ALLOCATED BENEFITS					
Regular Programs - Instruction - Employee Benefits					
Social Security Contributions	58,000	22,084	80,084	80,084	
T.P.A.F. Contributions - ERIP	22,000		22,000	19,766	2,234
Unemployment Compensation	38,000		38,000	27,283	10,717
Health Benefits	1,112,864	33,118	1,145,982	932,304	213,678
Tuition Reimbursement	30,000		30,000	17,000	13,000
Other Employee Benefits	8,000		8,000	2,508	5,492
Total Regular Programs - Instruction	1,268,864	55,202	1,324,066	1,078,945	245,121
Special Programs - Instruction - Employee Benefits					
Social Security Contributions	24,000	(24,000)			
Health Benefits	688,602	(76,882)	611,720	471,201	140,519
Other Employee Benefits	4,000		4,000	480	3,520
Unused Sick Payment to Terminated/Retired Staff		12,467	12,467	12,467	
Total Special Programs - Instruction - Employee Benfits	716,602	(88,415)	628,187	484,148	144,039
Health Services - Employee Benefits					
Social Security Contributions	2,023		2,023		2,023
Health Benefits	63,664	(19,663)	44,001	24,540	19,461
Other Employee Benefits	1,600		1,600		1,600
Total Health Services - Employee Benefits	67,287	(19,663)	47,624	24,540	23,084
Other Support Serv. - Speech, OT, PT, & Rel. Svc - Employee Benefits					
Social Security Contributions	14,106	(14,106)			
Health Benefits	33,534	10,171	43,705	35,058	8,647
Other Employee Benefits	800	(415)	385	150	235
Total Other Support Services- Employee Benefits	48,440	(4,350)	44,090	35,208	8,882

GUTTENBERG BOARD OF EDUCATION
 Budgetary Comparison Schedule
 General Fund
 Fiscal Year Ended June 30, 2021

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final To Actual
Other Support Services - Guidance - Employee Benefits:					
Social Security Contributions	9,686	(9,686)			
Health Benefits	110,701		110,701	78,659	32,042
Other Employee Benefits	3,600		3,600	450	3,150
Unused Sick Payment to Terminated/Retired Staff		26,506	26,506	26,506	
Total Other Support Services - Guidance - Employee Benefits	<u>123,987</u>	<u>16,820</u>	<u>140,807</u>	<u>105,615</u>	<u>35,192</u>
Other Support Services - Child Study Team - Employee Benefits					
Social Security Contributions	8,596	(8,596)			
Health Benefits	83,745		83,745	51,426	32,319
Other Employee Benefits	2,800		2,800		2,800
DCRP Contribution		8,596	8,596	5,586	3,010
Total Other Support Svcs - Child Study Team - Employee Benefits	<u>95,141</u>	<u></u>	<u>95,141</u>	<u>57,012</u>	<u>38,129</u>
Instructional Staff Training Services - Employee Benefits					
Social Security Contributions	4,710		4,710	1,649	3,061
Health Benefits	134,496	(21,971)	112,525	79,439	33,086
Other Employee Benefits	4,800		4,800		4,800
Total Instructional Staff Training Services - Employee Benefits	<u>144,006</u>	<u>(21,971)</u>	<u>122,035</u>	<u>81,088</u>	<u>40,947</u>
Support Services - General Admin - Employee Benefits					
Social Security Contributions	4,460	895	5,355	5,355	
Health Benefits	65,486	2,755	68,241	54,474	13,767
Other Employee Benefits	2,000		2,000	576	1,424
Total Support Services - General Admin - Employee Benefits	<u>71,946</u>	<u>3,650</u>	<u>75,596</u>	<u>60,405</u>	<u>15,191</u>
Support Services - School Admin - Employee Benefits					
Social Security Contributions	5,000		5,000	3,349	1,651
Health Benefits	41,024	29,079	70,103	56,485	13,618
Other Employee Benefits	1,600		1,600		1,600
Total Support Services - School Admin - Employee Benefits	<u>47,624</u>	<u>29,079</u>	<u>76,703</u>	<u>59,834</u>	<u>16,869</u>
Support Services - Central Services - Employee Benefits					
Social Security Contributions	8,000	1,621	9,621	9,621	
Health Benefits	40,149	1,810	41,959	34,152	7,807
Other Employee Benefits	2,800		2,800	450	2,350
Total Support Services - Central Services - Employee Benefits	<u>50,949</u>	<u>3,431</u>	<u>54,380</u>	<u>44,223</u>	<u>10,157</u>
Support Services - Admin. Info. Tech. - Employee Benefits					
Social Security Contributions	3,500	5,545	9,045	9,029	16
Health Benefits	11,845	20,672	32,517	26,288	6,229
Other Employee Benefits	1,200		1,200		1,200
Total Support Services - Admin. Info. Tech. - Employee Benefits	<u>16,545</u>	<u>26,217</u>	<u>42,762</u>	<u>35,317</u>	<u>7,445</u>
Custodial Services - Employee Benefits					
Social Security Contributions	3,800	366	4,166	4,166	
Health Benefits	53,421	(366)	53,055	39,921	13,134
Other Employee Benefits	2,500		2,500	150	2,350
Total Custodial Services - Employee Benefits	<u>59,721</u>	<u></u>	<u>59,721</u>	<u>44,237</u>	<u>15,484</u>
Support Services - Security - Employee Benefits					
Social Security Contributions	2,000		2,000		2,000
Health Benefits	30,299		30,299	11,077	19,222
Total Security - Employee Benefits	<u>32,299</u>	<u></u>	<u>32,299</u>	<u>11,077</u>	<u>21,222</u>
TOTAL ALLOCATED BENEFITS	<u>2,743,411</u>	<u></u>	<u>2,743,411</u>	<u>2,121,649</u>	<u>621,762</u>
UNALLOCATED BENEFITS					
Unallocated Benefits - Employee Benefits					
Other Retirement Contributions - PERS	160,000		160,000	125,955	34,045
Total Unallocated Benefits - Employee Benefits	<u>160,000</u>	<u></u>	<u>160,000</u>	<u>125,955</u>	<u>34,045</u>
Total Personal Services - Employee Benefits	<u>2,903,411</u>	<u></u>	<u>2,903,411</u>	<u>2,247,604</u>	<u>655,807</u>
On-behalf TPAF Pension and Post Retirement					
Medical Contributions (non-budgeted)				2,200,358	(2,200,358)
On-behalf TPAF Long Term Disability Insurance (non-budgeted)				1,626	(1,626)
On-behalf TPAF Non-Contributory Insurance (non-budgeted)				31,731	(31,731)
Reimbursed TPAF Social Security Contributions (non-budgeted)				504,876	(504,876)
TOTAL ON-BEHALF CONTRIBUTIONS	<u></u>	<u></u>	<u></u>	<u>2,738,591</u>	<u>(2,738,591)</u>
TOTAL UNDISTRIBUTED EXPENDITURES	<u>15,640,263</u>	<u>(277,740)</u>	<u>15,362,523</u>	<u>14,863,015</u>	<u>499,508</u>
TOTAL GENERAL CURRENT EXPENSE	<u>21,765,791</u>	<u>(716,521)</u>	<u>21,049,270</u>	<u>20,033,477</u>	<u>1,015,793</u>

GUTTENBERG BOARD OF EDUCATION
 Budgetary Comparison Schedule
 General Fund
 Fiscal Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
CAPITAL OUTLAY					
Equipment - Undistributed:					
School Administration	4,050	8,269	12,319		12,319
Total Equipment	<u>4,050</u>	<u>8,269</u>	<u>12,319</u>		<u>12,319</u>
TOTAL CAPITAL OUTLAY	<u>4,050</u>	<u>8,269</u>	<u>12,319</u>		<u>12,319</u>
GENERAL FUND					
Transfer of Funds to Charter Schools	73,888	(73,888)			
TOTAL EXPENDITURES	<u>21,843,729</u>	<u>(782,140)</u>	<u>21,061,589</u>	<u>20,033,477</u>	<u>1,028,112</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,288,597)</u>		<u>(1,288,597)</u>	<u>2,580,354</u>	<u>3,868,951</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(1,288,597)		(1,288,597)	2,580,354	3,868,951
Fund Balance, July 1			3,428,027	3,428,027	
Fund Balance, June 30	<u>(1,288,597)</u>		<u>2,139,430</u>	<u>6,008,381</u>	<u>3,868,951</u>
Recapitulation of excess (deficiency) of revenues under expenditures					
Adjustment for Prior Year Encumbrances	(61,331)		(61,331)	(61,331)	
Budgeted Withdrawal of Maintenance Reserve	(1,227,266)		(1,227,266)	2,641,685	3,868,951
Budgeted Fund Balance	<u>(1,288,597)</u>		<u>(1,288,597)</u>	<u>2,580,354</u>	<u>3,868,951</u>
Recapitulation					
Restricted Fund Balance:					
Capital Reserve				1	
Excess Surplus - Designated for Subsequent year's expenditures				1,685,437	
Excess Surplus - Current Year				3,502,692	
Assigned Fund Balance:					
Year-End Encumbrances				30,101	
Assigned Fund Balance:					
Designated for Subsequent Year's Expenditures				33,987	
Unassigned Fund Balance				<u>756,163</u>	
Reconciliation to Governmental Funds Statement (GAAP):				6,008,381	
Less: Last State Aid Payment not recognized, GAAP Basis				<u>(809,025)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>5,199,356</u>	

