

**SCHOOL DISTRICT OF THE
TOWN OF GUTTENBERG
COUNTY OF HUDSON, NEW JERSEY
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2023**

**School District
of**

Town of Guttenberg

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

**Annual Comprehensive Financial Report
Year Ended June 30, 2023**

Annual Comprehensive Financial Report

of the

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

Year Ended June 30, 2023

Prepared by

**Jolene Mantineo
Board Secretary/Business Administrator**

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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

December 8, 2023

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, 2023, 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 2022-2023 fiscal year with an enrollment of 979 students, which are 67 greater 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>
2022-2023	979	6.9%
2021-2022	912	.33%
2020-2021	863	{12.1}
2019-2020	982	{9%}
2018-2019	991	.82
2017-2018	983	{.07%}

ECONOMIC CONDITION AND OUTLOOK: The Town of Guttenberg’s job growth has been negative. Jobs have decreased by 0.5% over the past year, compared to the rest of the country and Guttenberg’s cost of living is 39.5% higher than the U.S. average.

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, 2023.

CASH MANAGEMENT: The investment policy of the Board is guided in large part by the state statute 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 Wielkottz and Company 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.

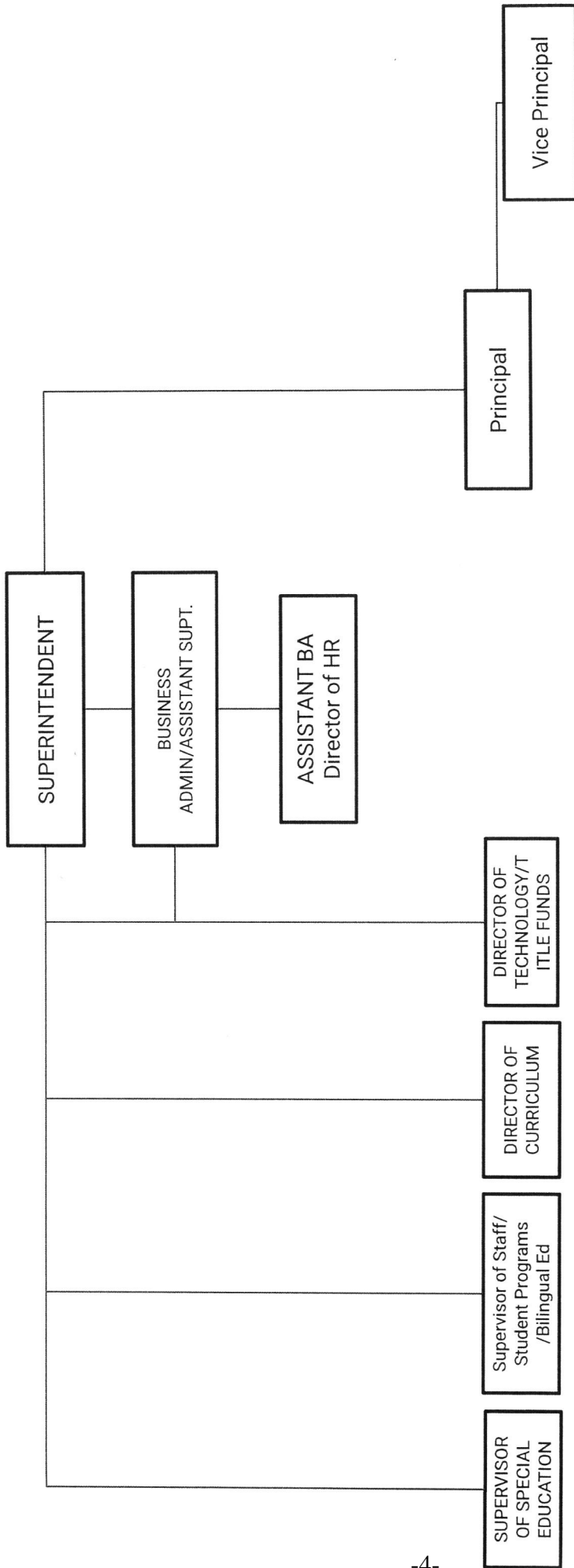
ACKNOWLEDGEMENTS:

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
Asst. Superintendent /Business Administrator/
Board Secretary



Administrative Organizational Structure 2021-2022

BOARD OF EDUCATION

ANNA L. KLEIN SCHOOL

301 - 69TH STREET
GUTTENBERG, NEW JERSEY 07093

Office of the Business Administrator
JOLENE MANTINEO

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

ROSTER OF OFFICIALS
March 15, 2023

<u>MEMBERS OF THE BOARD OF EDUCATION</u>	<u>TERMS EXPIRES</u>
Mark R. Rogers-Board President	12/2025
Rebecca Acosta-Vice President	12/2023
Rita Copeland	12/2024
Nicole Fundora	12/2025
Marisol Montanez	12/2025
Gonzalo E. Perez	12/2024
Blanca Garcia-Popiel	12/2023
Henry Rodriguez	12/2023
Jean Sosnowski	12/2024

OTHER OFFICIALS

Dr. Michelle Rosenberg

Superintendent

Jolene Mantineo

Assistant Superintendent/
Business Administrator/Board
Secretary

GUTTENBERG BOARD OF EDUCATION

CONSULTANTS & ADVISORS

JUNE 30, 2023

Attorney

JOHN SCETTINO
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
KARI FERGUSON, CPA, RMA, CMFO, PSA
ROBERT C. MCNINCH, CPA, CFE, PSA
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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 Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Board of Education of the Town of Guttenberg School District, in the County of Hudson, State of New Jersey, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities and each major fund of the Town of Guttenberg Board of Education, in the County of Hudson, State of New Jersey, as of June 30, 2023, 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.

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Guttenberg Board of Education and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



Responsibilities of Management 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, the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Guttenberg Board of Education's ability to continue as a going concern for the next twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey and Government Auditing Standards, will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

In performing an audit in accordance with generally accepted auditing standards, audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey and Government Auditing Standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.



- Obtain an understanding of internal control relevant to the audit 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 Town of Guttenberg Board of Education's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Guttenberg Board of Education's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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



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

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 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, 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 5.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2023 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. Wielkocz

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

Wielkocz + Company, LLC

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

December 8, 2023



**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, 2023**

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, 2023. 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

- The assets and deferred outflows of resources of the Guttenberg Board of Education exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$33,331,767 (Net Position).
- In total, net position increased by \$2,526,266. Net position of governmental activities increased \$2,534,868 while net position of business-type activities decreased by \$8,602.
- General revenues accounted for \$26,275,000 in revenue or 88 percent of all district revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$3,672,895 or 12 percent of total revenues of \$29,947,895.
- The School District had \$26,770,756 in expenses related to governmental activities; only \$3,050,308 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily grants, entitlements and property taxes) of \$26,255,316 were adequate to provide for these programs.
- As the close of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$10,906,555.
- The General Fund fund balance at June 30, 2023 was \$10,881,961 an increase of \$2,883,514 compared to the ending fund balance at June 30, 2022 of \$7,998,447.
- The General Fund assigned budgetary fund balance at June 30, 2023 was \$457,919 which represents a decrease of \$338,407 compared to the ending unassigned budgetary fund balance at June 30, 2022 of \$796,326. The decrease is primarily due to the state decreasing the maximum unassigned fund balance a school district may have from 4% of expenditures in 2022 back to a pre-pandemic maximum of 2% expenditures.

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

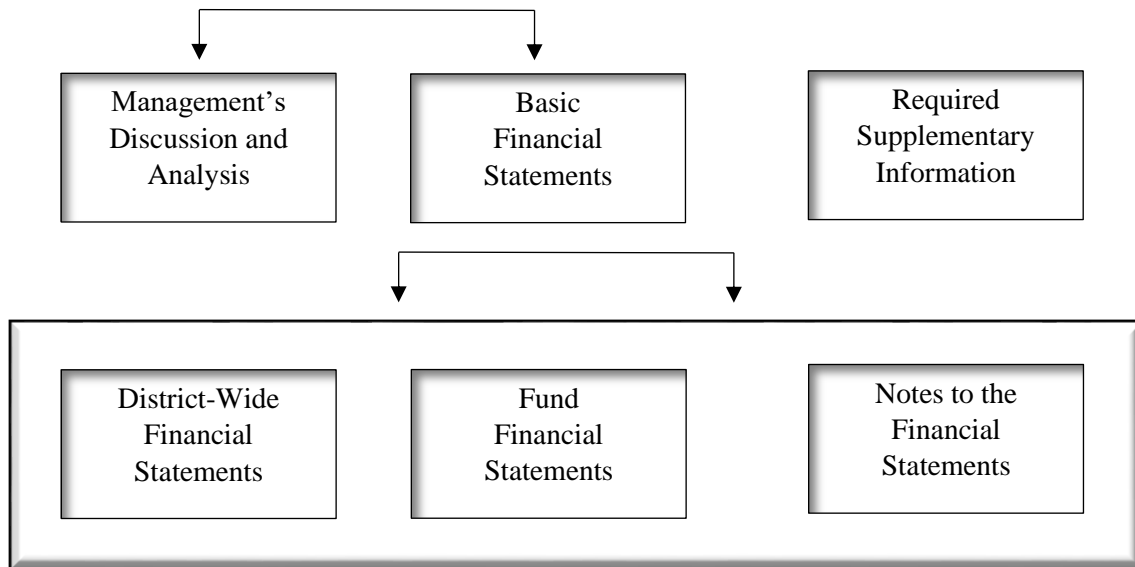
**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of the annual report consists of four parts – Independent Auditor’s Report, required supplementary information which includes the management’s discussion and analysis (this section), the basic financial statements, and supplemental information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are district-wide financial statements that provide both short-term and long-term information about the District’s overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District’s operations in more detail than the district-wide statements.
- The district governmental funds statements tell how basic services were financed in the short term as well as what remains for future spending.
- Proprietary funds statements offer short-term and long-term financial information about the activities the district operated like businesses.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The table below shows how the various parts of this annual report are arranged and related to one another.



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

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

OVERVIEW OF THE FINANCIAL STATEMENTS, (continued)

The major features of the District’s financial statements, including the portion of the District’s activities they cover and the types of information they contain are detailed below. The remainder of this overview section of management’s discussion and analysis highlights the structure and contents of each of the statements.

Major Features of the District-Wide and Fund Financial Statements

	District-Wide Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as regular and special education and building maintenance	Activities the district operates similar to private businesses: Enterprise fund	Instances in which the district administers resources on behalf of someone else, such as custodial accounts
Required Financial Statements	Statements of Net Position Statement of Activities	Balance Sheet Statement of Revenues, Expenditures and Changes in Fund Balances	Statement of Net Position Statement of Revenues, Expenses, and Changes in Fund Net Position Statement of Cash Flows	Statements of Fiduciary Net Position Statement of Changes In Fiduciary Net Position
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of Asset/ Deferred Outflows/ Inflows of Resources/ Liability Information	All assets, deferred outflows/inflows of resources and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be utilized and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term funds do not currently contain capital assets
Type of Inflow/ Outflow Information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and dedications during the year, regardless of when cash is received or paid

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

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(CONTINUED)**

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*).

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.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(CONTINUED)**

USING THIS ANNUAL REPORT, (continued)

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).

The Town of Guttenberg Board of Education maintains two 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 and special revenue 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.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(CONTINUED)**

USING THIS ANNUAL REPORT, (continued)

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, 2023
(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 \$33,331,767 at June 30, 2023 and \$30,805,501 at June 30, 2022. 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 2023 compared to 2022 (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>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Assets						
Current and Other Assets	\$12,475,224	\$10,537,178	\$327,058	\$322,994	12,802,282	\$ 6,919,088
Capital Asset	<u>25,099,924</u>	<u>25,451,006</u>	<u>29,340</u>	<u>32,300</u>	<u>25,129,264</u>	<u>25,483,306</u>
Total Assets	<u>37,575,148</u>	<u>35,988,184</u>	<u>356,398</u>	<u>355,294</u>	<u>37,931,546</u>	<u>32,402,394</u>
Deferred Outflows:						
Resources Related to PERS	<u>438,667</u>	<u>276,467</u>	_____	_____	<u>438,667</u>	<u>276,467</u>
Total Deferred Outflows	<u>438,667</u>	<u>276,467</u>	_____	_____	<u>438,667</u>	<u>276,467</u>
Liabilities						
Current Liabilities	1,567,283	2,318,298	34,426	24,720	1,601,709	2,343,018
Noncurrent Liabilities	<u>2,938,279</u>	<u>2,211,379</u>	_____	_____	<u>2,938,279</u>	<u>2,211,379</u>
Total Liabilities	<u>4,505,562</u>	<u>4,529,677</u>	<u>34,426</u>	<u>24,720</u>	<u>4,539,988</u>	<u>4,554,397</u>
Deferred Inflows:						
Resources Related to PERS	<u>498,458</u>	<u>1,260,047</u>	_____	_____	<u>498,458</u>	<u>1,260,047</u>
Total Deferred Inflows	<u>498,458</u>	<u>1,260,047</u>	_____	_____	<u>498,458</u>	<u>1,260,047</u>
Net Position						
Net invested in Capital Assets	25,099,924	25,647,262	29,340	32,300	25,129,264	25,679,562
Restricted	11,725,135	8,303,871	32,055	32,055	11,757,190	8,335,926
Unrestricted	<u>(3,815,264)</u>	<u>(3,476,206)</u>	<u>260,577</u>	<u>266,219</u>	<u>(3,554,687)</u>	<u>(3,209,987)</u>
Total Net Position	<u>33,009,795</u>	<u>(3,476,206)</u>	<u>321,972</u>	<u>330,574</u>	<u>33,331,767</u>	<u>30,805,501</u>

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

Table 2 below shows the changes in net position for fiscal year 2023.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Revenues						
Program Revenues:						
Charges for Services and						
Sales	\$ 36,648	\$ 31,031	\$ 36,295	\$ 305	\$ 72,943	\$ 31,336
Operating Grants and						
Contributions	3,013,660	3,558,150	622,587	514,288	3,636,247	4,072,438
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	14,291,352	12,919,454			14,291,352	12,919,454
Federal and State Aid -						
Restricted for Capital Outlay	327,808	9,135			327,808	9,135
Miscellaneous Income	314,334	172,248	19,684	3,763	334,018	176,011
Other Financing Sources/ (Uses)	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> 0</u>	<u> 0</u>
Total Revenues and Transfers	<u>\$29,305,624</u>	<u>\$28,011,840</u>	<u>\$678,566</u>	<u>\$518,356</u>	<u>\$29,984,190</u>	<u>\$28,530,196</u>

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Functions/Program Expenses						
Instruction:						
Regular	\$ 5,689,000	\$ 5,331,404	\$	\$	\$5,689,000	\$5,331,404
Special Education	1,325,434	628,445			1,325,434	628,445
Other Special Education	1,232,848	1,455,201			1,232,848	1,455,201
Other Instruction	89,441	79,533			89,441	79,533
Support Services:						
Tuition	5,129,522	5,514,815			5,129,522	5,514,815
Health Services	139,013	66,261			139,013	66,261
Student & Instruction						
Related Services	3,765,774	3,790,752			3,765,774	3,790,752
School Administrative						
Services	286,212	174,568			286,212	174,568
General Administrative						
Services	516,379	497,731			516,379	497,731
Central Services	311,112	368,222			311,112	368,222
Administrative Information						
Technology	148,734	53,591			148,734	53,591
Plant Operations and						
Maintenance	2,111,944	1,397,768			2,111,944	1,397,768
Pupil Transportation	546,593	275,513			546,593	275,513
Unallocated Benefits	4,275,026	4,564,455			4,275,026	4,564,455
Charter Schools	81,145	77,101			81,145	77,101
Non-depreciable Capital						
Outlay	181,855	21,454			181,855	21,454
Interest on long-term debt	6,255	7,594			6,255	7,594
Food Service			687,168	379,204	687,168	379,204
Unallocated depreciation	<u>934,469</u>	<u>900,750</u>	<u> </u>	<u> </u>	<u>934,469</u>	<u>900,750</u>
Total Expenses and Transfers	<u>26,770,756</u>	<u>25,205,158</u>	<u>687,168</u>	<u>379,204</u>	<u>27,457,924</u>	<u>25,584,362</u>
Increase or (Decrease) in						
Net Position	<u>\$ 2,534,868</u>	<u>\$2,806,682</u>	<u>\$(8,602)</u>	<u>\$139,152</u>	<u>\$2,526,266</u>	<u>\$2,945,834</u>

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

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(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 \$29,984,190, 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 \$72,943 by other governments and organizations who subsidized certain programs with grants and contributions \$18,255,407, and by miscellaneous sources \$334,018.

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 expenses exceeded revenues by \$8,602.
- ✓ Charges for services provided totaled \$36,295. 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 \$622,587.

The following schedules present a summary of governmental fund revenues for the fiscal year ended June 30, 2023, 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 2022</u>	<u>Percent of Increase/ (Decrease)</u>	<u>Prior Year</u>
Local Source	\$11,673,055	38.7%	\$281,016	2.47%	\$11,392,039
State Source	15,292,771	50.6%	1,931,174	14.45%	13,361,597
Federal Source	<u>3,229,615</u>	<u>10.7%</u>	<u>(305,180)</u>	<u>(8.63)%</u>	<u>3,534,795</u>
	<u>\$30,195,441</u>	<u>100.0%</u>	<u>\$1,907,010</u>	<u>6.74%</u>	<u>\$28,288,431</u>

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2022</u>	<u>Percent of Increase/ (Decrease)</u>	<u>Prior Year</u>
Current Expenditures:					
Instruction	\$9,283,635	34.0%	\$620,037	7.16%	\$8,663,598
Undistributed	17,381,878	63.6%	443,408	2.62%	16,938,470
Capital Outlay	<u>651,227</u>	<u>2.4%</u>	<u>629,773</u>	<u>2935.46%</u>	<u>21,454</u>
	<u>\$27,316,740</u>	<u>100.0%</u>	<u>\$1,693,218</u>	<u>6.61%</u>	<u>\$25,623,522</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, 2023
(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, 2023, 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 Budget was decreased by \$1,470,155 for decreases in federal and state grant awards.

General Fund

The general fund actual revenue was \$27,012,483. That amount is \$3,928,288 above the final amended budget of \$23,084,195. The variance between the actual revenues and final budget was the result of non-budgeted on-behalf payments of \$3,575,902 for TPAF social security reimbursements and on-behalf pension payments and a \$352,306 excess in miscellaneous anticipated revenues and other state aids.

The actual expenditures of the general fund were \$23,933,811 including transfers which is \$2,648,674 less than the final amended budget of \$26,704,229. The variance between the actual expenditures and final budget was due to non-budgeted on-behalf TPAF social security and pension payments of \$3,575,902 and \$6,224,656 of unexpended budgeted funds.

Special Revenue Fund

The special revenue fund actual revenue was \$3,378,116. That amount is above the original budget estimate of \$9,970,676 and below the final amended budget of \$8,500,521. The \$(1,470,155) variance between the original and final budget was due to the decrease in federal and state grant monies awarded to the District after the original budget was approved. The \$5,122,405 variance between the final amended budget and the June 30, 2023 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 \$3,382,929, which is below the original budget of \$9,970,676 and below the final amended budget of \$8,500,521. The \$(1,470,155) variance between the original and final budget was due to the decrease in appropriations related to the decrease in grants awarded to the District after the original budget was approved. The \$5,117,592 variance between the final amended budget and the June 30, 2023 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, 2023
(CONTINUED)**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2023 the School District had \$33,393,057 invested in land, site improvements, buildings and building improvements, machinery and equipment and right to use leased assets. Of this amount, \$8,273,750 in depreciation/amortization has been taken over the years. We currently have a net book value of \$25,129,264. Total depreciable additions for the year were \$469,372 which consisted mainly of building and building improvements, and machinery and equipment purchases. Table 3 shows fiscal year 2023 balances compared to 2022.

Additional information about the District’s capital assets can be found in the notes to the basic financial statements.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Land	\$ 9,957	\$ 9,957	\$	\$	\$9,957	\$9,957
Site Improvements	2,449	2,630			2,449	2,630
Buildings and Improvements	24,360,997	24,731,041			24,360,997	24,731,041
Machinery and Equipment	612,506	707,378				
Right to use Leased Assets	114,015		29,340	32,300	143,355	32,300
	<u>\$25,099,924</u>	<u>\$25,451,006</u>	<u>\$29,340</u>	<u>\$32,300</u>	<u>\$25,129,264</u>	<u>\$25,483,306</u>

Debt Administration

At June 30, 2023, the District had \$2,938,279 of long term debt. Of this amount, \$941,583 is for compensated absences; \$1,172 is the deferral of the annual PERS contribution; \$1,877,291 is for the net pension PERS liability and \$118,233 represents the lease liability for the rental of the Board of Education office and copiers.

At June 30, 2023, the school district’s overall legal debt margin was \$35,707,542. For more detailed information, please refer to the Notes to the Basic Financial Statements.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS

The district continues to rely predominately upon local property taxes as its main source of funding. Therefore, in consideration of current economic conditions and the anticipation of continued flat state aid support, the Board of Education has sought to control budget expenses to minimize the impact on the local tax levy.

- 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, 2023
(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.

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, 2023

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	6,754,865	318,288	7,073,153
Receivables, net	2,296,614	35,734	2,332,348
Internal balances	37,349	(37,349)	-
Inventory		10,385	10,385
Restricted assets:			
Cash and cash equivalents	3,386,396		3,386,396
Capital assets:			
Land and construction in progress	9,957		9,957
Other Capital assets, net	24,975,952	29,340	25,005,292
Right to use leased assets, net of amortization	114,015		114,015
Total Assets	<u>37,575,148</u>	<u>356,398</u>	<u>37,931,546</u>
Deferred Outflow of Resources:			
Deferred outflows of resources related to PERS	438,667	-	438,667
Total Deferred Outflows	<u>438,667</u>	<u>-</u>	<u>438,667</u>
LIABILITIES			
Accounts payable and accrued liabilities	1,332,620	33,842	1,366,462
Payable to federal government	90,099		90,099
Unearned Revenue	30,646	584	31,230
Payroll Deductions & Withholdings	113,918		113,918
Noncurrent liabilities:			
Due within one year	85,029		85,029
Due beyond one year	2,853,250		2,853,250
Total liabilities	<u>4,505,562</u>	<u>34,426</u>	<u>4,539,988</u>
Deferred Inflow of Resources:			
Deferred inflows of resources related to PERS	498,458		498,458
Total Deferred Inflows	<u>498,458</u>	<u>-</u>	<u>498,458</u>
NET POSITION			
Net Investment in Capital Assets	25,099,924	29,340	25,129,264
Restricted for:			
Capital projects	3,236,001		3,236,001
Other purposes	8,489,134	32,055	8,521,189
Unrestricted (Deficit)	<u>(3,815,264)</u>	<u>260,577</u>	<u>(3,554,687)</u>
Total net position	<u>33,009,795</u>	<u>321,972</u>	<u>33,331,767</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, 2023

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			
	Expenses	Indirect Expenses Allocation	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:								
Instruction:								
Regular	6,378,870	(689,870)		1,184,429		(4,504,571)		(4,504,571)
Special education	1,465,897	(140,463)				(1,325,434)		(1,325,434)
Other special instruction	1,400,104	(167,256)				(1,232,848)		(1,232,848)
Other instruction	99,652	(10,211)				(89,441)		(89,441)
Support services:								
Tuition	5,129,522					(5,129,522)		(5,129,522)
Health Services	163,075	(24,062)				(139,013)		(139,013)
Student & instruction related services	4,059,416	(293,642)	36,648 *	1,829,231 *		(1,899,895)		(1,899,895)
School administrative services	333,061	(46,849)				(286,212)		(286,212)
General administrative services	561,131	(44,752)				(516,379)		(516,379)
Central Services	364,684	(53,572)				(311,112)		(311,112)
Information Technology	168,893	(20,159)				(148,734)		(148,734)
Plant operations and maintenance	2,166,502	(54,558)				(2,111,944)		(2,111,944)
Pupil transportation	546,593					(546,593)		(546,593)
Unallocated benefits	4,275,026					(4,275,026)		(4,275,026)
Transfer to Charter Schools	81,145					(81,145)		(81,145)
Capital outlay - non-depreciable	181,855					(181,855)		(181,855)
Interest on long term debt	6,255					(6,255)		(6,255)
Unallocated depreciation		934,469				(934,469)		(934,469)
Total governmental activities	27,381,681	(610,925)	36,648	3,013,660	-	(23,720,448)	-	(23,720,448)
Business-type activities:								
Food Service	687,168		36,295	622,587			(28,286)	(28,286)
Total business-type activities	687,168		36,295	622,587			(28,286)	(28,286)
Total primary government	28,068,849		72,943	3,636,247		(23,720,448)		(23,748,734)
General revenues:								
Taxes:								
Property taxes, levied for general purposes						11,321,822		11,321,822
Federal and State aid not restricted						14,291,352		14,291,352
Federal and State aid restricted for Capital Outlay						327,808		327,808
Miscellaneous Income						314,334	19,684	334,018
Total general revenues, special items, extraordinary items and transfers						26,255,316	19,684	26,275,000
Change in Net Position						2,534,868	(8,602)	2,526,266
Net Position—beginning						30,474,927	330,574	30,805,501
Net Position—ending						33,009,795	321,972	33,331,767

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, 2023

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and cash equivalents	6,598,472		6,598,472
Accounts Receivable -			
Intergovernmental - State	108,072		108,072
Intergovernmental - Federal		1,245,057	1,245,057
Intergovernmental - Other	943,485		943,485
Interfund receivables	248,004		248,004
Restricted cash and cash equivalents			
Capital reserve account	3,236,001		3,236,001
Net Payroll	4,227 *		4,227
Payroll Deductions and Withholdings	121,574 *		121,574
Scholarship accounts		8,418 *	8,418
Student activities		16,176 *	16,176
	<u>11,259,835</u>	<u>1,269,651</u>	<u>12,529,486</u>
Total assets			
LIABILITIES AND FUND BALANCES			
Liabilities:			
Unearned Revenue		30,646	30,646
Intergovernmental payable:			
Federal	90,000	99	90,099
Accounts payable			
Payroll deductions and withholdings	113,918 **		113,918
Other	173,956	1,003,657	1,177,613
Interfund payables		210,655	210,655
	<u>377,874</u>	<u>1,245,057</u>	<u>1,622,931</u>
Fund Balances:			
Restricted for:			
Excess Surplus - current year	3,247,899		3,247,899
Excess Surplus - prior year - designated for subsequent year's expenditures	4,531,628		4,531,628
Capital reserve	3,236,001		3,236,001
Student Groups		16,176 *	16,176
Scholarships		8,418 *	8,418
Assigned to:			
Year End Encumbrances	288,626		288,626
Designated by the Board of Education for Subsequent year's expenditures	264,588		264,588
Unassigned:			
General fund	(686,781)		(686,781)
	<u>10,881,961</u>	<u>24,594</u>	<u>10,906,555</u>
Total Fund balances			
Total liabilities and fund balances	<u>11,259,835</u>	<u>1,269,651</u>	

GUTTENBERG BOARD OF EDUCATION
Balance Sheet
Governmental Funds
June 30, 2023

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 \$33,057,664 and the accumulated depreciation is \$8,071,755.	24,985,909
Right to use leased assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
Right to use assets at historical cost	260,141
Accumulated amortization	(146,126)
Accrued liability for interest on long-term debt is not due and payable in the current period and is not reported as a liability in the funds	(340)
Accounts payable for subsequent Pension payment is not a payable in the funds	(154,667)
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	438,667
Deferred inflows of resources related to PERS Pension Liability	(498,458)
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds	(2,938,279)
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	156,393
Net position of governmental activities	<hr style="border: 0.5px solid black;"/> <u>33,009,795</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, 2023

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
REVENUES			
Local sources:			
Local tax levy	11,321,822		11,321,822
Miscellaneous	314,334		314,334
Scholarship Donations		251 **	251
Student Group Receipts		36,648 **	36,648
Total - Local Sources	<u>11,636,156</u>	<u>36,899</u>	<u>11,673,055</u>
State sources	15,166,153	126,618	15,292,771
Federal sources	<u>15,016</u>	<u>3,214,599</u>	<u>3,229,615</u>
Total revenues	<u>26,817,325</u>	<u>3,378,116</u>	<u>30,195,441</u>
EXPENDITURES			
Current:			
Regular instruction	5,133,553	1,184,429	6,317,982
Special education instruction	1,465,897		1,465,897
Other special instruction	1,400,104		1,400,104
School sponsored/other instructional	99,652		99,652
Support services and undistributed costs:			
Tuition	5,129,522		5,129,522
Health services	163,075		163,075
Student & instruction related services	2,188,724	1,870,692 ***	4,059,416
School administrative services	333,061		333,061
General administrative services	561,131		561,131
Central services	364,684		364,684
Information technology	168,893		168,893
Plant operations and maintenance	2,149,334		2,149,334
Pupil transportation	546,593		546,593
Unallocated benefits	160,796		160,796
On-behalf contributions	3,575,982		3,575,982
Debt Service:			
Principal	81,761		81,761
Interest and other charges	6,485		6,485
Transfer to Charter Schools	81,145		81,145
Capital outlay	<u>323,419</u>	<u>327,808</u>	<u>651,227</u>
Total expenditures	<u>23,933,811</u>	<u>3,382,929</u>	<u>27,316,740</u>
Excess (Deficiency) of revenues over expenditures	<u>2,883,514</u>	<u>(4,813)</u>	<u>2,878,701</u>

GUTTENBERG BOARD OF EDUCATION
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Fiscal Year Ended June 30, 2023

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
Net change in fund balances	2,883,514	(4,813)	2,878,701
Fund Balance - July 1	<u>7,998,447</u>	<u>29,407</u>	<u>8,027,854</u>
Fund balance - June 30	<u>10,881,961</u>	<u>24,594</u>	<u>10,906,555</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