GUTTENBERG BOARD OF EDUCATION
Budgetary Comparison Schedule
Special Revenue Fund
Fiscal Year Ended June 30, 2021

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual	
REVENUES:						
Local Sources		-		14,868	14,868	Note (1)
State Sources	166,227	(69)	166,158	166,158	-	
Federal Sources	868,841	1,322,253	2,191,094	1,873,249	(317,845)	
Total Revenues	1,035,068	1,322,184	2,357,252	2,054,275	(302,977)	
EXPENDITURES:						
Instruction:						
Salaries of Teachers	996,584	(645,988)	350,596	330,201	20,395	
Other Salaries for Instruction		180,665	180,665	46,847	133,818	
Purchased Professional - Educational Services		2,000	2,000	-	2,000	
Other Purchased Services (400-500 series)		200,000	200,000	200,000	-	
General Supplies	7,686	316,354	324,040	306,905	17,135	
Total instruction	1,004,270	53,031	1,057,301	883,953	173,348	
Support services:						
Salaries of Program Directors		1,800	1,800	1,600	200	
Salaries of Other Professional Staff		300,231	300,231	261,752	38,479	
Personal Services - Employee Benefits	30,798	349,943	380,741	344,618	36,123	
Purchased Professional - Technical Services		135,870	135,870	123,163	12,707	
Purchased Property Services		87,977	87,977	87,977	-	
Other Purchased Professional Services		44,381	44,381	11,280	33,101	
Supplies & Materials		109,918	109,918	87,381	22,537	
Other Objects		3,000	3,000	1,650	1,350	
Student Activities				22,089	(22,089)	
Scholarships and Awards		-		1,100	(1,100)	
Total support services	30,798	1,033,120	1,063,918	942,610	121,308	
Facilities acquisition and const. serv.:						
Instructional Equipment		140,000	140,000	140,000	-	
Non-Instructional Equipment		96,033	96,033	96,033	-	
Total facilities acquisition and const. serv.	-	236,033	236,033	236,033	-	
Total Expenditures	1,035,068	1,322,184	2,357,252	2,062,596	294,656	
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	(8,321)	(8,321)	
Fund Balance, July 1						
Prior Period Adjustment				38,848		
Fund Balance, July 1 (Restated)				38,848		
Fund Balance, June 30				30,527		
Recapitulation:						
Restricted:						
Scholarships				10,342		
Student Activities				20,185		
Total Fund Balance				30,527		

Note 1 - Not Required to budget for these funds.

GUTTENBERG BOARD OF EDUCATION
Required Supplementary Information
Budgetary Comparison Schedule
Note to Required Supplementary Information - Part II
Fiscal Year Ended June 30, 2021

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]	22,613,831	2,054,275
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			149,483
Current Year			
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		774,748	(16,616)
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).		(809,025)	16,616
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	22,579,554	2,203,758
Uses/outflows of resources			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]&[C-2]	20,033,477	2,062,596
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			149,483
Current Year			
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	20,033,477	2,212,079

**REQUIRED SUPPLEMENTARY
INFORMATION - PART III**

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

Fiscal Year Ending June 30,	District's	District's	District's	District's	District's	Plan Fiduciary
	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	District's Covered Payroll - PERS 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	0.0126369266%	\$ 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%	
2021	0.011477717%	\$ 1,817,910	\$ 904,632	200.96%	58.32%	

* 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		Contributions in Relation to the		Contribution Deficiency (Excess)	District's PERS Covered- Employee Payroll	Contributions as a Percentage of PERS Covered- Employee Payroll
	Contribution	Contribution	Contractually Required Contributions	Contractually Required Contributions			
2015	\$ 104,177	\$	(213,991)	\$ (109,814)	\$ 1,105,455	9.42%	
2016	129,063		(208,873)	(79,810)	1,017,583	12.68%	
2017	145,139		(217,018)	(71,879)	993,558	14.61%	
2018	138,686		(138,686)	-	897,879	15.45%	
2019	138,491		(138,491)	-	803,989	17.23%	
2020	116,135		(116,135)	-	876,767	13.25%	
2021	121,951		(121,951)	-	904,632	13.48%	

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

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

Fiscal Year Ending June 30,	District's	District's	State's	District's	District's	District's	Plan Fiduciary
	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Share of the Net Pension Liability Associated with the District (Asset)	Proportionate Share of the Net Pension Liability Associated with the District (Asset)	District's Covered Payroll - TPAF Employee's	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its' Covered Payroll	Net Position as a Percentage of the Total Pension Liability
2015	0.0426297375%		\$	24,744,440	\$	5,690,343	33.64%
2016	0.0497211990%			31,425,921		5,641,459	28.71%
2017	0.0542707916%			42,692,860		5,795,976	22.33%
2018	0.0563326534%			37,981,506		5,978,912	25.41%
2019	0.0537065888%			34,166,978		6,197,942	26.49%
2020	0.0555920406%			34,117,360		6,581,803	26.95%
2021	0.0562468390%			37,037,867		6,612,057	24.60%

* 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, 2021

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 (3.50%) to the current measurement date (2.21%), resulting in a change in the discount rate from 6.28% to 7.00%. 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 (3.50%) to the current measurement date (2.21%), resulting in a change in the discount rate from 5.60% to 5.40%. 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**

	2021	2020	2019	2018
Total OPEB Liability				
Service Costs	1,123,892	989,377	\$ 1,117,421	\$ 1,358,037
Interest on Total OPEB Liability	654,007	779,452	883,699	760,681
Difference between Expected and Actual Experiences	4,890,088	(3,110,567)	(3,673,130)	
Changes in Assumptions	5,359,332	265,512	(2,227,878)	(3,368,446)
Gross Benefit Payments	(510,778)	(546,639)	(519,129)	(551,613)
Contribution from the Member	15,482	16,204	17,942	20,312
Net Changes in total Share of OPEB Liability	<u>11,532,023</u>	<u>(1,606,661)</u>	<u>(4,401,075)</u>	<u>(1,781,029)</u>
Total OPEB Liability - Beginning	<u>17,807,553</u>	<u>19,414,214</u>	<u>23,815,289</u>	<u>25,596,318</u>
Total OPEB Liability - Ending	<u>\$ 29,339,576</u>	<u>\$ 17,807,553</u>	<u>\$ 19,414,214</u>	<u>\$ 23,815,289</u>
District's Proportionate Share of OPEB Liability	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of OPEB Liability	29,339,576	17,807,553	19,414,214	23,815,289
Total OPEB Liability - Ending	<u>\$ 29,339,576</u>	<u>\$ 17,807,553</u>	<u>\$ 19,414,214</u>	<u>\$ 23,815,289</u>
District's Covered Employee Payroll	<u>\$ 7,516,689</u>	<u>\$ 7,458,570</u>	<u>\$ 7,458,570</u>	<u>\$ 6,876,791</u>
Districts' Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	0%	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 9.