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, 2023

Total net change in fund balances - governmental funds (from B-2)	2,878,701															
<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;">(934,469)</td> </tr> <tr> <td style="text-align: right;">Non-Depreciable Capital Outlays - Construction in Progress</td> <td></td> <td style="text-align: right;">-</td> </tr> <tr> <td style="text-align: right;">Depreciable Capital Outlays - Fund 12</td> <td></td> <td style="text-align: right;">165,924</td> </tr> <tr> <td style="text-align: right;">Depreciable Capital Outlays - Fund 20</td> <td></td> <td style="text-align: right;">303,448</td> </tr> <tr> <td></td> <td></td> <td style="text-align: right; border-top: 1px solid black;">(465,097)</td> </tr> </table>		Depreciation expense	(934,469)	Non-Depreciable Capital Outlays - Construction in Progress		-	Depreciable Capital Outlays - Fund 12		165,924	Depreciable Capital Outlays - Fund 20		303,448			(465,097)	(465,097)
	Depreciation expense	(934,469)														
Non-Depreciable Capital Outlays - Construction in Progress		-														
Depreciable Capital Outlays - Fund 12		165,924														
Depreciable Capital Outlays - Fund 20		303,448														
		(465,097)														
<p>Right to use leased assets used in governmental activities are not financial resources and therefore are not reported in the funds.</p>																
<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;"></td> <td style="width: 20%;"></td> <td style="width: 20%;"></td> </tr> <tr> <td style="text-align: right;">Right to use assets at historical cost</td> <td></td> <td></td> </tr> <tr> <td style="text-align: right;">Amortization</td> <td></td> <td style="text-align: right;">(82,241)</td> </tr> <tr> <td></td> <td></td> <td style="text-align: right; border-top: 1px solid black;">(82,241)</td> </tr> </table>				Right to use assets at historical cost			Amortization		(82,241)			(82,241)	(82,241)			
Right to use assets at historical cost																
Amortization		(82,241)														
		(82,241)														
<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%;"></td> <td style="width: 20%;"></td> </tr> <tr> <td style="text-align: right;">Lease Liability</td> <td></td> <td style="text-align: right;">81,761</td> </tr> <tr> <td style="text-align: right;">Payment of Deferred PERS Pension Contribution</td> <td></td> <td style="text-align: right;">2,997</td> </tr> <tr> <td></td> <td></td> <td style="text-align: right; border-top: 1px solid black;">84,758</td> </tr> </table>				Lease Liability		81,761	Payment of Deferred PERS Pension Contribution		2,997			84,758	84,758			
Lease Liability		81,761														
Payment of Deferred PERS Pension Contribution		2,997														
		84,758														
<p>In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an adjustment in the reconciliation.</p>																
<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;"></td> <td style="width: 20%;"></td> <td style="width: 20%;"></td> </tr> <tr> <td style="text-align: right;">Lease Liability - Prior year</td> <td></td> <td style="text-align: right;">570</td> </tr> <tr> <td style="text-align: right;">Lease Liability - Current year</td> <td></td> <td style="text-align: right;">(340)</td> </tr> </table>				Lease Liability - Prior year		570	Lease Liability - Current year		(340)	(340)						
Lease Liability - Prior year		570														
Lease Liability - Current year		(340)														
<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%;"></td> <td style="width: 20%;"></td> </tr> <tr> <td style="text-align: right;">Increase in compensated absences payable</td> <td></td> <td style="text-align: right;">(316,122)</td> </tr> </table>				Increase in compensated absences payable		(316,122)	(316,122)									
Increase in compensated absences payable		(316,122)														
<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%;"></td> <td style="width: 20%;"></td> </tr> <tr> <td style="text-align: right;">District Pension Contributions</td> <td></td> <td style="text-align: right;">156,868</td> </tr> <tr> <td style="text-align: right;">Less: Pension Expense</td> <td></td> <td style="text-align: right;">(273,586)</td> </tr> <tr> <td style="text-align: right;">(Increase)/Decrease in Pension Expense</td> <td></td> <td style="text-align: right; border-top: 1px solid black;">430,454</td> </tr> </table>				District Pension Contributions		156,868	Less: Pension Expense		(273,586)	(Increase)/Decrease in Pension Expense		430,454	430,454			
District Pension Contributions		156,868														
Less: Pension Expense		(273,586)														
(Increase)/Decrease in Pension Expense		430,454														
<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%;"></td> <td style="width: 20%;"></td> </tr> <tr> <td style="text-align: right;">Increase in On-behalf State Aid TPAF Pension</td> <td></td> <td style="text-align: right;">(1,545,394)</td> </tr> <tr> <td style="text-align: right;">Increase in On-behalf TPAF Pension Expense</td> <td></td> <td style="text-align: right;">1,545,394</td> </tr> <tr> <td></td> <td></td> <td style="text-align: right; border-top: 1px solid black;">(1,545,394)</td> </tr> </table>				Increase in On-behalf State Aid TPAF Pension		(1,545,394)	Increase in On-behalf TPAF Pension Expense		1,545,394			(1,545,394)	(1,545,394)			
Increase in On-behalf State Aid TPAF Pension		(1,545,394)														
Increase in On-behalf TPAF Pension Expense		1,545,394														
		(1,545,394)														

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, 2023

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of the internal service fund is reported with governmental activities.	<u>4,185</u>
Per GASB No. 75 Non-employer contributing entities are required to record an increases in revenue and expense for On-behalf TPAF post employment medical payments paid by the State of New Jersey on the Statement of Activities that are in excess of those amounts reported in the fund financial statements	
Increase in On-behalf State Aid TPAF Post Employment Medical Revenue	655,577
Increase in On-behalf State Aid TPAF Post Employment Medical Expense	<u>(655,577)</u>
Change in net position of governmental activities	<u><u>2,534,868</u></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, 2023

	<u>Enterprise Fund</u> <u>Food</u> <u>Service</u> <u>Program</u>	<u>Internal</u> <u>Service Fund</u> <u>Building</u> <u>Maintenance</u>	<u>Totals</u>
ASSETS			
Current assets:			
Cash and cash equivalents	318,288	156,393	474,681
Accounts receivable:			
State	1,187		1,187
Federal	34,547		34,547
Other	-		-
Inventories	10,385		10,385
Total current assets	<u>364,407</u>	<u>156,393</u>	<u>520,800</u>
Noncurrent assets:			
Capital assets:			
Equipment	85,209		85,209
Less accumulated depreciation:			
Equipment	<u>(55,869)</u>		<u>(55,869)</u>
Total capital assets (net of accumulated depreciation)	<u>29,340</u>	<u>-</u>	<u>29,340</u>
Total assets	<u><u>393,747</u></u>	<u><u>156,393</u></u>	<u><u>550,140</u></u>
LIABILITIES			
Current liabilities:			
Accounts payable	33,842		33,842
Unearned Revenue	584		584
Interfund - General Fund	37,349		37,349
Total current liabilities	<u>71,775</u>	<u>-</u>	<u>71,775</u>
NET POSITION			
Net Investment in Capital Assets	29,340	-	29,340
Restricted Contributed Capital	32,055		32,055
Unrestricted	<u>260,577</u>	<u>156,393</u>	<u>416,970</u>
Total net position	<u><u>321,972</u></u>	<u><u>156,393</u></u>	<u><u>478,365</u></u>

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

GUTTENBERG BOARD OF EDUCATION
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
Fiscal Year Ended June 30, 2023

	<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	36,022		36,022
Daily sales - non-reimbursable programs	273		273
Total operating revenues	<u>36,295</u>	<u>-</u>	<u>36,295</u>
Operating expenses:			
Cost of sales - reimbursable programs	237,037		237,037
Cost of sales - non-reimbursable programs	-		-
Salaries	358,763		358,763
Supplies and materials	297		297
Employee benefits	57,295		57,295
Cleaning repair & maintenance	356		356
Purchased services	27,595		27,595
Miscellaneous	2,865		2,865
Depreciation	2,960		2,960
Total Operating Expenses	<u>687,168</u>	<u>-</u>	<u>687,168</u>
Operating income (loss)	<u>(650,873)</u>	<u>-</u>	<u>(650,873)</u>
Nonoperating revenues (expenses):			
State sources:			
State school lunch program	11,471		11,471
State school breakfast program	6,120		6,120
Federal sources:			
National school lunch program	381,949		381,949
National school breakfast program	105,672		105,672
P-EBT administrative costs	653		653
Food distribution program	56,656		56,656
Supply Chain Assistance	60,066		60,066
Interest and investment revenue	19,684	4,185	23,869
Total nonoperating revenues (expenses)	<u>642,271</u>	<u>4,185</u>	<u>646,456</u>
Change in net position	<u>(8,602)</u>	<u>4,185</u>	<u>(4,417)</u>
Total net position—beginning	<u>330,574</u>	<u>152,208</u>	<u>482,782</u>
Total net position—ending	<u>321,972</u>	<u>156,393</u>	<u>478,365</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, 2023

	<u>Enterprise Funds</u> <u>Food</u> <u>Service</u> <u>Program</u>	<u>Internal</u> <u>Service Fund</u> <u>Building</u> <u>Maintenance</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	36,295		36,295
Refund of prior year operating expenses	17,141		17,141
Payments to employees	(158,128)		(158,128)
Payments to outside food service management company	(436,785)		(436,785)
Payments for supplies	(497)		(497)
Payments for miscellaneous expenditures	(356)		(356)
Net cash provided by (used for) operating activities	<u>(542,330)</u>	<u>-</u>	<u>(542,330)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
State Sources	17,252		17,252
Federal Sources	562,869		562,869
Net cash provided by (used for) non-capital financing activities	<u>580,121</u>	<u>-</u>	<u>580,121</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends	19,684	4,185	23,869
Net cash provided by (used for) investing activities	<u>19,684</u>	<u>4,185</u>	<u>23,869</u>
Net increase (decrease) in cash and cash equivalents	57,475	4,185	61,660
Balances—beginning of year	260,813	152,208	413,021
Balances—end of year	<u>318,288</u>	<u>156,393</u>	<u>474,681</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	(650,873)	-	(650,873)
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	56,656		56,656
(Increase) decrease in accounts receivable, net	17,141		17,141
(Increase) decrease in inventories	(2,056)		(2,056)
(Increase) decrease in accounts payable	33,842		33,842
Total adjustments	<u>108,543</u>	<u>-</u>	<u>108,543</u>
Net cash provided by (used for) operating activities	<u>(542,330)</u>	<u>-</u>	<u>(542,330)</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, 2023**

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. The Superintendent of Schools is the Chief Administrative Officer of the District who is responsible for general supervision of all schools, planning and operational functions of the District. The School Business Administrator/Board Secretary is the Chief Financial Officer and is responsible for budgeting, financial accounting and reporting and reports through the Superintendent to the Board.

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, 2023**

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

B. Basis of Presentation:

The financial statements include both district-wide financial statements (based on the District as a whole) and fund financial statements (based on specific District activities or objectives). Both the district-wide and fund financial statements categorize activities as either governmental activities or business-type activities. While separate district-wide and fund financial statements are presented, they are interrelated. In the district-wide financial statements, the governmental activities column incorporates data from governmental funds while business-type activities incorporate data from the District's enterprise funds. Currently the District does not have any fiduciary funds.

District-wide Financial Statements:

The district-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Board of Education. All fiduciary activities are reported only in the fund financial statements. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by property taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. In the statement of net position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) reflect on a full accrual economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or other governmental entities, including other school districts, who purchase, use, or directly benefit from goods or services provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Property taxes, unrestricted state aid and other items not properly included among program revenues are reported instead as general revenues.

As a general rule the effect of interfund activity has been eliminated from the district-wide financial statements. Exceptions to this general rule are charges between the Board's proprietary funds since elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

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

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.

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.

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

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

GOVERNMENTAL FUNDS, (continued)

Capital Projects Fund - The Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets, other than those financed by proprietary funds. The financial resources are derived from grants, temporary notes, serial bonds which are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election, or from the general fund by way of transfers from capital outlay or the capital reserve account.

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.

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.

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

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

C. Measurement Focus and Basis of Accounting:

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.

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.

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.

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

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

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance:

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.

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.

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

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

Budgets/Budgetary Control

Annual appropriated budgets are adopted in the spring of the preceding year for the general, special revenue fund and debt service 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.

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.

Encumbrances

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

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

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

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

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

Cash, Cash Equivalents and Investments

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

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

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

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

Tuition Revenues/Receivable

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

Tuition Payable

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

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

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

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.

Lease Receivable

Lease receivables recorded on the government-wide financial statement, in the governmental funds, and in the proprietary fund types represents a contract that conveys control of the right to use the School District's (lessor) nonfinancial asset. At the commencement of the lease term, the lessor recognizes a lease receivable and a deferred inflow of resources. The lease receivable is measured at the present value of the lease payments expected to be received during the lease term. The School District was not a lessor during the fiscal year ended June 30, 2023.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2023, 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.

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.

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.

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

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

Capital Assets, (continued)

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. 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

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.

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(Encumbrances) regarding the special revenue fund.

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

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

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.

Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in proprietary funds. Reimbursements from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements

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.

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

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

Accounting and Financial Reporting for Pensions, (continued)

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

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

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

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.

Bond Discounts/Premiums

Bond discounts/premiums arising from the issuance of long-term debt (bonds) are amortized over the life of the bonds, in systematic and rational method, as a component of interest expense. Bond discounts/premiums are presented as an adjustment of the face amount of the bonds on the government-wide statement of net position and on the proprietary fund statement of net position.

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

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

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.

Financing Agreements

Capital financing agreements and other financing agreements are financed purchase contracts that transfer ownership of the underlining assets or items (i.e. expendable supplies) to the District by the end of the agreement and do not contain termination options. Capital financing agreements and other financing agreements are recognized as long-term liabilities along with the related capital asset or expenses being financed, respectively, in the district-wide and proprietary fund type financial statements.

In the fund financial statements, capital financing agreements and other financing agreements are recognized as other financing sources at the face amount of the financed purchase contract. Assets and supplies financed under these agreements are reported as capital outlay or current expenditures, respectively.

Right to Use Assets

The District has recorded right to use lease assets as a result of implementing GASB 87. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives plus ancillary charges necessary to place the lease into service. The right to use assets are amortized on a straight-line basis over the life of the related issue.

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

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

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.

In the general operating fund and other governmental funds (special revenue, capital projects and debt service fund types), it is the District's policy to consider restricted resources to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted (i.e., committed, assigned or unassigned) fund balances are available, followed by committed and then assigned fund balances. Unassigned amounts are used only after the other resources have been used.

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

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

Net Position

Net position represent the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. 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. Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

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

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.

Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during the fiscal year.

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.

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

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

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.

Impact of Recently Issued Accounting Principles

During fiscal year 2023, the District adopted the following GASB Statement;

GASB Statement No. 96, *Subscription-Based Information Technology*, which improves financial reporting by establishing a definition for subscription-based information technology arrangements (SBITAs) and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. That definition and uniform guidance will result in greater consistency in practice. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments. This Statement also will enhance the relevance and reliability of a government's financial statements by requiring a government to report a subscription asset and subscription liability for SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs. The District did not have any subscription-based information technology arrangements that rose to an amount that required disclosure. The District will review new SBITA's annually to determine proper disclosure.

Recently Issued Accounting Pronouncements

The GASB has issued the following Statement that will become effective for the School District for fiscal years ending June 30, 2024 or 2025:

Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The Statement will become effective for the School District in the fiscal year ending June 30, 2025 although earlier application is encouraged. Management is currently evaluating whether or not this Statement will have an impact on the basic financial statements of the School District.

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

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, 2023, \$-0- of the District's bank balance of \$10,657,252 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, 2023**

NOTE 3. RECEIVABLES

Receivables at June 30, 2023, 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
Other Receivables	\$943,485	\$	\$943,485
State Aid	108,072	1,187	109,259
Federal Aid	1,245,057	34,547	1,279,604
Due from Other Funds	<u>248,004</u>	<u> </u>	<u> </u>
Gross Receivables	2,544,618	35,734	2,332,348
Less: Allowance for Uncollectibles	<u> </u>	<u> </u>	<u> </u>
Total Receivables, Net	<u>\$2,544,618</u>	<u>\$35,734</u>	<u>\$2,332,348</u>

NOTE 4. INTERFUND BALANCES AND ACTIVITY

Interfund balances for the year ended June 30, 2023, 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>210,655</u>	Due to the General Fund from the Special Revenue Fund for short-term loans.
<u>\$248,004</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, 2023**

NOTE 5. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2023 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Governmental Activities				
Capital Assets Not Being Depreciated:				
Land	\$9,957	\$	\$	\$9,957
Construction in Progress				
Total Capital Assets Not Being Depreciated	<u>9,957</u>	<u> </u>	<u> </u>	<u>9,957</u>
Sites and Site Improvements	61,248			61,248
Buildings and Improvements	30,708,245	420,862		31,129,107
Machinery and Equipment	1,808,842	48,510		1,857,352
Right to use leased assets	260,141			260,141
Total Capital Assets, Being Depreciated	<u>32,838,476</u>	<u>469,372</u>	<u> </u>	<u>33,307,848</u>
Less Accumulated Depreciation/Amortization:				
Land Improvements	(58,618)	(181)		(58,799)
Buildings and Improvements	(5,977,204)	(790,906)		(6,768,110)
Equipment	(1,101,464)	(143,382)		(1,244,846)
Right to use leased assets	(63,885)	(82,241)		(146,126)
Total Accumulated Depreciation	<u>(7,201,171)</u>	<u>(1,016,710)</u>	<u> </u>	<u>(8,217,881)</u>
Total Capital Assets, Being Depreciated, Net of Accumulated Depreciation	<u>25,637,305</u>	<u>(547,338)</u>	<u> </u>	<u>25,089,967</u>
Governmental Activities Capital Assets, Net	<u>\$25,647,262</u>	<u>(\$547,338)</u>	<u> </u>	<u>\$25,099,924</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				
Totals at Historical Cost	<u>85,209</u>	<u>-</u>	<u>-</u>	<u>85,209</u>
Less Accumulated Depreciation for:				
Equipment	(52,909)	(2,960)		(55,869)
Site Improvement				-
Total Accumulated Depreciation	<u>(52,909)</u>	<u>(2,960)</u>	<u>-</u>	<u>(55,869)</u>
Business-Type Activity Capital Assets, Net	<u>\$32,300</u>	<u>(\$2,960)</u>	<u>\$</u>	<u>\$29,340</u>

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 5. CAPITAL ASSETS

Depreciation/amortization expense was charged to governmental functions as follows:

Instruction	\$60,888
Support Services:	
Plant Operations and Maintenance	21,353
Unallocated Depreciation	<u>934,469</u>
	<u>\$955,822</u>

NOTE 6. LONG-TERM OBLIGATION ACTIVITY

Long-term liability activity for the year ended June 30, 2023 was as follows:

	Balance <u>June 30, 2022</u>	<u>Issued</u>	<u>Retired</u>	Balance <u>June 30, 2023</u>	Amount Due Within <u>One Year</u>	Long-term <u>Portion</u>
Deferred PERS Pension Contribution	\$4,169	\$	\$2,997	\$1,172	\$1,172	\$
Compensated Absences Payable	625,461	343,138	27,016	941,583		941,583
Leases Payable	199,994		81,761	118,233	83,857	34,376
Net Pension Liability	<u>1,381,755</u>	<u>495,536</u>		<u>1,877,291</u>		
Total Other Liabilities	<u>\$2,211,379</u>	<u>\$838,674</u>	<u>\$111,774</u>	<u>\$2,938,279</u>	<u>\$85,029</u>	<u>\$2,853,250</u>

Bonds payable are generally liquidated by the debt service fund, while compensated absences, lease purchase agreements, leases, net pension liability and deferred pension contributions are liquidated by the general fund.