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

Supplementary Schedules

SPECIAL REVENUE FUND

GUTTENBERG BOARD OF EDUCATION
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
June 30, 2021

	Total Brought Forward (Ex. E-1a)	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 2021
REVENUES							
Local Sources	14,868						14,868
State Sources	166,158						166,158
Federal Sources	932,585	783,958	84,276	17,700	1,087	53,643	1,873,249
Total Revenues	1,113,611	783,958	84,276	17,700	1,087	53,643	2,054,275
EXPENDITURES:							
Instruction:							
Salaries of Teachers	134,534	148,076	47,591				330,201
Other Salaries for Instruction	-	39,725		7,122			46,847
Purchased Professional - Educational Services	-						-
Other Purchased Services (400-500 series)	200,000						200,000
General Supplies	149,709	102,658		8,796	1,087	44,655	306,905
Total instruction	484,243	290,459	47,591	15,918	1,087	44,655	883,953
Support services:							
Salaries of Program Directors	-	1,600					1,600
Salaries of Other Professional Staff	120,097	135,379				6,276	261,752
Personal Services - Employee Benefits	68,977	247,736	27,114			791	344,618
Purchased Professional - Technical Services	97,794	15,798	9,571				123,163
Purchased Property Services	87,977						87,977
Other Purchased Professional Services	8,798	700		1,782			11,280
Supplies & Materials	78,631	6,829				1,921	87,381
Other Objects	1,650						1,650
Student Activities	22,089						22,089
Scholarships and Awards	1,100						1,100
Total support services	487,113	408,042	36,685	1,782	-	8,988	942,610
Facilities acquisition and const. serv.:							
Instructional Equipment	57,877	82,123					140,000
Non-Instructional Improvements	92,699	3,334					96,033
Total facilities acquisition and const. serv.	150,576	85,457	-	-	-	-	236,033
Total Expenditures	1,121,932	783,958	84,276	17,700	1,087	53,643	2,062,596
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	(8,321)	-	-	-	-	-	(8,321)
Fund Balance, July 1	-	-	-	-	-	-	-
Prior Period Adjustment	38,848	-	-	-	-	-	38,848
Fund Balance, July 1 (Restated)	38,848	-	-	-	-	-	38,848
Fund Balance, June 30	30,527	-	-	-	-	-	30,527

* - Represents scholarship fund net position as of June 30, 2020 per Exhibit H-2
 ** - Represents the student activity fund ending balance as of June 30, 2020 for payable to student groups

GUTTENBERG BOARD OF EDUCATION
 Special Revenue Fund
 Combining Schedule of Program Revenues and Expenditures – Budgetary Basis
 Fiscal Year Ended June 30, 2021

	Total Brought Forward (Ex. E-1b)	Title I, Part A Reallocation	I.D.E.A. Part B, Basic	I.D.E.A. Part B Preschool	CARES Act	COVID Relief Fund	Total Carried Forward
REVENUES							
Local Sources	14,868						14,868
State Sources	166,158	26,419	247,401	9,446	494,811	154,508	166,158
Federal Sources	-	-	-	-	-	-	932,585
Total Revenues	181,026	26,419	247,401	9,446	494,811	154,508	1,113,611
EXPENDITURES:							
Instruction:							
Salaries of Teachers	134,534						134,534
Other Salaries for Instruction	-						-
Purchased Professional - Educational Services	-	919	200,000	1,386	108,408	34,325	200,000
Other Purchased Services (400-500 series)	-	-	4,671	-	-	-	4,671
General Supplies	-	-	-	-	-	-	-
Total instruction	134,534	919	204,671	1,386	108,408	34,325	484,243
Support services:							
Salaries of Program Directors	-						-
Salaries of Other Professional Staff	-				120,097		120,097
Personal Services - Employee Benefits	30,798				38,179		68,977
Purchased Professional - Technical Services	-	25,500	40,000	5,000	27,294		97,794
Purchased Property Services	-	-	-	-	87,977		87,977
Other Purchased Professional Services	-	-	-	3,000	5,798		8,798
Supplies & Materials	826		2,730	60	47,531	27,484	78,631
Other Objects	-				1,650		1,650
Student Activities	22,089						22,089
Scholarships and Awards	1,100						1,100
Total support services	54,813	25,500	42,730	8,060	328,526	27,484	487,113
Facilities acquisition and const. serv.:							
Instructional Equipment	-				57,877		57,877
Non-Instructional Improvements	-					92,699	92,699
Total facilities acquisition and const. serv.	-	-	-	-	57,877	92,699	150,576
Total Expenditures	189,347	26,419	247,401	9,446	494,811	154,508	1,121,932
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	(8,321)	-	-	-	-	-	(8,321)
Fund Balance, July 1	-	-	-	-	-	-	-
Prior Period Adjustment	38,848	-	-	-	-	-	38,848
Fund Balance, July 1 (Restated)	38,848	-	-	-	-	-	38,848
Fund Balance, June 30	30,527	-	-	-	-	-	30,527

* - Represents scholarship fund net position as of June 30, 2020 per Exhibit H-2
 ** - Represents the student activity fund ending balance as of June 30, 2020 for payable to student groups

GUTTENBERG BOARD OF EDUCATION
 Special Revenue Fund
 Combining Schedule of Program Revenues and Expenditures – Budgetary Basis
 Fiscal Year Ended June 30, 2021

	Total Brought Forward (Ex. E-1c)	Preschool Education Aid	Anna L. Klein School Fund	Anna L. Klein Student Activity Fund	Graduating Class Fund	Total Carried Forward
Local Sources	3,560		1,031	10,091	186	14,868
State Sources	-	166,158				166,158
Federal Sources	-					-
Total Revenues	3,560	166,158	1,031	10,091	186	181,026
EXPENDITURES:						
Instruction:						
Salaries of Teachers	-	134,534				134,534
Other Salaries for Instruction	-					-
Purchased Professional - Educational Services	-					-
Other Purchased Services (400-500 series)	-					-
General Supplies	-					-
Total instruction	-	134,534	-	-	-	134,534
Support services:						
Salaries of Program Directors	-					-
Salaries of Other Professional Staff	-					-
Personal Services - Employee Benefits	-	30,798				30,798
Purchased Professional - Technical Services	-					-
Purchased Property Services	-					-
Other Purchased Professional Services	-	826				826
Supplies & Materials	-					-
Other Objects	-					-
Student Activities	1,810		800	5,771	13,708	22,089
Scholarships and Awards	1,100					1,100
Total support services	2,910	31,624	800	5,771	13,708	54,813
Facilities acquisition and const. serv.:						
Instructional Equipment	-					-
Non-Instructional Improvements	-					-
Total facilities acquisition and const. serv.	-	-	-	-	-	-
Total Expenditures	2,910	166,158	800	5,771	13,708	189,347
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	650	-	231	4,320	(13,522)	(8,321)
Fund Balance, July 1	-					-
Prior Period Adjustment	13,834		3,868	765	20,381	38,848
Fund Balance, July 1 (Restated)	13,834		3,868	765	20,381	38,848
Fund Balance, June 30	14,484		4,099	5,085	6,859	30,527

* - Represents scholarship fund net position as of June 30, 2020 per Exhibit H-2
 ** - Represents the student activity fund ending balance as of June 30, 2020 for payable to student groups

GUTTENBERG BOARD OF EDUCATION
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures – Budgetary Basis
Fiscal Year Ended June 30, 2021

	Student Council Account	Anna L. Klein Yearbook Account	Mauro Scholarship Account	Total Carried Forward
REVENUES				
Local Sources	941	2,437	182	3,560
State Sources	-	-	-	-
Federal Sources	-	-	-	-
Total Revenues	941	2,437	182	3,560
EXPENDITURES:				
Instruction:				
Salaries of Teachers				-
Other Salaries for Instruction				-
Purchased Professional - Educational Services				-
Other Purchased Services (400-500 series)				-
General Supplies				-
Total instruction	-	-	-	-
Support services:				
Salaries of Program Directors				-
Salaries of Other Professional Staff				-
Personal Services - Employee Benefits				-
Purchased Professional - Technical Services				-
Purchased Property Services				-
Other Purchased Professional Services				-
Supplies & Materials				-
Other Objects				-
Student Activities		1,810	1,100	1,810
Scholarships and Awards			1,100	1,100
Total support services	-	1,810	1,100	2,910
Facilities acquisition and const. serv.:				
Instructional Equipment				-
Non-Instructional Improvements				-
Total facilities acquisition and const. serv.	-	-	-	-
Total Expenditures	-	1,810	1,100	2,910
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	941	627	(918)	650
Fund Balance, July 1	-	-	-	-
Prior Period Adjustment	1,837	737	11,260	13,834
Fund Balance, July 1 (Restated)	1,837	737	11,260	13,834
Fund Balance, June 30	2,778	1,364	10,342	14,484

* - Represents scholarship fund net position as of June 30, 2020 per Exhibit H-2
 ** - Represents the student activity fund ending balance as of June 30, 2020 for payable to student groups

GUTTENBERG BOARD OF EDUCATION
Special Revenue Fund
Schedule of Preschool Education Aid
Budgetary Basis
Fiscal Year Ended June 30, 2021

	Budgeted	Actual	Variance
EXPENDITURES:			
Instruction:			
Salaries of Teachers	134,603	134,534	69
General Supplies	826	826	-
Total instruction	135,429	135,360	69
Support services:			
Personal Services - Employee Benefits	30,798	30,798	-
Total support services	30,798	30,798	-
Total expenditures	166,227	166,158	69

Calculation of Budget and Carryover

Total Revised 2020-21 Preschool Education Aid Allocation	166,158
Add: Actual ECPA/PEA Carryover (June 30, 2020)	4,483
Add: Budgeted transfer from General Fund 2020-21	-
Total Preschool Education Funds Available for 2020-21 Budget	170,641
Less: 2020-21 Budgeted Preschool Education Aid (Including prior year budgeted carryover)	(166,227)
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2020	4,414
Add: June 30, 2021 Unexpended Preschool Education Aid	69
2020-21 Actual Carryover - Preschool Education Aid Programs	4,483
2020-21 Preschool Education Aid Carryover Budgeted for Preschool Programs 2021-22	-

CAPITAL PROJECTS FUND

GUTTENBERG BOARD OF EDUCATION
Capital Projects Fund
Summary Schedule of Revenues, Expenditures, and Changes
in Fund Balance-Budgetary Basis
Fiscal Year Ended June 30, 2021

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

Analysis of Fund Balance

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

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

GUTTENBERG BOARD OF EDUCATION
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis
Additions and Alterations to the Anna L. Klein School
Fiscal Year Ended June 30, 2021

	<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

GUTTENBERG BOARD OF EDUCATION
Combining Statement of Net Position
Enterprise Funds
June 30, 2021

	<u>Enterprise Fund</u> Food Service Program	<u>Internal Service Fund</u> Building Maintenance	<u>Totals</u>
ASSETS			
Current assets:			
Cash and cash equivalents	142,208	151,394	293,602
Accounts receivable:			
State	945		945
Federal	61,993		61,993
Inventories	8,099		8,099
Total current assets	<u>213,245</u>	<u>151,394</u>	<u>364,639</u>
Noncurrent assets:			
Capital assets:			
Equipment	85,209		85,209
Less accumulated depreciation:			
Equipment	(50,462)		(50,462)
Total capital assets (net of accumulated depreciation)	<u>34,747</u>	-	<u>34,747</u>
Total assets	<u>247,992</u>	<u>151,394</u>	<u>399,386</u>
LIABILITIES			
Current liabilities:			
Accounts payable	19,221		19,221
Interfund - General Fund	37,349		37,349
Total current liabilities	<u>56,570</u>	-	<u>56,570</u>
NET POSITION			
Net Investment in Capital Assets	34,747	-	34,747
Restricted contributed capital	32,055		32,055
Unrestricted	124,620	151,394	276,014
Total net position	<u>191,422</u>	<u>151,394</u>	<u>342,816</u>

GUTTENBERG BOARD OF EDUCATION
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Enterprise Funds
Fiscal Year Ended June 30, 2021

	<u>Enterprise Funds</u> Food Service Program	<u>Internal Service Fund</u> Building Maintenance	<u>Totals</u>
Operating revenues:			
Charges for services:			
Daily sales - reimbursable programs			-
Daily sales - non-reimbursable programs	63		63
Total operating revenues	63	-	63
Operating expenses:			
Cost of sales - reimbursable programs	59,389		59,389
Cost of sales - non-reimbursable programs	-		-
Salaries	107,169		107,169
Supplies and materials	(84)		(84)
Employee benefits	20,085		20,085
Cleaning repair & maintenance	2,146		2,146
Purchased services	25,500		25,500
COVID 19 Emergency Costs	18,620		18,620
Miscellaneous	4,081		4,081
Depreciation	2,960		2,960
Total Operating Expenses	239,866	-	239,866
Operating income (loss)	(239,803)	-	(239,803)
Nonoperating revenues (expenses):			
State sources:			
State school lunch program	5,818		5,818
FY20 additional state aid	1,289		1,289
Federal sources:			
National school lunch program	120,219		120,219
National school breakfast program	75,470		75,470
Emergency operational cost program	39,650		39,650
P-EBT administrative costs	614		614
Food distribution program	13,401		13,401
Interest and investment revenue	8,007	1,738	9,745
Total nonoperating revenues (expenses)	264,468	1,738	266,206
Income (loss) before contributions & transfers	24,665	1,738	26,403
Change in net position	24,665	1,738	26,403
Total net position—beginning	166,757	149,656	316,413
Total net position—ending	191,422	151,394	342,816

GUTTENBERG BOARD OF EDUCATION
Combining Statement of Cash Flows
Enterprise Funds
Fiscal Year Ended June 30, 2021

	<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	63	-	63
Payments to employees	(26,608)	-	(26,608)
Payments to outside food service management company	(183,781)	-	(183,781)
Payments for supplies	(1,616)	-	(1,616)
Payments for miscellaneous expenditures	-	-	-
Net cash provided by (used for) operating activities	<u>(211,942)</u>	<u>-</u>	<u>(211,942)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
State Sources	6,254	-	6,254
Federal Sources	183,484	-	183,484
Net cash provided by (used for) non-capital financing activities	<u>189,738</u>	<u>-</u>	<u>189,738</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends	8,007	1,738	9,745
Net cash provided by (used for) investing activities	<u>8,007</u>	<u>1,738</u>	<u>9,745</u>
Net increase (decrease) in cash and cash equivalents	(14,197)	1,738	(12,459)
Balances—beginning of year	156,405	149,656	306,061
Balances—end of year	<u>142,208</u>	<u>151,394</u>	<u>293,602</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	(239,803)	-	(239,803)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation and net amortization	2,960	-	2,960
Food Distribution Program	13,401	-	13,401
(Increase) decrease in inventories	5,623	-	5,623
Increase (decrease) in accounts payable	5,877	-	5,877
Total adjustments	<u>27,861</u>	<u>-</u>	<u>27,861</u>
Net cash provided by (used for) operating activities	<u>(211,942)</u>	<u>-</u>	<u>(211,942)</u>

STATISTICAL SECTION

STATISTICAL SECTION (UNAUDITED)

Introduction to the Statistical Section

Financial Trends

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

Revenue Capacity

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities										
Net investment in capital assets	\$ 1,945,793	\$ 2,199,143	\$ 2,336,568	\$ 3,761,335	\$ 8,877,172	\$ 17,357,797	\$ 25,027,092	26,663,442	26,494,678	25,906,672
Restricted	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	5,403,612
Unrestricted	(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)	(3,642,039)
Total governmental activities net position	\$ 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	\$ 27,668,245
Business-type activities										
Net investment in capital assets	\$ 59,732	\$ 59,720	\$ 16,156	\$ 16,156	\$ 58,450	\$ 58,961	\$ 31,634	41,452	37,707	34,747
Restricted	32,055	32,055	32,055	32,055	32,055	32,055	32,055	32,055	32,055	32,055
Unrestricted	44,334	86,128	132,551	132,551	70,055	38,498	37,062	75,170	96,995	124,620
Total business-type activities net position	\$ 136,121	\$ 177,903	\$ 180,762	\$ 180,762	\$ 160,560	\$ 129,514	\$ 100,751	\$ 148,677	\$ 166,757	\$ 191,422
District-wide										
Net investment in capital assets	\$ 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	\$ 25,941,419
Restricted	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	5,435,667
Unrestricted	(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)	(3,517,419)
Total district net position	\$ 2,896,036	\$ 4,088,873	\$ 4,515,535	\$ 3,811,393	\$ 8,981,569	\$ 16,990,027	\$ 24,179,371	\$ 25,891,272	\$ 25,649,117	\$ 27,859,667