Bonds Payable

Bonds and loans 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, 2023.

Bonds Authorized But Not Issued

As of June 30, 2023 the Board had no authorized but not issued bonds.

Lease Purchase Agreements

The District has no lease purchase agreements outstanding at June 30, 2023.

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 6. LONG-TERM OBLIGATION ACTIVITY, (continued)

Compensated Absences

Compensated Absences will be paid from the fund which the employees' salaries are paid.

Net Pension Liability and Deferred PERS Contribution

For details on the net pension liability, refer to Note 7. The District's annual required contribution to the Public Employees' Retirement System is budgeted and paid from the general fund on an annual basis.

Leases

The District has entered into multiple leases as a lessee of office space and copiers. An initial lease liability was recorded in the amount of \$260,141 in fiscal year 2022. For the year ended June 30, 2023, the value of the lease liability is \$118,233. The leases have interest rates of 4.00%. The value of the right to use assets for the year ended June 30, 2023 was \$260,141, with accumulated amortization of \$146,126.

The future minimum lease-purchase obligations and the net present value of these minimum lease-purchase payments as of June 30, 2023 were as follows:

<u>Fiscal Year</u>	<u>Governmental</u>
<u>Ending</u>	<u>Activities</u>
<u>June 30,</u>	
2024	\$87,060
2025	<u>34,830</u>
Total Minimum Lease Payments	121,890
Less: Amount representing interest	<u>(3,657)</u>
Present value of lease payments	<u><u>\$118,233</u></u>

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 7. 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.

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

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 7. PENSION PLANS, (continued)

service credit and Tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

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

Benefits Provided

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

The following represents the membership tiers for PERS:

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

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.

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 7. PENSION PLANS, (continued)

Defined Contribution Retirement Program

Employer 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> 6/30/23	\$156,868	\$1,479
6/30/22	136,597	1,066
6/30/21	121,951	1,654

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

Year	Pension	Post-Retirement	NCGI	Long-Term
<u>Ending</u>	<u>Contributions</u>	<u>Medical</u>	<u>Premium</u>	<u>Disability</u>
6/30/23	\$2,342,522	\$623,913	\$32,500	\$1,439
6/30/22	2,459,612	582,773	34,702	1,637
6/30/21	1,667,763	532,595	31,731	1,626

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 7. PENSION PLANS, (continued)

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 \$575,608 during the year ended June 30, 2023 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, 2023, the District had a liability of \$1,877,291 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2022, 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, 2022, the District's proportion was .0124394946 percent, which was an increase of .000775665 percent from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the District recognized pension expense of \$(273,586). At June 30, 2023, deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$13,549	\$11,949
Changes of assumptions	5,816	281,105
Net difference between projected and actual earnings on pension plan investments	77,699	
Changes in proportion and differences between the District’s contributions and proportionate share of contributions	186,936	205,404
District contributions subsequent to the measurement date	<u>154,667</u>	<u> </u>
Total	<u>\$438,667</u>	<u>\$498,458</u>

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

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

NOTE 7. PENSION PLANS, (continued)

The \$154,667 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, 2023, the plan measurement date is June 30, 2022) will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. 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:	
2023	\$(161,032)
2024	(82,040)
2025	(40,010)
2026	87,286
2027	(194)

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 5.04, 5.13, 5.16, 5.21, 5.63 and 5.48 years for 2022, 2021, 2020, 2019, 2018 and 2017 amounts, respectively.

Additional Information

Local Group Collective balances net of nonemployer (State of New Jersey) balances at June 30, 2022 and June 30, 2021 are as follows:

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Collective deferred outflows of resources	\$1,660,772,008	\$1,164,738,169
Collective deferred inflows of resources	3,236,303,935	8,339,123,762
Collective net pension liability	15,219,184,920	11,972,782,878
Borough's Proportion	.0124394946%	.0116638295%

Actuarial Assumptions

The collective total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which rolled forward to June 30, 2022. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 7. PENSION PLANS, (continued)

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

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases	2.75-6.55% (based on years of service)
Investment Rate of Return	7.00 Percent

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021. It is likely that future experience will not exactly conform to these assumptions.

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-2021.

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, 2022) 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, 2022 are summarized in the following table:

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 7. PENSION PLANS, (continued)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.12%
Non-U.S. Developed Market Equity	13.50%	8.38%
Emerging Market Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. 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 100% 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, 2022 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, 2022</u>		
	1% Decrease	At Current Discount Rate	1% Increase
	<u>6.00%</u>	<u>7.00%</u>	<u>8.00%</u>
District's proportionate share of the pension liability	\$2,416,295	\$1,877,291	\$1,418,576

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 7. PENSION PLANS, (continued)

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

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.

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, 2023 was as follows:

Net Pension Liability:	
District's proportionate share	\$
State's proportionate share associated with the District	<u>30,826,541</u>
	<u>\$30,826,541</u>

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022. 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, 2022, the proportion of the TPAF net pension liability associated with the District was .0597478248%.

For the year ended June 30, 2023, the District recognized on-behalf pension expense and revenue of \$829,628 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, 2023**

NOTE 7. 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, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021 which was rolled forward to June 30, 2022. 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	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-2021.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 7. 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, 2022) 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, 2022 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%	8.12%
Non-U.S. Developed Market Equity	13.50%	8.38%
Emerging Market Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 7. 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, 2022. 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 based on 100% of the actuarially determined contributions for the State. 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 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 8. POST-RETIREMENT BENEFITS

General Information about the OPEB Plan

State Health Benefit State Retired Employees Plan

Pension and Other Postemployment Benefits (OPEB) Obligations in Fiscal Year 2022 the State funded the various defined benefit pension systems at 108 percent of the full actuarially determined contributions. Employer contributions to the pension plans are calculated per the requirements of the governing State statutes using generally accepted actuarial procedures and practices. The actuarial funding method used to determine the State's contribution is a matter of State law. Any change to the funding method requires the approval of the State Legislature and the Governor. The amount the State actually contributes to the pension plans may differ from the actuarially determined contributions of the pension plans because the State's contribution to the pension plans is subject to the appropriation of the State Legislature and actions by the Governor. GASB Statement No. 68, Accounting and Financial Reporting for Pensions, requires participating employers to recognize their proportionate share of the collective net pension liability. Under the new statement, the calculation of the pension liability was changed to a more conservative methodology and each employer was allocated a proportional share of the pension plans' net pension liability. The State's share of the net pension liability, based on a measurement date of June 30, 2021, which is required to be recorded on the financial statements, is \$75.1 billion. The Fiscal Year 2023 projected aggregate State contribution to the pension plans of \$6.8 billion represents 104 percent of the actuarially determined

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 8. POST-RETIREMENT BENEFITS, (continued)

State Health Benefit State Retired Employees Plan, (continued)

contribution. The State provides post-retirement medical (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirements. In Fiscal Year 2022, the State paid PRM benefits for 161,238 State and local retirees. The State funds post-retirement medical benefits on a "pay-as-you-go" basis, which means that the State does not pre-fund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 2022, the State contributed \$1.9 billion to pay for "pay-as-you-go" PRM benefit costs incurred by covered populations, a slight increase from \$1.8 billion in Fiscal Year 2021. The State has appropriated \$2.1 billion in Fiscal Year 2023 as the State's contribution to fund increases in prescription drugs and medical claims 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 2022 State OPEB liability to provide these benefits is \$88.9 billion, a decrease of \$12.7 billion, or 12.5 percent from the \$101.6 billion liability recorded in Fiscal Year 2021. Additional information on Pensions and OPEB can be accessed on the Division of Pensions & Benefits Financial Reports webpage: <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

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 GASBS No. 75 is zero percent. Accordingly, the LEA did not recognize any portion of the collective net OPEB liability of the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State's level and is not specific to the board of education. Note that actual numbers will be published in the NJ State ACFR on the Office of Management and Budget's Financial Publications webpage: nj.gov/treasury/omb/fr.shtml.

The portion of the OPEB Liability that was associated with the District recognized at June 30, 2023 was as follows:

OPEB Liability:	
District's proportionate share	\$
State's proportionate share associated with the District	<u>22,827,575</u>
	<u>\$22,827,575</u>

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 8. POST-RETIREMENT BENEFITS, (continued)

Actual Assumptions and Other Imputes

The total OPEB liability in the June 30, 2022 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, 2022 was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022. 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:

	<u>TPAF/ABP</u>	<u>PERS</u>
Salary increases:	2.75 - 4.25%	2.75 - 6.55%
	based on service years	based on service years

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-2021. 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-2021. 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-2021.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of the TPAF, PERS and PFRS actuarial experience studies prepared for July 1, 2018 to June 30, 2021.

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 8. POST-RETIREMENT BENEFITS, (continued)

(a) *Health Care Trend Assumptions*

For pre-Medicare medical benefits, the trend rate is initially 6.25% and decreases to a 4.50% long-term trend rate after eight years. For post-65 medical benefits PPO, the trend is initially -1.99% in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is initially -3.54% in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

(b) *Discount Rate*

The discount rate used to measure the total OPEB Liability was 3.54%. 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.

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.

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**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 8. POST-RETIREMENT BENEFITS, (continued)

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

For the year ended June 30, 2023, the board of education/board of trustees recognized on-behalf OPEB expense of \$1,279,490 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 9. 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 10. 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 Annual Comprehensive Financial Report.

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

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

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 11. INVENTORY

Inventory in the Food Service Fund at June 30, 2023 consisted of the following:

Food	\$7,154
Supplies	<u>3,231</u>
	<u>\$10,385</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 12. 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, 2022 to June 30, 2023 fiscal year is as follows:

Beginning Balance, July 1, 2022	\$ 1
Increased by:	
Board Resolution - June 21, 2023	<u>3,236,000</u>
Ending Balance, June 30, 2023	<u>\$3,236,001</u>

The Board designated and appropriated \$ -0- in the 2023/2024 original budget certified for taxes.

**Town of Guttenberg School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 13. FUND BALANCE APPROPRIATED

General Fund [Exhibit B-1] - Of the \$10,881,961 General Fund fund balance at June 30, 2023, \$288,626 is reserved for encumbrances; \$7,779,527 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7 (4,531,628 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2024); \$3,236,001 has been reserved in the Capital Reserve Account; \$264,588 is designated by the BOE for subsequent year's expenditures; and \$(686,781) is unreserved and undesignated.

Special Revenue Fund - Of the \$24,594 Special Revenue Fund balance at June 30, 2023, \$29,594 is reserved for Student Groups and Scholarships.

NOTE 14. DEFICIT FUND BALANCES

The District has a deficit fund balance of \$686,781 in the General Fund as of June 30, 2023 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 \$686,781 is less than the last state aid payment.

NOTE 15. 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, 2023 is \$7,779,527. Of this amount, \$3,247,899 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, 2023**

NOTE 16. RIGHT TO USE LEASED ASSETS

The District has recorded right to use leased assets for the rental of various in-district copiers and the rental of office space for the Board of Education. The leases were initiated during fiscal year 2021-2022 for various terms that expire in fiscal years 2025 and 2026. The right to use leased assets are amortized on a straight-line basis over the terms of the related lease.

	<u>Balance July 1, 2022</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2023</u>
Right to use assets				
Copiers	\$196,082	\$	\$	\$196,082
Leased Building	<u>64,059</u>	_____	_____	<u>64,059</u>
Total right to use assets	<u>260,141</u>	<u>0</u>	<u>0</u>	<u>260,141</u>
Less accumulated amortization for:				
Copiers	42,532	60,888		103,420
Leased Building	<u>21,353</u>	<u>21,353</u>	_____	<u>42,706</u>
Total Accumulated Amortization	<u>63,855</u>	<u>82,241</u>	<u>0</u>	<u>146,126</u>
Right to use leased asset, net	<u>\$196,286</u>	<u>\$(82,241)</u>	<u>\$ 0</u>	<u>\$114,015</u>

NOTE 17. 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, 2023**

NOTE 18. RELATED PARTY TRANSACTION

The District approved a new agreement for the rental of office space from the estate of a family member of the Business Administrator. The new lease was approved for the time frame of July 1, 2021 through June 30, 2022 at a cost of \$22,620 with a renewal option and no price increase for fiscal years ending June 30, 2023 and June 30, 2024. The renewal option was exercised for the one year term ending June 30, 2024.

NOTE 19. SUBSEQUENT EVENTS

The District has evaluated subsequent events through December 8, 2023, 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, 2023

	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				314,334	314,334
Total - Local Sources	11,321,822		11,321,822	11,636,156	314,334
State Sources:					
Transportation Aid	60,778		60,778	60,778	
Special Education Aid	1,189,648		1,189,648	1,189,648	
Equalization Aid	9,880,957		9,880,957	9,880,957	
Security Aid	603,184		603,184	603,184	
Extraordinary Aid				50,762	50,762
TPAF Pension Contributions (On-Behalf - Non Budgeted)				2,342,522	2,342,522
TPAF Postretirement Medical Contributions (On-Behalf - Non Budgeted)				623,913	623,913
TPAF LTDI (On-Behalf - Non Budgeted)				1,439	1,439
TPAF Non-Contributory Insurance (On-Behalf - Non Budgeted)				32,500	32,500
TPAF Social Security (Reimbursed - Non-Budgeted)				575,608	575,608
Total - State Sources	11,734,567		11,734,567	15,361,311	3,626,744
Federal Sources:					
Medicaid Administrative Claiming (MAC)				4,509	4,509
Medical Assistance Program (SEMI)	27,806		27,806	9,570	(18,236)
FFCRA/SEMI Revenue				937	937
Total - Federal Sources	27,806		27,806	15,016	(12,790)
TOTAL REVENUES	23,084,195		23,084,195	27,012,483	3,928,288
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
Salaries of Teachers:					
Preschool - Salaries of Teachers	77,918	2,854	80,772	80,772	
Kindergarten - Salaries of Teachers	360,126	11,513	371,639	371,639	
Grades 1-5 - Salaries of Teachers	1,735,861	(50,107)	1,685,754	1,685,754	
Grades 6-8 - Salaries of Teachers	1,567,005	96,417	1,663,422	1,663,422	
Regular Programs - Home Instruction:					
Salaries of Teachers	50,000		50,000	48,562	1,438
Other Purchased Services	20,000	(14,367)	5,633		5,633
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	268,896	(32,907)	235,989	235,989	
Other Purchased Services (400-500 series)	80,000	(13,403)	66,597	64,725	1,872
General Supplies	235,495		235,495	113,751	
Textbooks	181,452		181,452	8,200	173,252
TOTAL REGULAR PROGRAMS - INSTRUCTION	4,576,753		4,576,753	4,272,814	182,195
SPECIAL EDUCATION - INSTRUCTION					
Learning and/or Language Disabilities:					
Salaries of Teachers	196,359	(2,950)	193,409	132,396	61,013
Total Learning and/or Language Disabilities	196,359	(2,950)	193,409	132,396	61,013
Multiple Disabilities					
Salaries of Teachers	76,618	63,694	140,312	140,312	
Total Multiple Disabilities	76,618	63,694	140,312	140,312	
Resource Room/Resource Center:					
Salaries of Teachers	549,961	(31,986)	517,975	415,002	102,973
Total Resource Room/Resource Center	549,961	(31,986)	517,975	415,002	102,973
Autism:					
Salaries of Teachers	64,694	1,087	65,781	65,781	
Total Autism	64,694	1,087	65,781	65,781	
Preschool Disabilities - Full-Time:					
Salaries of Teachers	76,618	1,863	78,481	78,481	
Total Preschool Disabilities - Full-Time	76,618	1,863	78,481	78,481	
TOTAL SPECIAL EDUCATION - INSTRUCTION	964,250	31,708	995,958	831,972	163,986