Source: CAFR Schedule A-1

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental activities										
Instruction										
Regular	\$ 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	5,390,160
Special education	454,719	695,252	674,274	730,823	761,361	806,906	1,176,342	1,503,573	1,321,154	781,428
Other special education	1,074,001	905,956	653,184	936,955	691,013	894,821	979,383	927,622	923,708	1,398,277
Other instruction	90,344	47,221	51,488	179,549	71,727	73,178	65,655	85,122	70,618	49,208
Support Services:										
Tuition	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	5,679,991
Health Services	1,519,420	1,879,036	2,457,964	2,255,474	2,496,387	176,215	183,929	193,902	186,620	166,954
Student & instruction related services	452,274	342,949	456,959	451,504	436,067	2,375,964	2,523,399	2,777,214	2,456,327	3,036,060
General administrative services	340,190	408,945	155,128	139,430	146,756	461,485	305,469	766,951	595,080	563,445
School administrative services	324,412	365,375	418,985	386,608	387,689	276,839	514,009	327,729	258,079	241,614
Central Services	110,509	133,214	123,858	129,376	134,825	397,748	366,742	404,622	355,337	341,072
Administrative Information Technology	747,347	816,015	876,366	823,904	889,641	141,314	139,557	146,199	168,501	173,848
Plant operations and maintenance	243,864	197,769	171,554	182,233	286,834	883,228	916,960	1,249,596	1,197,318	999,333
Pupil transportation	789,850	995,799	1,117,086	2,299,526	3,170,724	4,701,242	5,136,687	2,17,093	197,460	279,190
Unallocated Benefits	-	-	-	-	-	-	-	44,465	-	-
Special Schools	-	-	-	-	-	-	-	-	-	-
Charter Schools	-	-	-	-	-	-	-	-	-	-
Debt Service:										
Interest and other charges	51,871	40,444	26,944	13,444	-	-	-	-	-	-
Unallocated depreciation	160,970	158,990	224,737	229,134	208,550	179,259	431,989	757,450	819,324	848,397
Capital Outlay - nondepreciable	-	134,792	49,602	33,482	26,556	187,021	187,021	135,411	47,758	5,267
Total governmental activities expenses	<u>15,561,936</u>	<u>16,260,103</u>	<u>17,277,845</u>	<u>19,272,848</u>	<u>20,146,136</u>	<u>22,182,302</u>	<u>23,930,959</u>	<u>23,896,772</u>	<u>24,057,699</u>	<u>24,439,339</u>
Business-type activities:										
Food service	467,576	429,824	414,772	480,218	516,641	523,843	450,833	407,086	356,155	239,866
Child Care	-	-	-	-	-	-	-	-	-	-
Total business-type activities expense	<u>467,576</u>	<u>429,824</u>	<u>414,772</u>	<u>480,218</u>	<u>516,641</u>	<u>523,843</u>	<u>450,833</u>	<u>407,086</u>	<u>356,155</u>	<u>239,866</u>
Total district expenses	<u>\$ 16,029,512</u>	<u>\$ 16,689,927</u>	<u>\$ 17,692,617</u>	<u>\$ 19,753,066</u>	<u>\$ 20,662,777</u>	<u>\$ 22,706,145</u>	<u>\$ 24,381,792</u>	<u>\$ 24,303,858</u>	<u>\$ 24,413,854</u>	<u>\$ 24,679,205</u>

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Program Revenues										
Governmental activities:										
Changes for services:										
Student activity revenue	-	-	-	-	-	-	-	-	-	14,686
Operating grants and contributions	1,395,186	1,362,151	1,228,254	1,162,137	1,238,800	1,206,158	1,416,220	1,539,464	1,334,731	1,958,306
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total governmental activities program revenues	1,395,186	1,362,151	1,228,254	1,162,137	1,238,800	1,206,158	1,416,220	1,539,464	1,334,731	1,972,992
Business-type activities:										
Changes for services:										
Food service	54,767	48,867	49,084	54,623	45,836	44,706	56,994	56,878	42,023	63
Child care	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	363,463	422,739	373,423	432,761	448,381	445,632	386,316	390,558	319,746	256,461
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business-type activities program revenues	418,230	471,606	422,507	487,384	494,217	490,338	443,310	447,436	361,769	256,524
Total district program revenues	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	2,229,516
Net (Expense)/Revenue										
Governmental activities	\$ (14,166,750)	\$ (14,897,952)	\$ (16,049,591)	\$ (18,110,711)	\$ (18,907,336)	\$ (20,976,144)	\$ (22,514,739)	\$ (22,357,308)	\$ (22,722,968)	\$ (22,466,347)
Business-type activities	(49,346)	41,782	7,735	7,166	(22,424)	(33,505)	(7,523)	40,350	5,614	16,658
Total district-wide net expense	\$ (14,216,096)	\$ (14,856,170)	\$ (16,041,856)	\$ (18,103,545)	\$ (18,929,760)	\$ (21,009,649)	\$ (22,522,262)	\$ (22,316,958)	\$ (22,717,354)	\$ (22,449,689)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 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	\$ 11,321,822
Taxes levied for debt service	240,688	230,165	256,003	243,377	229,841	-	-	-	-	-
Local share, Capital Projects Fund	-	-	-	1,036,546	3,903,246	7,076,902	4,610,288	1,448,830	1,448,830	1,448,830
Unrestricted grants and contributions	5,224,401	5,628,388	5,908,220	7,233,297	7,950,297	9,337,671	10,649,013	10,989,449	11,189,886	13,002,180
Restricted grants and contributions	-	-	-	365,174	1,095,521	1,460,695	730,348	182,587	-	230,766
Investment earnings	-	-	-	-	-	-	-	-	-	-
Miscellaneous income	116,960	36,402	125,013	232,635	36,627	40,555	66,682	78,595	69,701	58,616
Other financing sources (uses)	(100,471)	(100,471)	(218,269)	-	-	-	-	-	(118,676)	-
Total governmental activities	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	24,613,384
Business-type activities:										
Other financing sources (uses)	-	-	18,612	1,505	2,222	2,459	4,112	7,576	12,466	8,007
Total business-type activities	-	-	18,612	1,505	2,222	2,459	4,112	7,576	12,466	8,007
Total district-wide	\$ 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	\$ 24,621,391
Change in Net Position										
Governmental activities	\$ 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)	\$ 2,147,037
Business-type activities	(49,346)	41,782	26,347	8,671	(20,202)	(31,046)	(3,411)	47,926	18,080	24,665
Total district	\$ 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)	\$ 2,171,702

Source: CAFR Schedule A-2

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Restricted	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	5,218,657
Committed	334,701	55,018	15,093							
Assigned	-	-	-	113,749	21,303	10,843	407,878	716,097	82,803	64,088
Unassigned	(71,539)	(133,496)	(172,025)	(164,723)	(116,945)	(78,566)	(144,101)	(293,597)	(320,756)	(52,862)
Total general fund	\$ 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	\$ 5,229,883
All Other Governmental Funds										
Reserved										
Unreserved, reported in:										
Special revenue fund	(834)									
Capital projects fund										
Debt service fund	1	1								
Permanent fund										
Total all other governmental funds	\$ (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**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Tax levy	\$ 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	11,321,822
Interest earnings										
Miscellaneous	116,960	35,734	125,013	232,635	36,627	40,555	66,682	78,595	69,701	58,616
Local Share				1,036,546	3,903,246	7,076,902	4,660,288	1,448,830		14,868
State sources	5,348,167	5,757,126	6,051,094	6,665,138	7,733,609	8,365,499	8,455,636	9,907,584	10,460,267	11,356,143
Federal sources	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	2,031,863
Total revenue	17,055,268	17,510,961	17,977,103	19,879,299	23,852,192	27,647,663	25,484,368	24,150,380	23,042,768	24,783,312
Expenditures										
Instruction										
Regular Instruction	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	5,403,194
Special education instruction	454,719	695,252	674,274	730,823	761,361	806,906	1,176,342	1,421,587	1,321,154	781,428
Other special instruction	1,074,001	905,956	653,184	936,955	691,013	894,821	979,383	824,723	923,708	1,398,277
Other instruction	90,344	47,221	51,488	179,549	71,727	73,178	65,655	79,069	70,618	49,208
Support Services:										
Tuition	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	5,679,991
Health Services						176,215	183,929	176,783	186,620	166,954
Student & instruction related services	1,519,420	1,879,036	2,457,964	2,255,474	2,496,387	2,375,964	2,512,758	2,631,763	2,444,897	3,036,060
General administrative services	340,190	342,949	456,959	451,504	436,067	461,485	514,009	736,643	595,080	563,445
School Administrative services	452,274	408,945	155,128	139,430	146,756	276,839	305,469	303,276	258,079	241,614
Business and other support services										
Central administrative services	324,412	365,375	418,985	386,608	387,689	397,748	366,742	370,150	353,337	341,072
Administrative Information Technology	110,509	133,214	123,858	129,376	134,825	141,314	139,557	134,640	168,501	173,848
Plant operations and maintenance	747,347	816,015	876,366	824,385	890,366	883,954	914,573	1,220,526	1,250,179	1,030,696
Pupil transportation	243,864	197,769	171,554	182,233	286,834	225,753	252,183	217,093	197,460	279,190
Unallocated employee benefits	118,261	98,802	110,521	108,164	132,909	150,984	146,311	143,341	120,823	125,955
Allocated Benefits										
On-behalf contributions	819,021	992,445	896,207	1,107,025	1,355,431	1,577,232	1,771,829	2,097,566	2,228,249	2,738,591
Special Schools										
Charter Schools										
Capital outlay	137,897	347,132	228,950	1,447,383	5,111,943	8,659,884	5,725,684	2,541,511	579,597	236,033
Debt service:										
Principal	200,000	200,000	240,000	240,000	239,000	-	-	-	-	-
Interest and other charges	57,319	46,069	33,694	20,194	6,722	-	-	-	-	-
Total expenditures	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	22,245,556
Excess (Deficiency) of revenues over (under) expenditures	1,163,525	876,347	588,213	238,748	245,114	(63,006)	(341,575)	(85,976)	(79,892)	2,537,756