GUTTENBERG BOARD OF EDUCATION
 Budgetary Comparison Schedule
 General Fund
 Fiscal Year Ended June 30, 2023

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final To Actual
Basic Skills/Remedial-Instruction					
Salaries of Teachers	476,797	(31,708)	445,089	286,217	158,872
Total Basic Skills/Remedial-Instruction	<u>476,797</u>	<u>(31,708)</u>	<u>445,089</u>	<u>286,217</u>	<u>158,872</u>
Bilingual Education - Instruction					
Other Salaries	708,438		708,438	704,451	3,987
General Supplies	10,000		10,000		10,000
Textbooks	10,000		10,000		10,000
Total Bilingual Education - Instruction	<u>728,438</u>		<u>728,438</u>	<u>704,451</u>	<u>23,987</u>
School-Sponsored Cocurricular Activities - Instruction					
Salaries	78,000		78,000	60,482	17,518
Other Purchased Services (300-500 series)	40,000		40,000	32,170	7,830
Total School-Sponsored Cocurricular Activities - Instruction	<u>118,000</u>		<u>118,000</u>	<u>92,652</u>	<u>25,348</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>6,879,238</u>		<u>6,879,238</u>	<u>6,195,106</u>	<u>562,388</u>
Undistributed Expenditures - Instruction					
Tuition to Other LEAs within the State - Regular	5,409,500	(248,418)	5,161,082	4,001,759	1,159,323
Tuition to Other LEAs within the State - Special	1,201,169	(70,302)	1,130,867	365,214	765,653
Tuition to CSSD & Regional Day Schools	485,765		485,765	320,500	165,265
Tuition to Priv.Sch. For the Disabled W/I State	362,330	82,128	444,458	423,996	20,462
Tuition to State Facilities	18,053		18,053	18,053	
Total Undistributed Expenditures - Instruction	<u>7,476,817</u>	<u>(236,592)</u>	<u>7,240,225</u>	<u>5,129,522</u>	<u>2,110,703</u>
Undist. Expend. - Health Services					
Salaries	209,906	(52,922)	156,984	142,518	14,466
Purchased Professional and Technical Services	10,000	(17)	9,983	7,855	2,128
Supplies and Materials	6,709	6,220	12,929	12,702	227
Total Undistributed Expenditures - Health Services	<u>226,615</u>	<u>(46,719)</u>	<u>179,896</u>	<u>163,075</u>	<u>16,821</u>
Undist. Expenditures - Speech, OT, PT & Related Serv.					
Salaries	218,555		218,555	64,081	154,474
Purchased Professional - Educational Services	460,000		460,000	386,247	73,753
Total Undist. Expend. - Speech, OT, PT & Related Serv.	<u>678,555</u>		<u>678,555</u>	<u>450,328</u>	<u>228,227</u>
Undist. Expend. - Guidance					
Salaries of Other Professional Staff	183,751	319	184,070	184,070	
Salaries of Secretarial and Clerical Assistants	69,685	4,275	73,960	73,960	
Total Undist. Expend. - Guidance	<u>253,436</u>	<u>4,594</u>	<u>258,030</u>	<u>258,030</u>	
Undistributed Expenditures - Child Study Teams					
Salaries of Other Professional Staff	283,596	6,170	289,766	289,766	
Salaries of Secretarial and Clerical Assistants	21,888	2,072	23,960	23,960	
Other Salaries	455,713	121,000	576,713	576,123	590
Total Undistributed Expenditures - Child Study Teams	<u>761,197</u>	<u>129,242</u>	<u>890,439</u>	<u>889,849</u>	<u>590</u>
Undist. Expend. - Improvement of Instructional Services					
Salaries of Other Professional Staff	194,400	(87,117)	107,283	105,436	1,847
Total Undist. Expend. - Improvement of Instructional Services	<u>194,400</u>	<u>(87,117)</u>	<u>107,283</u>	<u>105,436</u>	<u>1,847</u>
Undist. Expend. - Instructional Staff Training Services					
Salaries - Supervisors of Instruction	417,227	(103,095)	314,132	314,132	
Salaries - Secretarial and Clerical Assistant	167,854	(7,654)	160,200	107,728	52,472
Purchased Professional - Educational Services	65,600		65,600	63,221	2,379
Other Purchased Prof & Tech Services	48,755		48,755		48,755
Other Purchased Services (400-500 Series)	33,000		33,000		33,000
Total Undist. Expend. - Instructional Staff Training Services	<u>732,436</u>	<u>(110,749)</u>	<u>621,687</u>	<u>485,081</u>	<u>136,606</u>

GUTTENBERG BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
Undist. Expend. - Support Serv. - General Administration					
Salaries	263,599	5,470	269,069	265,069	4,000
Legal Services	51,000		51,000	51,000	
Audit Fees	38,000		38,000	38,000	
Internal Control Audit Fees	29,000		29,000	29,000	
Architectural/Engineering Services	61,500	(28,388)	33,112		33,112
Purchased Technical Services	12,500		12,500	8,400	4,100
Communications/Telephone	65,000	(12,038)	52,962	852	52,110
BOE Other Purchased Services	950		950	450	500
Misc. Purchase 400-500 (Other 530 & 385)	2,000	1,388	3,388	3,022	366
General Supplies	6,000	1,393	7,393	7,393	
BOE In-House Training/Meeting Supplies	5,000	(879)	4,121	2,475	1,646
Miscellaneous Expenditures	47,000	33,054	80,054	77,910	2,144
BOE Membership Dues and Fees	6,446		6,446	6,187	259
Total Undist. Expend. - Supp. Serv. - General Administration	<u>587,995</u>		<u>587,995</u>	<u>489,758</u>	<u>98,237</u>
Undist. Expend. - Support Serv. - School Administration					
Salaries - Principal & Asst. Principal	133,195	108,439	241,634	241,634	
Salaries of Secretarial and Clerical Assistants	48,925	(13,070)	35,855	35,855	
Purchased Professional and Technical Services	20,000	(2,467)	17,533	13,771	3,762
Other Purchased Services	3,000		3,000		3,000
Total Undist. Expend. - Support Serv. - School Administration	<u>205,120</u>	<u>92,902</u>	<u>298,022</u>	<u>291,260</u>	<u>6,762</u>
Undistributed Expenditures - Central Services					
Salaries	311,983	5,329	317,312	317,312	
Supplies and Materials	5,000	(1)	4,999	4,716	283
Total Undists Expend. - Central Services	<u>316,983</u>	<u>5,328</u>	<u>322,311</u>	<u>322,028</u>	<u>283</u>
Undist. Expend. - Admin. Info. Tech.					
Salaries	105,168	14,232	119,400	119,400	
Purchased Technical Services	20,000	(12,097)	7,903	7,903	
Total Undist. Expend. - Admin. Info. Technology	<u>125,168</u>	<u>2,135</u>	<u>127,303</u>	<u>127,303</u>	
Undist. Expend. - Required Maint. for School Facilities					
Salaries	76,491	5,117	81,608	81,608	
Cleaning, Repair and Maintenance Services	263,170	(67,037)	196,133	19,154	176,979
Lead Testing	2,500		2,500		2,500
Total Undist. Expend. - Required Maint. for School Facilities	<u>342,161</u>	<u>(61,920)</u>	<u>280,241</u>	<u>100,762</u>	<u>176,979</u>
Undist. Expend. - Custodial Services					
Salaries	73,228	59,878	133,106	130,642	2,464
Salaries of Non-Instructional Aides	130,703	(124,878)	5,825	1,017	4,808
Contracted Maintenance - Cleaning	300,000	61,315	361,315	355,724	5,591
Rental of Land & Bldg. Other than Lease Purch Agreement	23,000		23,000	22,620	380
Other Purchased Property Services	350,000	2,554	352,554	352,554	
Insurance	280,000	(2,554)	277,446	271,643	5,803
Miscellaneous Purchased Services	10,000		10,000	214	9,786
General Supplies	130,000	(14,976)	115,024	39,794	75,230
Energy (Natural Gas)	250,000		250,000	244,688	5,312
Energy (Electricity)	260,000		260,000	186,707	73,293
Total Undist. Expend. - Other Oper. & Maint. of Plant Svcs.	<u>1,806,931</u>	<u>(18,661)</u>	<u>1,788,270</u>	<u>1,605,603</u>	<u>182,667</u>
Undist. Expend. - Security					
Salaries	101,769	9,126	110,895	110,894	1
Purchased Professional and Technical Services	250,000		250,000	250,000	
Total Undistributed Expenditures - Security	<u>351,769</u>	<u>9,126</u>	<u>360,895</u>	<u>360,894</u>	<u>1</u>
Total Undistributed Expend.-Oper & Maint of Plant Svcs.	<u>2,500,861</u>	<u>(71,455)</u>	<u>2,429,406</u>	<u>2,067,259</u>	<u>359,646</u>
Undistributed Expenditures - Student Transportation Svcs.					
Contract Serv. (Spec Ed Stds) - Joint Agreemnts	310,000	236,593	546,593	546,593	
Total Undist. Expend. - Student Transportation Svcs.	<u>310,000</u>	<u>236,593</u>	<u>546,593</u>	<u>546,593</u>	
TOTAL UNDISTRIBUTED EXPENDITURES	<u>14,369,583</u>	<u>(81,838)</u>	<u>14,287,745</u>	<u>11,325,522</u>	<u>2,959,723</u>

GUTTENBERG BOARD OF EDUCATION
 Budgetary Comparison Schedule
 General Fund
 Fiscal Year Ended June 30, 2023

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final To Actual
ALLOCATED BENEFITS					
Regular Programs - Instruction - Employee Benefits					
Social Security Contributions	109,000	(7,232)	101,768	97,834	3,934
T.P.A.F. Contributions - ERIP	11,000		11,000	60	10,940
Unemployment Compensation	42,000		42,000	37,079	4,921
Health Benefits	1,023,662	(43,120)	980,542	739,477	241,065
Tuition Reimbursement	40,000	8,836	48,836	48,836	
Other Employee Benefits	10,000		10,000	3,079	6,921
Total Regular Programs - Instruction	<u>1,235,662</u>	<u>(41,516)</u>	<u>1,194,146</u>	<u>926,365</u>	<u>267,781</u>
Special Programs - Instruction - Employee Benefits					
Social Security Contributions					
Health Benefits	666,531	(27,731)	638,800	622,727	16,073
Other Employee Benefits	5,000	(1,786)	3,214	3,214	
Unused Sick Payment to Terminated/Retired Staff	20,034		20,034	7,984	12,050
Total Special Programs - Instruction - Employee Benefits	<u>691,565</u>	<u>(29,517)</u>	<u>662,048</u>	<u>633,925</u>	<u>28,123</u>
Health Services - Employee Benefits					
Social Security Contributions	2,400		2,400		2,400
Health Benefits	69,705		69,705	31,726	37,979
Other Employee Benefits	2,000		2,000		2,000
Total Health Services - Employee Benefits	<u>74,105</u>		<u>74,105</u>	<u>31,726</u>	<u>42,379</u>
Other Support Serv. - Speech, OT, PT, & Rel. Svc - Employee Benefits					
Social Security Contributions	15,200		15,200		15,200
Health Benefits	96,237		96,237	14,427	81,810
Other Employee Benefits	1,000		1,000		1,000
Total Other Support Services- Employee Benefits	<u>112,437</u>		<u>112,437</u>	<u>14,427</u>	<u>98,010</u>
Other Support Services - Guidance - Employee Benefits:					
Social Security Contributions	9,900		9,900		9,900
Health Benefits	86,314	20,301	106,615	106,615	
Other Employee Benefits	4,000		4,000	450	3,550
Total Other Support Services - Guidance - Employee Benefits	<u>100,214</u>	<u>20,301</u>	<u>120,515</u>	<u>107,065</u>	<u>13,450</u>
Other Support Services - Child Study Team - Employee Benefits					
Social Security Contributions	8,500		8,500	1,997	6,503
Health Benefits	79,532		79,532	49,019	30,513
Other Employee Benefits	3,000		3,000		3,000
Total Other Support Svcs - Child Study Team - Employee Benefits	<u>91,032</u>		<u>91,032</u>	<u>51,016</u>	<u>40,016</u>
Instructional Staff Training Services - Employee Benefits					
Social Security Contributions	4,800		4,800		4,800
Health Benefits	188,159	16,893	205,052	205,052	
Other Employee Benefits	6,860		6,860	150	6,710
Total Instructional Staff Training Services - Employee Benefits	<u>199,819</u>	<u>16,893</u>	<u>216,712</u>	<u>205,202</u>	<u>11,510</u>
Support Services - General Admin - Employee Benefits					
Social Security Contributions	4,800		4,800	4,370	430
Health Benefits	57,120	9,438	66,558	66,558	
Other Employee Benefits	2,200		2,200	445	1,755
Total Support Services - General Admin - Employee Benefits	<u>64,120</u>	<u>9,438</u>	<u>73,558</u>	<u>71,373</u>	<u>2,185</u>
Support Services - School Admin - Employee Benefits					
Social Security Contributions	5,200		5,200	2,741	2,459
Health Benefits	39,724		39,724	38,914	810
Other Employee Benefits	800		800	146	654
Total Support Services - School Admin - Employee Benefits	<u>45,724</u>		<u>45,724</u>	<u>41,801</u>	<u>3,923</u>
Support Services - Central Services - Employee Benefits					
Social Security Contributions	26,000		26,000	24,761	1,239
Health Benefits	38,075	1,990	40,065	40,065	
Other Employee Benefits	2,000		2,000	450	1,550
Total Support Services - Central Services - Employee Benefits	<u>66,075</u>	<u>1,990</u>	<u>68,065</u>	<u>65,276</u>	<u>2,789</u>
Support Services - Admin. Info. Tech. - Employee Benefits					
Social Security Contributions	4,000	5,300	9,300	9,052	248
Health Benefits	36,607		36,607	32,538	4,069
Other Employee Benefits	1,400		1,400		1,400
Total Support Services - Admin. Info. Tech. - Employee Benefits	<u>42,007</u>	<u>5,300</u>	<u>47,307</u>	<u>41,590</u>	<u>5,717</u>

GUTTENBERG BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
Custodial Services - Employee Benefits					
Social Security Contributions	4,100	5,700	9,800	9,651	149
Health Benefits	44,032	13,912	57,944	57,944	
Other Employee Benefits	2,200	(548)	1,652	300	1,352
Total Custodial Services - Employee Benefits	<u>50,332</u>	<u>19,064</u>	<u>69,396</u>	<u>67,895</u>	<u>1,501</u>
Support Services - Security - Employee Benefits					
Social Security Contributions	2,200		2,200		2,200
Health Benefits	15,744		15,744	14,180	1,564
Total Security - Employee Benefits	<u>17,944</u>		<u>17,944</u>	<u>14,180</u>	<u>3,764</u>
TOTAL ALLOCATED BENEFITS	<u>2,791,036</u>	<u>1,953</u>	<u>2,792,989</u>	<u>2,271,841</u>	<u>521,148</u>
UNALLOCATED BENEFITS					
Unallocated Benefits - Employee Benefits					
Other Retirement Contributions - PERS	165,000	(1,952)	163,048	160,796	2,252
Total Unallocated Benefits - Employee Benefits	<u>165,000</u>	<u>(1,952)</u>	<u>163,048</u>	<u>160,796</u>	<u>2,252</u>
Total Personal Services - Employee Benefits	<u>2,956,036</u>	<u>1</u>	<u>2,956,037</u>	<u>2,432,637</u>	<u>523,400</u>
On-behalf TPAF Pension Contributions (On-Behalf - Non Budgeted)					
				2,342,522	(2,342,522)
On-behalf TPAF Postretirement Medical Contributions (On-Behalf - Non Budgeted)					
				623,913	
On-behalf TPAF Long Term Disability Insurance (non-budgeted)					
				1,439	(1,439)
On-behalf TPAF Non-Contributory Insurance (non-budgeted)					
				32,500	(32,500)
Reimbursed TPAF Social Security Contributions (non-budgeted)					
				575,608	(575,608)
TOTAL ON-BEHALF CONTRIBUTIONS				<u>3,575,982</u>	<u>(2,952,069)</u>
TOTAL UNDISTRIBUTED EXPENDITURES	<u>17,325,619</u>	<u>(81,837)</u>	<u>17,243,782</u>	<u>17,334,141</u>	<u>(90,359)</u>
TOTAL GENERAL CURRENT EXPENSE	<u>24,204,857</u>	<u>(81,837)</u>	<u>24,123,020</u>	<u>23,529,247</u>	<u>472,029</u>
CAPITAL OUTLAY					
Equipment - Undistributed:					
Technology Equipment		10,382	10,382	10,382	
Required Maint. for School Fac.		61,920	61,920	61,920	
Custodial Services		9,535	9,535	9,535	
Total Equipment		<u>81,837</u>	<u>81,837</u>	<u>81,837</u>	
Undist. Expenditures - Facilities Acquisition and Construction Services:					
Architectural/Engineering Services	240,340		240,340	56,578	183,762
Construction Services	2,177,887		2,177,887	185,004	1,992,883
Total Facilities Acquisition and Construction Services	<u>2,418,227</u>		<u>2,418,227</u>	<u>241,582</u>	<u>2,176,645</u>
TOTAL CAPITAL OUTLAY	<u>2,418,227</u>	<u>81,837</u>	<u>2,500,064</u>	<u>323,419</u>	<u>2,176,645</u>
GENERAL FUND					
Transfer of Funds to Charter Schools	81,145		81,145	81,145	
TOTAL EXPENDITURES	<u>26,704,229</u>		<u>26,704,229</u>	<u>23,933,811</u>	<u>2,648,674</u>
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	<u>(3,620,034)</u>		<u>(3,620,034)</u>	<u>3,078,672</u>	<u>6,698,706</u>
Excess (Deficiency) of Revenues and Other Financing Sources					
Over (Under) Expenditures and Other Financing Sources (Uses)	<u>(3,620,034)</u>		<u>(3,620,034)</u>	<u>3,078,672</u>	<u>6,698,706</u>

GUTTENBERG BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2023

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final To Actual
Fund Balance, July 1			8,947,989	8,947,989	
Fund Balance, June 30	(3,620,034)		5,327,955	12,026,661	6,698,706
Recapitulation of excess (deficiency) of revenues under expenditures					
Adjustment for Prior Year Encumbrances	(117,342)		(117,342)	(117,342)	
Increase in Capital Reserve				3,236,000	3,236,000
Budgeted Fund Balance	(3,502,692)		(3,502,692)	(39,986)	3,462,706
	(3,620,034)		(3,620,034)	3,078,672	6,698,706
 Recapitulation					
Restricted Fund Balance:					
Capital Reserve				3,236,001	
Excess Surplus - Designated for Subsequent year's expenditures				4,531,628	
Excess Surplus - Current Year				3,247,899	
Assigned Fund Balance:					
Year-End Encumbrances				288,626	
Assigned Fund Balance:					
Designated for Subsequent Year's Expenditures				264,588	
Unassigned Fund Balance					
				457,919	
Reconciliation to Governmental Funds Statement (GAAP):					
				12,026,661	
Less: Last State Aid Payment not recognized, GAAP Basis				(1,144,700)	
Fund Balance per Governmental Funds (GAAP)				10,881,961	

GUTTENBERG BOARD OF EDUCATION
Budgetary Comparison Schedule
Special Revenue Fund
Fiscal Year Ended June 30, 2023

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual	
REVENUES:						
Local Sources	11,600	(11,600)	-	36,899	36,899	Note (1)
State Sources	136,160	-	136,160	126,618	(9,542)	
Federal Sources	9,822,916	(1,458,555)	8,364,361	3,214,599	(5,149,762)	
Total Revenues	9,970,676	(1,470,155)	8,500,521	3,378,116	(5,122,405)	
EXPENDITURES:						
Instruction:						
Salaries of Teachers	70,090	903,258	973,348	630,358	342,990	
Purchased Professional - Educational Services		6,038	6,038	5,975	63	
Other Purchased Services (400-500 series)		156,721	156,721	153,418	3,303	
General Supplies	26,080	759,179	785,259	394,678	390,581	
Total instruction	96,170	1,825,196	1,921,366	1,184,429	736,937	
Support services:						
Salaries of Program Directors		2,400	2,400	2,400	-	
Salaries of Other Professional Staff		495,584	495,584	336,377	159,207	
Personal Services - Employee Benefits	29,990	625,605	655,595	445,670	209,925	
Purchased Professional and Technical Services	9,822,916	(9,237,501)	585,415	364,422	220,993	
Purchased Property Services		4,307,393	4,307,393	531,608	3,775,785	
Other Purchased Professional Services	10,000	37,185	47,185	8,725	38,460	
Supplies & Materials		157,775	157,775	139,778	17,997	
Student Activities	7,000	(7,000)	-	40,612	(40,612)	
Scholarships and Awards	4,600	(4,600)	-	1,100	(1,100)	
Total support services	9,874,506	(3,623,159)	6,251,347	1,870,692	4,380,655	
Facilities acquisition and const. serv.:						
Buildings/Renovations		300,158	300,158	300,158		
Instructional Equipment		-	-	-	-	
Non-Instructional Equipment		27,650	27,650	27,650	-	
Total facilities acquisition and const. serv.	-	327,808	327,808	327,808	-	
Total Expenditures	9,970,676	(1,470,155)	8,500,521	3,382,929	5,117,592	
Excess (Deficiency) of Revenues Over (Under)						
Expenditures and Other Financing Sources (Uses)	-	-	-	(4,813)	(4,813)	
Fund Balance, July 1				29,407		
Fund Balance, June 30				24,594		
Recapitulation:						
Restricted:						
Scholarships				8,418		
Student Activities				16,176		
Total Fund Balance				24,594		

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, 2023

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]	27,012,483	3,378,116
Differences - budget to GAAP:			
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.			
Prior Year			
Current Year			
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		949,542	(13,168)
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).		(1,144,700)	13,168
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	26,817,325	3,378,116
Uses/outflows of resources			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]&[C-2]	23,933,811	3,382,929
Differences - budget to GAAP			
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but the in year the supplies are received for financial reporting purposes.			
Prior Year			
Current Year			
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	23,933,811	3,382,929

**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	0.0111477717%	\$ 1,817,910	\$ 904,632	200.96%	58.32%	
2022	0.0116638295%	\$ 1,381,755	\$ 898,518	153.78%	70.33%	
2023	0.0124394946%	\$ 1,877,291	\$ 1,046,763	179.34%	62.91%	

* 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%	
2022	136,597		(136,597)	-	898,518	15.20%	
2023	156,868		(156,868)	-	1,046,763	14.99%	

* 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		State's		District's Covered Payroll - TPAF Employee's	District's		Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
	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 (Asset) as a Percentage of Its' Covered Payroll				
2015	0.0426297375%		\$ 24,744,440		\$ 5,690,343	0.00%	33.64%	
2016	0.0497211990%		31,425,921		5,641,459	0.00%	28.71%	
2017	0.0542707916%		42,692,860		5,795,976	0.00%	22.33%	
2018	0.0563326534%		37,981,506		5,978,912	0.00%	25.41%	
2019	0.0537065888%		34,166,978		6,197,942	0.00%	26.49%	
2020	0.0555920406%		34,117,360		6,581,803	0.00%	26.95%	
2021	0.0562468390%		37,037,867		6,612,057	0.00%	24.60%	
2022	0.0573729520%		27,582,155		6,789,473	0.00%	35.52%	
2023	0.0597478248%		30,826,541		7,500,275	0.00%	32.29%	

* 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, 2023

PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)

Change in benefit terms

None

Change in assumptions

None

TEACHERS PENSION AND ANNUITY FUND (TPAF)

Change in benefit terms

None

Change in assumptions

None

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*

	2023	2022	2021	2020
Total OPEB Liability				
Service Costs	1,744,745	1,949,391	1,123,892	989,377
Interest on Total OPEB Liability	604,956	689,490	654,007	779,452
Changes of Benefit Terms		(28,290)		
Difference between Expected and Actual Experiences	602,466	(4,871,777)	4,890,088	(3,110,567)
Changes in Assumptions	(6,123,702)	26,222	5,359,332	265,512
Gross Benefit Payments	(599,227)	(543,125)	(510,778)	(546,639)
Contribution from the Member	19,223	17,627	15,482	16,204
Net Changes in total Share of OPEB Liability	<u>(3,751,539)</u>	<u>(2,760,462)</u>	<u>11,532,023</u>	<u>(1,606,661)</u>
Total OPEB Liability - Beginning	\$ 26,579,114	29,339,576	17,807,553	19,414,214
Total OPEB Liability - Ending	<u>\$ 22,827,575</u>	<u>\$ 26,579,114</u>	<u>\$ 29,339,576</u>	<u>\$ 17,807,553</u>
District's Proportionate Share of OPEB Liability	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of OPEB Liability	22,827,575	26,579,114	29,339,576	17,807,553
Total OPEB Liability - Ending	<u>\$ 22,827,575</u>	<u>\$ 26,579,114</u>	<u>\$ 29,339,576</u>	<u>\$ 17,807,553</u>
District's Covered Employee Payroll	<u>\$ 8,547,038</u>	<u>\$ 7,687,991</u>	<u>\$ 7,458,570</u>	<u>\$ 7,001,931</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 Decrease in liability due to employers adopting provisions of Chapter 44.

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

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

Other Supplementary Information

SPECIAL REVENUE FUND

GUTTENBERG BOARD OF EDUCATION
 Special Revenue Fund
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
 June 30, 2023

	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 IV	Totals 2023
REVENUES						
Local Sources	36,899					36,899
State Sources	126,618					126,618
Federal Sources	2,301,174	643,830	82,038	80,356	95,683	3,214,599
Total Revenues	2,464,691	643,830	82,038	80,356	95,683	3,378,116
EXPENDITURES:						
Instruction:						
Salaries of Teachers	272,573	255,814	40,444	51,369	10,158	630,358
Other Salaries for Instruction	5,975	-	-	-	-	5,975
Purchased Professional - Educational Services	153,418	-	-	-	-	153,418
Other Purchased Services (400-500 series)	294,814	58,203	-	11,329	347	394,678
General Supplies						
Total instruction	726,780	314,017	40,444	62,698	29,985	1,184,429
Support services:						
Salaries of Program Directors	-	2,400	-	-	-	2,400
Salaries of Other Professional Staff	221,936	103,899	-	-	10,542	336,377
Personal Services - Employee Benefits	183,545	214,982	41,594	3,930	806	445,670
Purchased Professional and Technical Services	298,674	-	-	11,398	54,350	364,422
Purchased Property Services	531,608	-	-	-	-	531,608
Other Purchased Professional Services	5,000	1,195	-	2,330	200	8,725
Supplies & Materials	132,441	7,337	-	-	-	139,778
Student Activities	40,612	-	-	-	-	40,612
Scholarships and Awards	1,100	-	-	-	-	1,100
Total support services	1,414,916	329,813	41,594	17,658	65,698	1,870,692
Facilities acquisition and const. serv.:						
Buildings/Renovations	300,158	-	-	-	-	300,158
Instructional Equipment	-	-	-	-	-	-
Non-Instructional Equipment	27,650	-	-	-	-	27,650
Total facilities acquisition and const. serv.	327,808	-	-	-	-	327,808
Total Expenditures	2,469,504	643,830	82,038	80,356	95,683	3,382,929
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	(48,13)	-	-	-	-	(48,13)
Fund Balance, July 1	29,407	-	-	-	-	29,407
Fund Balance, June 30	24,594	-	-	-	-	24,594

GUTTENBERG BOARD OF EDUCATION
 Special Revenue Fund
 Combining Schedule of Program Revenues and Expenditures – Budgetary Basis
 Fiscal Year Ended June 30, 2023

	Total Brought Forward (Ex. E-1b)	I.D.E.A. Part B, Basic	I.D.E.A. Part B Preschool	CARES Act	Preschool Education Aid	SDA Emergent Needs	Total Carried Forward
REVENUES							
Local Sources	36,899						36,899
State Sources	-	236,086	10,433	19,766	126,618		126,618
Federal Sources	2,034,889						2,301,174
Total Revenues	2,071,788	236,086	10,433	19,766	126,618	-	2,464,691
EXPENDITURES:							
Instruction:							
Salaries of Teachers	202,483				70,090		272,573
Other Salaries for Instruction	5,975						5,975
Purchased Professional - Educational Services	3,418	150,000					153,418
Other Purchased Services (400-500 series)	285,584	2,662	1,000		5,568		294,814
General Supplies							
Total Instruction	497,460	152,662	1,000	-	75,658	-	726,780
Support services:							
Salaries of Program Directors	-						-
Salaries of Other Professional Staff	221,936						221,936
Personal Services - Employee Benefits	153,555				29,990		183,545
Purchased Professional and Technical Services	189,177	80,094	8,433		20,970		298,674
Purchased Property Services	531,608						531,608
Other Purchased Professional Services	5,000						5,000
Supplies & Materials	108,345	3,330	1,000	19,766			132,441
Student Activities	40,612						40,612
Scholarships and Awards	1,100						1,100
Total support services	1,251,333	83,424	9,433	19,766	50,960	-	1,414,916
Facilities acquisition and const. serv.:							
Buildings/Renovations	300,158						300,158
Instructional Equipment	-						-
Non-Instructional Equipment	27,650						27,650
Total facilities acquisition and const. serv.	327,808	-	-	-	-	-	327,808
Total Expenditures	2,076,601	236,086	10,433	19,766	126,618	-	2,469,504
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	(4,813)	-	-	-	-	-	(4,813)
Fund Balance, July 1	29,407						29,407
Fund Balance, June 30	24,594						24,594

GUTTENBERG BOARD OF EDUCATION
 Special Revenue Fund
 Combining Schedule of Program Revenues and Expenditures – Budgetary Basis
 Fiscal Year Ended June 30, 2023

	Total Brought Forward (Ex. E-1c)	ARP IDEA Preschool	ESSER II	ARP ESSER III	ARP, ESSER- III Beyond The School Day	ARP Homeless	Total Carried Forward
Local Sources	36,899	-	-	-	-	-	36,899
State Sources	-	64	959,321	1,059,445	6,038	10,021	2,034,889
Federal Sources	-	-	-	-	-	-	-
Total Revenues	36,899	64	959,321	1,059,445	6,038	10,021	2,071,788
EXPENDITURES:							
Instruction:							
Salaries of Teachers	-	-	126,109	72,250	4,124	-	202,483
Other Salaries for Instruction	-	-	5,975	-	-	-	5,975
Purchased Professional - Educational Services	-	-	-	-	-	3,418	3,418
Other Purchased Services (400-500 series)	-	-	210,300	74,228	1,056	-	285,584
General Supplies	-	-	-	-	-	-	-
Total Instruction	-	-	342,384	146,478	5,180	3,418	497,460
Support services:							
Salaries of Program Directors	-	-	-	39,373	-	-	221,936
Salaries of Other Professional Staff	-	-	182,563	-	-	-	153,555
Personal Services - Employee Benefits	-	-	151,786	1,527	242	-	189,177
Purchased Professional and Technical Services	-	64	34,170	154,943	-	-	531,608
Purchased Property Services	-	-	121,464	410,144	-	-	5,000
Other Purchased Professional Services	-	-	5,000	-	-	-	108,345
Supplies & Materials	40,612	-	89,146	11,980	616	6,603	40,612
Student Activities	1,100	-	-	-	-	-	1,100
Scholarships and Awards	-	-	-	-	-	-	-
Total support services	41,712	64	584,129	617,967	858	6,603	1,251,333
Facilities acquisition and const. serv.:							
Buildings/Renovations	-	-	5,158	295,000	-	-	300,158
Instructional Equipment	-	-	-	-	-	-	-
Non-Instructional Equipment	-	-	27,650	-	-	-	27,650
Total facilities acquisition and const. serv.	-	-	32,808	295,000	-	-	327,808
Total Expenditures	41,712	64	959,321	1,059,445	6,038	10,021	2,076,601
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	(4,813)	-	-	-	-	-	(4,813)
Fund Balance, July 1	29,407	-	-	-	-	-	29,407
Fund Balance, June 30	24,594	-	-	-	-	-	24,594