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Other Financing sources (uses)										
To fund prior year uncollectible receivables-									(118,676)	
On-behalf TPAF Reimbursed Social Security									(118,676)	
Total other financing sources (uses)										
Net change in fund balances	\$ 1,163,525	\$ 876,347	\$ 588,213	\$ 238,748	\$ 245,114	\$ (63,006)	\$ (341,575)	\$ (85,976)	\$ (198,568)	\$ 2,537,756

Debt service as a percentage of noncapital expenditures

	1.6%	1.5%	1.6%	1.4%	1.3%	0.0%	0.0%	0.0%	0.0%	0.0%
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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	Close out of				P/Y Payables Cancelled/ Void Checks	Misc.	Total
		Tuition Refunds	Unemployment Trust Accounts	Refunds	Reimb - ursement			
2012	3,494			8,976		104,490	116,960	
2013	2,526			9,723		23,485	35,734	
2014		19,713	15,926	3,809	3,593	61,928	125,013	
2015	555	136,861		18,077	39,151	4,745	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		2,400	66,682	
2019	69,406			6,605		2,584	78,595	
2020	55,466			8,793	1,215	4,227	69,701	
2021	42,106			240		16,270	58,616	

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
2012	\$ 1,828,600	\$ 604,283,300		\$ 82,503,700	\$ 24,010,300	\$ 88,336,200	\$ 800,962,100	\$ 50,856,600	\$ 282,432	\$ 750,387,932	1.289	\$ 901,534,092	83.23%
2013	\$ 2,023,700	\$ 601,790,100		\$ 81,764,300	\$ 21,413,100	\$ 91,551,200	\$ 798,542,400	\$ 51,089,100	\$ 466,808	\$ 747,920,108	1.307	\$ 876,260,572	85.35%
2014	\$ 2,398,700	\$ 600,470,300		\$ 80,894,200	\$ 21,282,100	\$ 90,677,700	\$ 795,723,000	\$ 51,089,100	\$ 617,530	\$ 745,251,430	1.358	\$ 904,717,609	82.37%
2015	\$ 2,145,700	\$ 601,229,600		\$ 80,909,200	\$ 21,591,400	\$ 90,909,500	\$ 796,785,400	\$ 51,090,000	\$ 133,508	\$ 745,838,908	1.402	\$ 915,819,614	81.44%
2016	\$ 2,218,700	\$ 599,683,560		\$ 81,539,100	\$ 20,489,100	\$ 89,659,000	\$ 793,589,460	\$ 51,143,900	\$ 617,530	\$ 743,063,090	1.412	\$ 949,695,676	78.24%
2017	\$ 2,078,600	\$ 598,369,776		\$ 80,678,100	\$ 19,282,800	\$ 88,882,800	\$ 789,292,076	\$ 51,821,700	\$ 594,331	\$ 738,064,707	1.416	\$ 1,043,946,918	70.70%
2018	\$ 2,078,600	\$ 596,879,176		\$ 80,867,100	\$ 18,733,000	\$ 88,578,100	\$ 787,135,976	\$ 52,700,700	\$ 641,964	\$ 735,077,240	1.407	\$ 1,094,836,656	67.14%
2019	\$ 2,385,400	\$ 594,522,276		\$ 77,587,600	\$ 17,751,100	\$ 97,614,800	\$ 789,861,176	\$ 61,935,400	\$ 542,343	\$ 728,468,119	1.433	\$ 1,193,325,756	61.05%
2020	\$ 3,346,999	\$ 592,447,376		\$ 77,233,800	\$ 17,319,500	\$ 94,253,800	\$ 784,601,475	\$ 67,856,502	\$ 506,232	\$ 717,251,205	1.433	\$ 1,189,147,371	60.32%
2021	\$ 3,685,199	\$ 590,624,276		\$ 76,923,700	\$ 17,320,800	\$ 94,253,800	\$ 782,807,775	\$ 67,819,202	\$ 507,541	\$ 715,496,114	1.446	\$ 1,198,786,792	59.69%

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

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	
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
2021	1.446	0.000	1.446	1.847	0.589	0.000	3.882

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

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

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

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

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

Taxpayer	2021				2012			
	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	3.17%					
RM Holdings Guttenberg LLC	5,445,800	2	0.70%					
422-430 68th Street, LLC	4,840,000	3	0.62%					
6803 Boulevard East LLC	3,918,900	4	0.50%					
Polk Street Partners, LLC	2,700,000	5	0.34%					
AM 68th Street LLC	2,690,500	6	0.34%					
7014 Jackson Street	2,600,000	7	0.33%					
AL-2 Properties Corp.	2,138,600	8	0.27%					
Guttenberg Savings and Loan	2,077,600	9	0.27%					
63-67 69th St. Assoc. LLC	1,884,500	10	0.24%					
Summit House					\$25,400,000	1	3.24%	
Palisades Operations LLC					5,445,800	2	0.70%	
6803 Boulevard East LLC					4,068,900	3	0.52%	
422-430 68th Street, LLC					2,690,500	4	0.34%	
Guttenberg Savings and Loan					2,177,000	5	0.28%	
6909 Blvd E. Inc.					2,138,600	6	0.27%	
63-67 69th St. Assoc. LLC					1,884,500	7	0.24%	
Lagattuta Partners, L.P.					1,614,400	8	0.21%	
Hector, Miguel A.					1,560,000	9	0.20%	
7000 Corp. NJ Corporation					1,543,200	10	0.20%	
Total	\$ 53,095,900		6.78%		\$ 48,522,900		6.19%	

Net Assessed Valuation: 783,315,316

750,387,932

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	
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
2021	\$11,321,822	\$ 10,409,786	91.94%	\$ 912,036

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)	Capital Leases				
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%	\$ 0.79
2019	32,836	-	-	-	-	32,836	0.00%	\$ 0.47
2020	13,034	-	-	-	-	13,034	Not Available	Not Available
2021	-	-	-	-	-	-	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		
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%	\$ 0.79
2019	32,836	-	\$ 32,836	0.00%	\$ 0.47
2020	13,034	-	\$ 13,034	0.00%	Not Available
2021	0	-	\$ -	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, 2021**

<u>Governmental Unit</u>	Estimated Percentage Applicable ^a	Debt Outstanding	Estimated Share of Overlapping Debt
Direct Debt of School District as of June 30, 2021			\$ -
Net overlapping debt of School District:			
Guttenberg Town	100.000%	\$ 24,504,845	
County of Hudson	1.184%	\$ 5,663,857	
Subtotal, overlapping debt			\$ 30,168,702
Total direct and overlapping debt			\$ 30,168,702

Sources: Hudson County Treasurer's Office (2020 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 2021

Equalized valuation basis

2021	\$ 1,198,786,792
2020	1,189,147,371
2019	1,193,325,756

[A] \$ 3,581,259,919

Average equalized valuation of taxable property

[A/3] \$ 1,193,753,306

Debt limit (3 % of average equalization value)

[B] 35,812,599 ^a

Net bonded school debt

[C] -

Legal debt margin

[B-C] \$ 35,812,599

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt limit	\$ 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	\$ 35,812,599
Total net debt applicable to limit	919,000	719,000	479,000	239,000						
Legal debt margin	\$ 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	\$ 35,812,599
Total net debt applicable to the limit as a percentage of debt limit	3.22%	2.65%	1.79%	0.89%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