GUTTENBERG BOARD OF EDUCATION
 Special Revenue Fund
 Combining Schedule of Program Revenues and Expenditures – Budgetary Basis
 Fiscal Year Ended June 30, 2023

	Total Brought Forward (Ex. E-1d)	Anna L. Klein School Fund	Anna L. Klein Student Activity Fund	Graduating Class Fund	Student Council Account	Anna L. Klein Yearbook Account	Total Carried Forward
REVENUES							
Local Sources	251	2,116	9,781	22,043	2,363	345	36,899
State Sources	-	-	-	-	-	-	-
Federal Sources	-	-	-	-	-	-	-
Total Revenues	251	2,116	9,781	22,043	2,363	345	36,899
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 and Technical Services	-	-	-	-	-	-	-
Purchased Property Services	-	-	-	-	-	-	-
Other Purchased Professional Services	-	-	-	-	-	-	-
Supplies & Materials	-	3,650	13,037	22,179	1,746	-	40,612
Student Activities	-	-	-	-	-	-	1,100
Scholarships and Awards	-	-	-	-	-	-	-
Total support services	1,100	3,650	13,037	22,179	1,746	-	41,712
Facilities acquisition and const. serv.:							
Buildings/Renovations	-	-	-	-	-	-	-
Instructional Equipment	-	-	-	-	-	-	-
Non-Instructional Equipment	-	-	-	-	-	-	-
Total facilities acquisition and const. serv.	-	-	-	-	-	-	-
Total Expenditures	1,100	3,650	13,037	22,179	1,746	-	41,712
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	(849)	(1,534)	(3,256)	(136)	617	345	(4,813)
Fund Balance, July 1	9,267	4,072	8,263	4,250	2,916	639	29,407
Fund Balance, June 30	8,418	2,538	5,007	4,114	3,533	984	24,594

GUTTENBERG BOARD OF EDUCATION

Special Revenue Fund

Combining Schedule of Program Revenues and Expenditures – Budgetary Basis
Fiscal Year Ended June 30, 2023

	Mauro Scholarship Account	Total Carried Forward
REVENUES		
Local Sources	251	251
State Sources	-	-
Federal Sources	-	-
Total Revenues	251	251
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 and Technical Services	-	-
Purchased Property Services	-	-
Other Purchased Professional Services	-	-
Supplies & Materials	-	-
Student Activities	-	-
Scholarships and Awards	1,100	1,100
Total support services	1,100	1,100
Facilities acquisition and const. serv.:		
Buildings/Renovations	-	-
Instructional Equipment	-	-
Non-Instructional Improvements	-	-
Total facilities acquisition and const. serv.	-	-
Total Expenditures	1,100	1,100
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	(849)	(849)
Fund Balance, July 1	9,267	9,267
Fund Balance, June 30	8,418	8,418

GUTTENBERG BOARD OF EDUCATION
Special Revenue Fund
Schedule of Preschool Education Aid
Budgetary Basis
Fiscal Year Ended June 30, 2023

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:			
Instruction:			
Salaries of Teachers	70,090	70,090	-
General Supplies	15,110	5,568	9,542
Total instruction	<u>85,200</u>	<u>75,658</u>	<u>9,542</u>
Support services:			
Personal Services - Employee Benefits	29,990	29,990	-
Purchased Professional - Educational Services	20,970	20,970	-
Total support services	<u>50,960</u>	<u>50,960</u>	<u>-</u>
Total expenditures	<u><u>136,160</u></u>	<u><u>126,618</u></u>	<u><u>9,542</u></u>

Calculation of Budget and Carryover

Total Revised 2022-23 Preschool Education Aid Allocation	131,677
Add: Actual ECPA/PEA Carryover (June 30, 2022)	38,755
Add: Budgeted transfer from General Fund 2022-23	-
Total Preschool Education Funds Available for 2022-23 Budget	<u>170,432</u>
Less: 2021-22 Budgeted Preschool Education Aid (Including prior year budgeted carryover)	<u>(136,160)</u>
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2023	34,272
Add: June 30, 2023 Unexpended Preschool Education Aid	<u>9,542</u>
2022-23 Actual Carryover - Preschool Education Aid Programs	<u><u>43,814</u></u>
2022-23 Preschool Education Aid Carryover Budgeted for Preschool Programs 2023-24	<u><u>38,755</u></u>

PROPRIETARY FUNDS

GUTTENBERG BOARD OF EDUCATION
Combining Statement of Net Position
Enterprise Funds
June 30, 2023

	<u>Enterprise Fund</u>	<u>Internal</u> <u>Service Fund</u>	
	Food	Building	
	Service	Maintenance	
	Program		Totals
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Current assets:			
Cash and cash equivalents	318,288	156,393	474,681
Accounts receivable:			
State	1,187		1,187
Federal	34,547		34,547
Other	-		-
Inventories	10,385		10,385
Total current assets	<u>364,407</u>	<u>156,393</u>	<u>520,800</u>
Noncurrent assets:			
Capital assets:			
Equipment	85,209		85,209
Less accumulated depreciation:			
Equipment	<u>(55,869)</u>		<u>(55,869)</u>
Total capital assets (net of accumulated depreciation)	<u>29,340</u>	<u>-</u>	<u>29,340</u>
Total assets	<u>393,747</u>	<u>156,393</u>	<u>550,140</u>
LIABILITIES			
Current liabilities:			
Accounts payable	33,842		33,842
Unearned Revenue	584		584
Interfund - General Fund	<u>37,349</u>		<u>37,349</u>
Total current liabilities	<u>71,775</u>	<u>-</u>	<u>71,775</u>
NET POSITION			
Net Investment in Capital Assets	29,340	-	29,340
Restricted contributed capital	32,055		32,055
Unrestricted	<u>260,577</u>	<u>156,393</u>	<u>416,970</u>
Total net position	<u>321,972</u>	<u>156,393</u>	<u>478,365</u>

GUTTENBERG BOARD OF EDUCATION
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Enterprise Funds
Fiscal Year Ended June 30, 2023

	<u>Enterprise Funds</u> <u>Food</u> <u>Service</u> <u>Program</u>	<u>Internal</u> <u>Service</u> <u>Fund</u> <u>Building</u> <u>Maintenance</u>	<u>Totals</u>
Operating revenues:			
Charges for services:			
Daily sales - reimbursable programs	36,022		36,022
Daily sales - non-reimbursable programs	273		273
Total operating revenues	<u>36,295</u>	<u>-</u>	<u>36,295</u>
Operating expenses:			
Cost of sales - reimbursable programs	237,037		237,037
Cost of sales - non-reimbursable programs	-		-
Salaries	358,763		358,763
Supplies and materials	297		297
Employee benefits	57,295		57,295
Cleaning repair & maintenance	356		356
Purchased services	27,595		27,595
Miscellaneous	2,865		2,865
Depreciation	2,960		2,960
Total Operating Expenses	<u>687,168</u>	<u>-</u>	<u>687,168</u>
Operating income (loss)	<u>(650,873)</u>	<u>-</u>	<u>(650,873)</u>
Nonoperating revenues (expenses):			
State sources:			
State school lunch program	11,471		11,471
State school breakfast program	6,120		6,120
Federal sources:			
National school lunch program	381,949		381,949
National school breakfast program	105,672		105,672
P-EBT administrative costs	653		653
Food distribution program	56,656		56,656
Supply Chain Assistance	60,066		60,066
Interest and investment revenue	19,684	4,185	23,869
Total nonoperating revenues (expenses)	<u>642,271</u>	<u>4,185</u>	<u>646,456</u>
Income (loss) before contributions & transfers	<u>(8,602)</u>	<u>4,185</u>	<u>(4,417)</u>
Change in net position	(8,602)	4,185	(4,417)
Total net position—beginning	<u>330,574</u>	<u>152,208</u>	<u>482,782</u>
Total net position—ending	<u><u>321,972</u></u>	<u><u>156,393</u></u>	<u><u>478,365</u></u>

GUTTENBERG BOARD OF EDUCATION
Combining Statement of Cash Flows
Enterprise Funds
Fiscal Year Ended June 30, 2023

	<u>Enterprise Funds</u> <u>Food</u> <u>Service</u> <u>Program</u>	<u>Internal</u> <u>Service Fund</u> <u>Building</u> <u>Maintenance</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	36,295	-	36,295
Refund of prior year operating expenses	17,141		17,141
Payments to employees	(158,128)	-	(158,128)
Payments to outside food service management company	(436,785)	-	(436,785)
Payments for supplies	(497)	-	(497)
Payments for miscellaneous expenditures	(356)	-	(356)
Net cash provided by (used for) operating activities	<u>(542,330)</u>	<u>-</u>	<u>(542,330)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
State Sources	17,252		17,252
Federal Sources	562,869		562,869
Net cash provided by (used for) non-capital financing activities	<u>580,121</u>	<u>-</u>	<u>580,121</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends	19,684	4,185	23,869
Net cash provided by (used for) investing activities	<u>19,684</u>	<u>4,185</u>	<u>23,869</u>
Net increase (decrease) in cash and cash equivalents	57,475	4,185	61,660
Balances—beginning of year	260,813	152,208	413,021
Balances—end of year	<u>318,288</u>	<u>156,393</u>	<u>474,681</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	(650,873)	-	(650,873)
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	56,656		56,656
(Increase) decrease in accounts receivable, net	17,141		17,141
(Increase) decrease in inventories	(2,056)		(2,056)
Increase (decrease) in accounts payable	33,842		33,842
Total adjustments	<u>108,543</u>	<u>-</u>	<u>108,543</u>
Net cash provided by (used for) operating activities	<u>(542,330)</u>	<u>-</u>	<u>(542,330)</u>

LONG-TERM DEBT

Exhibit I-1

GUTTENBERG BOARD OF EDUCATION
General Long Term Debt Account Group
Schedule of Leases Payable
June 30, 2023

Description	Amount of Original Issues	Interest Rate Payable	Amount Outstanding on July 1, 2022	Retired in Current Year	Amount Outstanding on June 30, 2023
Board of Education Office Space	64,059	4.00%	45,143	23,006	22,137
Copiers	196,736	4.000%	154,851	58,755	96,096
TOTAL			<u>\$ 199,994</u>	<u>81,761</u>	<u>118,233</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
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Revenue Capacity

- J-6 Assessed Value and Estimated Actual Value of Taxable Property
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- 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 annual comprehensive financial reports (ACFR) for the relevant year.	

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities										
Net investment in capital assets	\$ 2,336,568	\$ 3,761,335	\$ 8,877,172	\$ 17,357,797	\$ 25,027,092	26,663,442	26,494,678	25,906,672	25,647,262	25,099,924
Restricted	3,172,592	3,404,521	3,602,582	3,501,923	3,226,924	3,292,282	3,123,691	5,403,612	8,303,871	11,725,135
Unrestricted	(1,174,387)	(3,535,225)	(3,658,745)	(3,999,207)	(4,175,396)	(4,213,129)	(4,136,009)	(3,642,039)	(3,476,206)	(3,815,264)
Total governmental activities net position	\$ 4,334,773	\$ 3,630,631	\$ 8,821,009	\$ 16,860,513	\$ 24,078,620	\$ 25,742,595	\$ 25,482,360	\$ 27,668,245	\$ 30,474,927	\$ 33,009,795
Business-type activities										
Net investment in capital assets	\$ 16,156	\$ 16,156	\$ 58,450	\$ 58,961	\$ 31,634	41,452	37,707	34,747	32,300	29,340
Restricted	32,055	32,055	32,055	32,055	32,055	32,055	32,055	32,055	32,055	32,055
Unrestricted	132,551	132,551	70,055	38,498	37,062	75,170	96,995	124,620	266,219	260,577
Total business-type activities net position	\$ 180,762	\$ 180,762	\$ 160,560	\$ 129,514	\$ 100,751	\$ 148,677	\$ 166,757	\$ 191,422	\$ 330,574	\$ 321,972
District-wide										
Net investment in capital assets	\$ 2,352,724	\$ 3,777,491	\$ 8,935,622	\$ 17,416,758	\$ 25,058,726	\$ 26,704,894	\$ 26,532,385	\$ 25,941,419	\$ 25,679,562	\$ 25,129,264
Restricted	3,204,647	3,436,576	3,634,637	3,533,978	3,258,979	3,324,337	3,155,746	5,435,667	8,335,926	11,757,190
Unrestricted	(1,041,836)	(3,402,674)	(3,588,690)	(3,960,709)	(4,138,334)	(4,137,959)	(4,039,014)	(3,517,419)	(3,209,987)	(3,554,687)
Total district net position	\$ 4,515,535	\$ 3,811,393	\$ 8,981,569	\$ 16,990,027	\$ 24,179,371	\$ 25,891,272	\$ 25,649,117	\$ 27,859,667	\$ 30,805,501	\$ 33,331,767

Source: ACFR Schedule A-1

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental activities										
Instruction										
Regular	\$ 4,844,899	\$ 5,365,573	\$ 5,398,563	\$ 5,248,694	\$ 4,905,189	5,612,540	5,846,606	5,390,160	5,331,404	5,689,000
Special education	674,274	730,833	761,361	806,906	1,176,342	1,503,573	1,321,154	781,438	628,445	1,325,434
Other special education	653,184	936,955	691,013	894,821	979,383	927,622	923,708	1,398,277	1,453,201	1,232,848
Other instruction	51,488	179,549	71,727	73,178	65,655	85,122	70,618	49,208	79,533	89,441
Support Services:										
Tuition	4,974,817	5,115,833	5,039,443	5,339,656	5,846,445	6,063,454	6,475,842	5,679,991	5,514,815	5,129,522
Health Services				176,215	183,929	193,902	186,620	166,954	66,261	139,013
Student & instruction related services	2,457,964	2,255,474	2,496,387	2,375,964	2,523,399	2,777,214	2,456,327	3,036,060	3,790,752	3,765,774
General administrative services	456,959	451,504	436,067	461,485	305,469	766,951	595,080	563,445	174,568	516,379
School administrative services	155,128	139,430	146,756	276,839	514,009	327,729	258,079	241,614	497,731	286,212
Central Services	418,985	386,608	387,689	397,748	366,742	404,622	355,337	341,072	368,222	311,112
Business administrative services	-	-	-	-	-	-	-	-	-	-
Administrative Information Technology	123,858	129,376	134,825	141,314	139,557	146,199	168,501	173,848	53,591	148,734
Plant operations and maintenance	876,366	823,904	889,641	883,228	916,960	1,249,596	1,197,318	999,333	1,397,768	2,111,944
Pupil transportation	171,554	182,233	286,834	225,753	252,183	217,093	197,460	279,190	275,513	546,593
Business and other support services										
Unallocated Benefits	1,117,086	2,299,526	3,170,724	4,701,242	5,136,687	2,683,829	3,137,967	4,485,095	4,564,455	4,275,026
Charter Schools	-	-	-	-	-	44,465	-	-	77,101	81,145
Debt Service:										
Interest and other charges	26,944	13,444							7,594	6,255
Unallocated depreciation	224,737	229,134	208,550	179,259	431,989	757,450	819,324	848,397	900,750	934,469
Capital Outlay - nondepreciable	49,602	33,482	26,556	187,021	187,021	135,411	47,758	5,267	21,454	181,855
Total governmental activities expenses	17,277,845	19,272,848	20,146,136	22,182,302	23,930,959	23,896,772	24,057,699	24,439,339	25,205,158	26,770,756
Business-type activities:										
Food service	414,772	480,218	516,641	523,843	450,833	407,086	356,155	239,866	379,204	687,168
Child Care	-	-	-	-	-	-	-	-	-	-
Total business-type activities expense	414,772	480,218	516,641	523,843	450,833	407,086	356,155	239,866	379,204	687,168
Total district expenses	\$ 17,692,617	\$ 19,753,066	\$ 20,662,777	\$ 22,706,145	\$ 24,381,792	\$ 24,303,858	\$ 24,413,854	\$ 24,679,205	\$ 25,584,362	\$ 27,457,924