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

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

Year	Population ^a	Personal Income (thousands of dollars)	Per Capita		Unemployment Rate ^d
			Personal Income ^c		
2012	11,454	551,029,032	\$ 48,108.00		10.50%
2013	11,547	566,819,136	\$ 49,088.00		8.60%
2014	11,547	610,143,480	\$ 52,840.00		5.50%
2015	11,505	650,964,405	\$ 56,581.00		4.80%
2016	11,476	671,759,136	\$ 58,536.00		4.00%
2017	11,403	711,011,259	\$ 62,353.00		4.00%
2018	11,275	752,098,875	\$ 66,705.00		3.30%
2019	11,185	776,306,110	\$ 69,406.00		2.80%
2020	11,015	Not Available	Not Available		10.00%
2021	Not Available	Not Available	Not Available		Not Available

Source:

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

Exhibit J-15

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

Employer	2021		2012		Percentage of Total Employment	Rank (Optional)	Percentage of Total Employment
	Employees	Percentage of Total Employment	Employees	Percentage of Total Employment			
	-	0.00%	-	-			0.00%

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

Source: Town of Guttenberg

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

<u>Function/Program</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Instruction										
Regular	*	59.0	59.0	59.0	59.0	62.0	57.0	63.0	59.0	60.0
Special education	*	10.0	12.0	12.0	12.0	12.0	11.0	11.0	11.0	12.0
Other special education							5.0	5.0	5.0	5.0
Vocational										
Other instruction	*	10.0	10.0	10.0	10.0	14.0	6.0	7.0	9.0	10.0
Nonpublic school programs										
Adult/continuing education programs										
Support Services:										
Student & instruction related services				18.0		23.5	23.0	23.0	24.0	29.0
General administrative services	*	3.0	3.0	6.0	6.0	2.0	3.0	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	2.0
Business administrative services	*	3.0	3.0	0.0	0.0	4.5	3.0	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	3.0
Total	0.0	95.0	97.0	115.0	97.0	128.0	113.5	120.0	119.0	127.0

* Information Not Provided by District

Source: District Personnel Records

Guttenberg Board of Education
Operating Statistics
Last Ten Fiscal Years

Fiscal Year	Pupil/Teacher Ratio										Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change #VALUE!	Teaching Staff ^b	Elementary	Middle School	High School	Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c				
2012	1,031.0	15,496,527	15,031	#VALUE!	*	*	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	983	934	956.98	95.02%	94.99%	94.99%
2016	972.0	18,249,413	18,775	2.81%	91	1:12	N/A	N/A	1007	959.94	956.98	2.49%	94.87%	94.87%
2017	1,015.0	19,050,785	18,769	-0.03%	98	1:10	N/A	N/A	1011.9	959.94	959.94	0.49%	94.87%	94.87%
2018	1,000.0	20,100,259	20,100	7.09%	102	1:10	N/A	N/A	983.39	931.34	931.34	-2.82%	94.71%	94.71%
2019	991.0	21,694,845	21,892	8.91%	109	1:09	N/A	N/A	959.29	912.39	912.39	-2.45%	95.11%	95.11%
2020	982.0	22,543,063	22,956	4.86%	108	1:09	N/A	N/A	977.47	945.53	945.53	1.90%	96.73%	96.73%
2021	909.0	22,009,523	24,213	5.47%	116	1:08	N/A	N/A	911.56	876.47	876.47	-6.74%	96.15%	96.15%

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<u>District Buildings</u>										
<u>Elementary</u>										
Anna L. Klein School	90,487	90,487	90,487	90,487	90,487	90,487	138,002	138,002	138,002	138,002
Square Feet	872	872	872	872	872	872	1,326	1,326	1,326	1,326
Capacity (students)	1,031	1,010	1,024	982	982	982	1,000	991	982	909
Enrollment										

Number of Schools at June 30, 2021
 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)	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Anna L. Klein School	N/A	158,925	619,295	259,241	326,059	137,814	167,380	111,447	178,316	137,270	158,925
Total School Facilities		158,925	619,295	259,241	326,059	137,814	167,380	111,447	178,316	137,270	158,925
Grand Total		\$ 158,925	\$ 619,295	\$ 259,241	\$ 326,059	\$ 137,814	\$ 167,380	\$ 111,447	\$ 178,316	\$ 137,270	\$ 158,925

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, 2021**

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



WIELKOTZ & COMPANY LLC
CERTIFIED PUBLIC ACCOUNTANTS

STEVEN D. WIELKOTZ, CPA, RMA, PSA
MATTHEW B. WIELKOTZ, 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 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, 2021, 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 31, 2022.

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 31, 2022.

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 31, 2022



WIELKOTZ & COMPANY LLC
CERTIFIED PUBLIC ACCOUNTANTS

STEVEN D. WIELKOTZ, CPA, RMA, PSA
MATTHEW B. WIELKOTZ, CPA, PSA
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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, 2021. 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, 2021.

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 item 2021-001. 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 item 2021-001 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 31, 2022

TOWN OF GUTTENBERG
BOARD OF EDUCATION

Schedule of Expenditures of Federal Awards

Year ended June 30, 2021

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2020	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Deobligated/ Adjustments	(Accounts Receivable) at June 30, 2021	Deferred Revenue at June 30, 2021	Due to Grantor at June 30, 2021
U.S. Department of Agriculture Passed-through State Department of Education: Enterprise Fund: USDA Commodities Program	10.550	211NJ304N1096		7/1/20-6/30/21	\$ 13,401			13,401	13,401				
National School Lunch Program	10.555	201NJ304N1099		7/1/19-6/30/20	223,273	(5,848)		5,848					
National School Lunch Program	10.555	211NJ304N1099		7/1/20-6/30/21	120,219			106,870	120,219		(13,349)		
Emergency Operational Cost Program - School	10.555	211NJ304N1099		7/1/20-6/30/21	39,650				39,650		(39,650)		
National School Breakfast Program	10.553	201NJ304N1099		7/1/19-6/30/20	52,443	(3,676)		3,676	75,470		(8,380)		
National School Breakfast Program	10.553	211NJ304N1099		7/1/20-6/30/21	75,470			67,090					
P-EBT Administrative Cost	10.649				614	(9,524)		196,885	614		(614)		
Total Enterprise Fund									249,354		(61,993)		
U.S. Department of Health and Human Services General Fund: Medicaid Administrative Claiming (MAC)	93.778	2005NJ5MAP		7/1/20-6/30/21	4,745			4,745	4,745				
Medical Assistance Program (SEMI)	93.778	2005NJ5MAP		7/1/20-6/30/21	3,489			3,489	3,489				
FCRA/SEMI Revenue	93.775	2005NJ5MAP			897			897	897				
Total General Fund								9,131	9,131				
U.S. Department of Education Passed-through State Department of Education: Special Revenue Fund: Title I, Improving Basic Programs	84.010A	S010A190030	ESEA185020	7/1/19-9/30/20	809,839	(250,872)	250,872	705,058	783,958	5,934	(335,805)		99
Title I, Improving Basic Programs	84.010A	S010A200030	ESEA185021	7/1/20-9/30/21	811,982	58	(58)						
Reallocated Title I - Formula Grant	84.010A	S010A190030	ESEA185020	7/1/19-9/30/20	19,543								
Reallocated Title I - Formula Grant	84.010A	S010A200030	ESEA185021	7/1/20-9/30/21	26,419		58	15,919	26,419	58	(10,500)		
Title II, Part A - Teacher/Principal Training and Recruiting	84.367	S367A190029	ESEA185020	7/1/19-9/30/20	97,377	(71,860)	71,860						
Title II, Part A - Teacher/Principal Training and Recruiting	84.367	S367A200029	ESEA185021	7/1/20-9/30/21	100,270		(71,860)	123,623	84,276		(32,513)		
Title III - English Language Acquisition and Language Enhancement	84.365	S365A190030	ESEA185020	7/1/19-9/30/20	35,222	(2,831)	2,831						
Title III - English Language Acquisition and Language Enhancement	84.365	S365A200030	ESEA185021	7/1/20-9/30/21	38,157		(2,831)	20,482	17,700	(49)	(500)		
Title III - Immigrant	84.365	S365A190030	ESEA185020	7/1/19-9/30/20	8,399	(1,856)	1,856						
Title III - Immigrant	84.365	S365A200030	ESEA185021	7/1/20-9/30/21	10,887		(1,856)	2,443	1,087				
Title IV, Student Support/Academic Enrichment	84.424	S424A190031	ESEA185020	7/1/19-9/30/20	50,537	(6,547)	6,547						
Title IV, Student Support/Academic Enrichment	84.424	S424A200031	ESEA185021	7/1/20-9/30/21	52,074		(6,547)	33,467	53,643	(107)	(26,616)		
I.D.E.A. Part B, Basic Regular	84.027A	H027A190100	IDEA185020	7/1/19-9/30/20	228,257	(127,203)	127,203						
I.D.E.A. Part B, Basic Regular	84.027A	H027A200100	IDEA185021	7/1/20-9/30/21	234,930		(127,203)	351,338	247,401	(402)	(22,864)		
I.D.E.A. Part B, Preschool	84.173	H173A190114	IDEA185020	7/1/19-9/30/20	9,296	(1)	1						
I.D.E.A. Part B, Preschool	84.173	H173A200114	IDEA185021	7/1/20-9/30/21	9,281		(1)		9,446	(61)	(9,386)		
CARES Relief Act	84.425D	S425D200027		3/13/20-9/30/22	651,041	(74,008)		527,054	494,811		(41,765)		
CRRSA-ESSER II	84.425D	S425D210027		3/13/20-9/30/23	2,877,299	(535,120)		1,779,384	1,718,741	5,373	(479,949)		99
Total U.S. Department of Education													

TOWN OF GUTTENBERG
BOARD OF EDUCATION

Schedule of Expenditures of Federal Awards

Year ended June 30, 2021

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2020	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Deobligated/ Adjustments	(Accounts Receivable) at June 30, 2021	Deferred Revenue at June 30, 2021	Due to Grantor at June 30, 2021
U.S. Department of the Treasury Passed through State Department of Education Special Revenue Fund	21-019	SLT0007		3/1/20-12/31/21	160,023			160,023	154,508			5,515	
COVID Relief Fund - Reopening Schools								160,023	154,508			5,515	
Total U.S. Department of the Treasury								2,145,423	2,131,734	5,373	(541,942)	5,515	99
Total Federal Financial Assistance						(544,644)							

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

TOWN OF GUTTENBERG
BOARD OF EDUCATION

Schedule of Expenditures of State Awards

Year ended June 30, 2021

State Grantor/Program Title	Grant or State Project Numbers	Grant Period	Program or Award Amount	Balance June 30, 2020		Balance at June 30, 2021				MEMO	
				Deferred Revenue (Accounts Receivable)	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	(Accounts Receivable)	Deferred Revenue		Budgetary Receivable
State Department of Education:											
General Fund:											
Equalization Aid	21-495-034-5120-078	7/1/20-6/30/21	6,567,693	\$	5,936,742	6,567,693					
Special Education Categorical Aid	21-495-034-5120-089	7/1/20-6/30/21	1,189,648		1,075,360	1,189,648					
Transportation Aid	21-495-034-5120-014	7/1/20-6/30/21	60,778		54,939	60,778					
Security Aid	21-495-034-5120-084	7/1/20-6/30/21	603,184		545,237	603,184					
Securing our Children's Future Bond Act (Alyssa's Law)		7/1/20-6/30/22	48,637								
Extraordinary Aid	21-495-034-5120-044	7/1/20-6/30/21	64,368			64,368					
Extraordinary Aid	20-495-034-5120-044	7/1/19-6/30/20	62,798	(62,798)							
Reimbursed TPAF Social Security	21-495-034-5094-003	7/1/20-6/30/21	504,876		480,226	504,876					
Reimbursed TPAF Social Security	20-495-034-5094-003	7/1/19-6/30/20	504,695	(25,508)	25,508						
On Behalf TPAF Pension - Post Retirement	21-495-034-5094-001	7/1/20-6/30/21	532,595		532,595	532,595					
On Behalf TPAF NCGI Premiums	21-495-034-5094-004	7/1/20-6/30/21	31,731		31,731	31,731					
On Behalf LTDI	21-495-034-5094-002	7/1/20-6/30/21	1,626		1,626	1,626					
On Behalf TPAF Pension - Contribution	21-495-034-5094-002	7/1/20-6/30/21	1,667,763		1,667,763	1,667,763					
Total General Fund				(88,306)	10,414,525	11,224,262	(89,018)			(809,025)	11,791,755
Special Revenue Fund:											
Preschool Education Aid	20-495-034-5120-086	7/1/19-6/30/20	163,387	(11,856)							163,387
Preschool Education Aid	21-495-034-5120-086	7/1/20-6/30/21	166,158	(11,856)	165,881	166,158			4,483		166,158
Total Special Revenue Fund					165,881	166,158			4,483		329,545
Capital Projects Fund:											
Schools Development Authority Construction Grant: Additions/Alterations to the Anna L. Klein School	G5-3814	1850-050-09-0ZZW	3,651,737	(182,587)					(182,587)		3,651,737
Anna L. Klein School											

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TOWN OF GUTTENBERG
BOARD OF EDUCATION

Schedule of Expenditures of State Awards

Year ended June 30, 2021

State Grantor/Program Title	Grant or State Project Numbers	Grant Period	Program or Award Amount	Balance June 30, 2020		Balance at June 30, 2021				MEMO		
				Deferred Revenue (Accounts Receivable)	Carryover/(Walkover) Amount	Cash Received	Budgetary Expenditures	(Accounts Receivable)	Deferred Revenue		Budgetary Receivable	Cumulative Total Expenditures
State Department of Agriculture Enterprise Fund:												
State Share:												
National School Lunch Program	21-100-010-3350-023	7/1/20-6/30/21	5,818			4,873	5,818	(945)				5,818
National School Lunch Program	20-100-010-3350-023	7/1/19-6/30/20	3,931	(92)	92							3,931
National School Lunch Program	20-100-010-3350-023	7/1/19-6/30/20	1,289	(92)	1,289	1,289	1,289					1,289
					6,254	6,254	7,107	(945)				11,038
Total State Financial Assistance			\$ (282,841)			10,586,660	11,397,527	(272,550)	4,483			15,784,075

Less: On-Behalf TPAF Pension System Contributions

TPAF - Post Retirement Medical Contribution	21-495-034-5094-001	7/1/20-6/30/21					532,595					
TPAF - Long Term Disability Insurance	21-495-034-5094-002	7/1/20-6/30/21					1,626					
TPAF - Non-contributory Insurance	21-495-034-5094-004	7/1/20-6/30/21					31,731					
TPAF - Pension Contribution	21-495-034-5094-002	7/1/20-6/30/21					1,667,763					
							2,233,715					
Total for State Financial Assistance - Major Program Determination							<u>9,163,812</u>					

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 \$(34,277) 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	\$9,131	\$11,189,985	\$11,199,116
Special Revenue Fund	2,022,732	166,158	2,188,890
Food Service Fund	<u>249,354</u>	<u>7,107</u>	<u>256,461</u>
Total Awards and Financial Assistance	<u>\$2,281,217</u>	<u>\$11,363,250</u>	<u>\$13,644,467</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, 2021. 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, 2021.

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 \$2,233,715 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>	\$810,377
Title II, Part A: <i>Improving Teacher Quality State Grants</i>	84,276
Title III: <i>English Language Acquisition State Grants</i>	17,700
Title III: <i>Immigrant</i>	1,087
Title IV: <i>Student Support and Academic Enrichment Grants</i>	<u>53,643</u>
Total	<u>\$967,083</u>

**TOWN OF GUTTENBERG SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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>
_____ 84.010 _____ (A)	_____ S010A190030 _____	_____ Title I: Improvement Basic Programs _____
_____ 84.425 _____ (B)	_____ S425D200027 _____	_____ Coronavirus Aid Relief and Economic Security Act - Elementary and Secondary School Emergency Relief Funds _____

(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, 2021
(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, 2021
(continued)**

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

FEDERAL AWARDS

Finding 2021-001

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, 2021
(continued)**

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

Finding 2021-001 (continued)

Condition:

There were instances in which not all the District’s Title I funded personnel prepared detailed time and activity reports (Personal 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.

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.

**TOWN OF GUTTENBERG BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(continued)**

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

Finding 2021-001 (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.

STATE AWARDS

None

**GUTTENBERG BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Status of Prior Year Findings:

Finding 2020-01: See Finding 2021-001.

Status

Unresolved

Finding 2020-02:

Resolved