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Program Revenues										
Governmental activities:										
Charges for services:										
Food service										
Student activity revenue								14,686	31,031	-
Operating grants and contributions	1,228,254	1,162,137	1,238,800	1,206,158	1,416,220	1,539,464	1,334,731	1,958,306	3,558,150	36,648
Capital grants and contributions										3,013,660
Total governmental activities program revenues	1,228,254	1,162,137	1,238,800	1,206,158	1,416,220	1,539,464	1,334,731	1,972,992	3,589,181	3,050,308
Business-type activities:										
Charges for services:										
Food service	49,084	54,623	45,836	44,706	56,994	56,878	42,023	63	305	36,295
Child care										
Operating grants and contributions	373,423	432,761	448,381	445,632	386,316	390,558	319,746	256,461	514,288	622,587
Capital grants and contributions										
Total business-type activities program revenues	422,507	487,384	494,217	490,338	443,310	447,436	361,769	256,524	514,593	658,882
Total district program revenues	1,650,761	1,649,521	1,733,017	1,696,496	1,859,530	1,986,900	1,696,500	2,229,516	4,103,774	3,709,190
Net (Expense)/Revenue										
Governmental activities	\$ (16,049,591)	\$ (18,110,711)	\$ (18,907,336)	\$ (20,976,144)	\$ (22,314,739)	\$ (22,357,308)	\$ (22,722,968)	\$ (22,466,347)	\$ (21,615,977)	\$ (23,720,448)
Business-type activities	7,735	7,166	(22,424)	(33,505)	(7,523)	40,350	5,614	16,658	135,389	(28,286)
Total district-wide net expense	\$ (16,041,856)	\$ (18,103,545)	\$ (18,929,760)	\$ (21,009,649)	\$ (22,322,262)	\$ (22,316,958)	\$ (22,717,354)	\$ (22,449,689)	\$ (21,480,588)	\$ (23,748,734)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 10,459,613	\$ 10,668,805	\$ 10,882,182	\$ 11,099,825	\$ 11,099,825	\$ 11,321,822	\$ 11,321,822	\$ 11,321,822	\$ 11,321,822	\$ 11,321,822
Taxes levied for debt service	256,003	243,377	229,841	-	-	-	-	-	-	-
Local share, Capital Projects Fund		1,036,546	3,903,246	7,076,902	4,610,288	1,448,830				
Unrestricted grants and contributions	5,908,220	7,233,297	7,950,297	9,337,671	10,649,013	10,989,449	11,189,886	13,002,180	12,919,454	14,291,352
Restricted grants and contributions		365,174	1,095,521	1,460,695	730,348	182,587		230,766	9,135	327,808
Investment earnings										
Miscellaneous income	125,013	232,635	36,627	40,555	66,682	78,595	69,701	58,616	172,248	314,334
Other Financing sources (uses)	(218,269)						(118,676)			
Total governmental activities	16,530,580	19,779,834	24,097,714	29,015,648	27,156,156	24,021,283	22,462,733	24,613,384	24,422,659	26,255,316
Business-type activities:										
Other Financing sources (uses)	18,612	1,505	2,222	2,459	4,112	7,576	12,466	8,007	3,763	19,684
Total business-type activities	18,612	1,505	2,222	2,459	4,112	7,576	12,466	8,007	3,763	19,684
Total district-wide	\$ 16,549,192	\$ 19,781,339	\$ 24,099,936	\$ 29,018,107	\$ 27,160,268	\$ 24,028,859	\$ 22,475,199	\$ 24,621,391	\$ 24,426,422	\$ 26,275,000
Change in Net Position										
Governmental activities	\$ 480,989	\$ 1,669,123	\$ 5,190,378	\$ 8,039,504	\$ 4,641,417	\$ 1,663,975	\$ (260,235)	\$ 2,147,037	\$ 2,806,682	\$ 2,534,868
Business-type activities	26,347	8,671	(20,202)	(31,046)	(3,411)	47,926	18,080	24,665	139,152	(8,602)
Total district	\$ 507,336	\$ 1,677,794	\$ 5,170,176	\$ 8,008,458	\$ 4,638,006	\$ 1,711,901	\$ (242,155)	\$ 2,171,702	\$ 2,945,834	\$ 2,526,266

Source: ACFR Schedule A-2

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Restricted	3,015,474	3,148,264	3,438,046	3,347,121	2,674,046	2,429,347	2,891,232	5,188,130	8,034,321	11,015,528
Committed	15,093		21,303	10,843	407,878	716,097	82,803	64,088	117,342	553,214
Assigned	-	113,749	(116,945)	(78,566)	(144,101)	(293,597)	(320,756)	(52,862)	(153,216)	(686,781)
Unassigned	(172,025)	(164,723)								
Total general fund	\$ 2,858,542	\$ 3,097,290	\$ 3,342,404	\$ 3,279,398	\$ 2,937,823	\$ 2,851,847	\$ 2,653,279	\$ 5,199,356	\$ 7,998,447	\$ 10,881,961
All Other Governmental Funds										
Reserved										
Unreserved, reported in:										
Special revenue fund										
Capital projects fund										
Debt service fund										
Permanent fund										
Total all other governmental funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Source: ACFR Schedule B-1

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Tax levy	\$ 10,715,616	\$ 10,912,182	\$ 11,112,023	\$ 11,099,825	\$ 11,099,825	11,321,822	11,321,822	11,321,822	11,321,822	11,321,822
Interest earnings	125,013	232,635	36,627	40,555	66,682	78,595	69,701	58,616	39,186	314,334
Miscellaneous		1,036,546	3,903,246	7,076,902	4,660,288	1,448,830	14,868	14,868	31,031	36,899
Local Share	6,051,094	6,665,138	7,733,609	8,365,499	8,455,636	9,907,584	10,460,267	11,356,143	13,365,995	15,292,771
State sources	1,085,380	1,032,798	1,066,687	1,064,882	1,201,937	1,393,549	1,190,978	2,031,863	3,530,397	3,229,615
Federal sources	17,977,103	19,879,299	23,852,192	27,647,663	25,484,368	24,150,380	23,042,768	24,783,312	28,288,431	30,195,441
Total revenue										
Expenditures										
Instruction										
Regular instruction	4,864,941	5,385,615	5,418,605	5,268,736	4,925,074	5,229,766	5,946,516	5,403,194	6,063,984	6,317,982
Special education instruction	674,274	730,823	761,361	806,906	1,176,342	1,421,587	1,321,154	781,428	826,146	1,463,897
Other special instruction	653,184	936,955	691,013	894,821	979,383	824,723	923,708	1,398,277	1,680,905	1,400,104
Other instruction	51,488	179,549	71,727	73,178	65,655	79,069	70,618	49,208	92,563	99,652
Support Services:										
Tuition	4,974,817	5,115,833	5,039,443	5,339,656	5,846,445	6,063,454	6,475,842	5,679,991	5,514,815	5,129,522
Health Services				176,215	183,929	176,783	186,620	166,954	66,261	163,075
Student & instruction related services	2,457,964	2,255,474	2,496,387	2,375,964	2,512,758	2,631,763	2,444,897	3,036,060	4,098,462	4,059,416
General administrative services	456,959	451,504	436,067	461,485	514,009	736,643	595,080	563,445	558,469	561,131
School Administrative services	155,128	139,430	146,756	276,839	305,469	303,276	258,079	241,614	216,449	333,061
Business and other support services										
Central administrative services	418,985	386,608	387,689	397,748	366,742	370,150	355,337	341,072	470,238	364,684
Administrative Information Technology	123,858	129,376	134,825	141,314	139,557	134,640	168,501	173,848	53,591	168,893
Plant operations and maintenance	876,366	824,385	890,366	883,954	914,573	1,220,526	1,250,179	1,030,696	1,869,857	2,149,334
Pupil transportation	171,554	182,233	286,834	225,753	252,183	217,093	197,460	279,190	275,513	546,593
Unallocated employee benefits	110,521	108,164	132,909	150,984	146,311	143,341	120,823	125,955	141,029	160,796
Allocated Benefits										
On-behalf contributions	896,207	1,107,025	1,355,431	1,577,232	1,771,829	2,097,566	2,228,249	2,738,591	3,596,685	3,575,982
Special Schools										
Charter Schools	228,950	1,447,383	5,111,943	8,659,884	5,725,684	44,465	579,597	236,033	77,101	81,145
Capital outlay									21,454	651,227
Debt service:										
Principal	240,000	240,000	239,000	-	-	-	-	-	-	81,761
Interest and other charges	33,694	20,194	6,722	-	-	-	-	-	-	6,485
Total expenditures	17,388,890	19,640,551	23,607,078	27,710,669	25,825,943	24,236,356	23,122,660	22,245,556	25,623,522	27,316,740
Excess (Deficiency) of revenues over (under) expenditures	588,213	238,748	245,114	(63,006)	(341,575)	(85,976)	(79,892)	2,537,756	2,664,909	2,878,701

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Other Financing sources (uses)										
To fund prior year uncollectible receivables-										
On-behalf TPAF Reimbursed Social Security							(118,676)			
Insurance Recovery related to									133,062	
Impaired Capital Asset							(118,676)		133,062	
Total other financing sources (uses)										
Net change in fund balances	\$ 588,213	\$ 238,748	\$ 245,114	\$ (63,006)	\$ (341,575)	\$ (85,976)	\$ (198,568)	\$ 2,537,756	\$ 2,797,971	\$ 2,878,701
Debt service as a percentage of noncapital expenditures	1.6%	1.4%	1.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.3%

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: ACFR Schedule B-2

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

Fiscal Year Ended June 30,	Interest on Investments	Tuition Refunds	Close out of		Refunds	Reimb - ursement	P/Y Payables Cancelled/ Void Checks	Misc.	Total
			SACC & Unemployment Trust Accounts	Refunds					
2013	2,526	-			9,723			23,485	35,734
2014		19,713	15,926		3,809	3,593	61,928	20,044	125,013
2015	555	136,861			18,077	39,151	4,745	33,246	232,635
2016	17,971	2,726			9,980			5,950	36,627
2017	22,922				17,629			4	40,555
2018	33,868				4,419		25,995	2,400	66,682
2019	69,406				6,605			2,584	78,595
2020	55,466				8,793	1,215		4,227	69,701
2021	42,106				240			16,270	58,616
2022	27,801				258			11,127	39,186
2023	276,353				1,560			36,421	314,334

Source: District Records

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

Year Ended Dec. 31,	Vacant Land	Residential	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
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	21,391,400	90,909,500	796,785,400	51,090,000	133,508	745,828,908	1.402	915,819,614	81.44%
2016	2,218,700	599,683,560		81,539,100	20,489,100	89,659,000	793,589,460	51,143,900	617,530	743,063,090	1.412	949,695,676	78.24%
2017	2,078,600	598,369,776		80,678,100	19,282,800	88,882,800	789,292,076	51,821,700	594,331	738,064,707	1.416	1,043,946,918	70.70%
2018	2,078,600	596,879,176		80,867,100	18,733,000	88,578,100	787,135,976	52,700,700	641,964	735,077,240	1.407	1,094,836,656	67.14%
2019	2,385,400	594,522,276		77,587,600	17,751,100	97,614,800	789,861,176	61,935,400	542,343	728,468,119	1.433	1,193,325,756	61.05%
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%
2022	3,846,499	592,261,376		76,803,600	17,320,800	93,353,800	783,586,075	67,819,202	507,541	716,274,414	1.444	1,190,251,406	60.18%
2023	3,768,899	592,242,676		76,372,400	17,320,800	93,275,100	782,979,875	71,808,002	513,346	711,685,219	1.446	1,190,251,406	59.79%

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
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
2022	1.444	0.000	1.444	1.870	0.563	0.000	3.877
2023	1.446	0.000	1.446	1.988	0.560	0.000	3.994

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

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

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

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

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

Taxpayer	2023				2014				
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Summit House Co-op	\$ 24,800,000	1	3.17%						
Palisades Operations LLC	5,445,800	2	0.70%						
422-30 68th St. Marchionda & Ferrer	4,840,000	3	0.62%						
Polk Street Partners, LLC	2,700,000	5	0.34%						
6803 Boulevard East LLC	3,918,900	4	0.50%						
AL-Z Properties Corp.	2,138,600	8	0.27%						
AM 68th Street, LLC	2,690,500	6	0.34%						
7014 Jackson Street	2,600,000	7	0.33%						
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	3.17%			
Palisades Operations LLC				5,445,800	2	0.68%			
422-30 68th Street, LLC				4,840,000	3	0.60%			
6803 Boulevard East LLC				4,068,900	4	0.51%			
AM 68th St. LLC				2,690,500	5	0.34%			
Guttenberg Savings and Loan				2,177,000	6	0.27%			
AL-Z Properties Corp.				2,138,600	7	0.27%			
63-67 69th St. Assoc. LLC				1,884,500	8	0.24%			
Lagatuta Partners, L.P.				1,614,400	9	0.20%			
JAB Realty				1,360,000	10	0.17%			
Total	\$ 53,095,900		6.78%	\$ 51,619,700		6.44%			

Net Assessed Valuation: 783,493,221 800,942,308

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	
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
2022	11,321,822	11,321,822	100.00%	-
2023	11,321,822	10,378,337	91.67%	943,485

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	Total District			
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	0.00%	0.18	
2021	-	-	-	-	-	0.00%	-	
2022	-	-	-	-	-	Not Available	Not Available	
2023	-	-	-	-	-	Not Available	Not Available	

Source: District ACFR 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		
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%	0.18
2021	-	-	-	0.00%	-
2022	-	-	-	0.00%	Not Available
2023	-	-	-	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, 2023

<u>Governmental Unit</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Debt Outstanding</u>	<u>Estimated Share of Overlapping Debt</u>
Direct Debt of School District as of June 30, 2023			
Net overlapping debt of School District:			
Guttenberg Town - 12/31/22	100.000%	\$ 26,441,723	
County of Hudson - 12/31/22	1.078%	<u>\$ 5,305,617</u>	
Subtotal, overlapping debt			<u>\$ 31,747,340</u>
Total direct and overlapping debt			<u><u>\$ 31,747,340</u></u>

Sources: Hudson County Treasurer's Office (2022 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
Demographic and Economic Statistics
Last Ten Fiscal Years**

Year	Population ^a	Personal Income (thousands of dollars)	Per Capita	
			Personal Income ^c	Unemployment Rate ^d
2013	11,547	566,819,136	49,088	8.60%
2014	11,547	610,143,480	52,840	5.50%
2015	11,505	650,964,405	56,581	4.80%
2016	11,476	671,759,136	58,536	4.00%
2017	11,403	711,011,259	62,353	4.00%
2018	11,275	752,098,875	66,705	3.30%
2019	11,185	776,306,110	69,406	2.80%
2020	11,015	789,577,230	71,682	10.00%
2021	11,502	828,673,092	72,046	6.20%
2022	11,446	Not Available	Not Available	3.20%

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	2023		2014		Percentage of Total Employment	Rank (Optional)	Percentage of Total Employment
	Employees	Percentage of Total Employment	Employees	Rank (Optional)			
	-	0.00%	-		-		0.00%

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

Source: Town of Guttenberg

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

<u>Function/Program</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Instruction										
Regular	59.0	59.0	59.0	62.0	57.0	63.0	59.0	60.0	68.0	69.0
Special education	12.0	12.0	12.0	12.0	11.0	11.0	11.0	12.0	13.0	13.0
Other special education					5.0	5.0	5.0	5.0	4.0	4.0
Vocational										
Other instruction	10.0	10.0	10.0	14.0	6.0	7.0	9.0	10.0	10.0	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	30.0	30.0
General administrative services	3.0	6.0	6.0	2.0	3.0	3.0	3.0	3.0	3.0	3.0
School administrative services	4.0	4.0	4.0	3.0	2.0	2.0	2.0	2.0	2.0	2.0
Business administrative services	3.0	0.0	0.0	4.5	3.0	3.0	3.0	3.0	3.0	3.0
Plant operations and maintenance	6.0	6.0	6.0	7.0	3.5	3.0	3.0	3.0	4.0	4.0
Total	97.0	115.0	97.0	128.0	113.5	120.0	119.0	127.0	137.0	138.0

* Information Not Provided by District

Source: District Personnel Records

Guttenberg Board of Education
Operating Statistics
Last Ten Fiscal Years

Fiscal Year	Pupil/Teacher Ratio											
	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Elementary	Middle School	High School	Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
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	*	95.02%
2016	972.0	18,249,413	18,775	2.81%	91	1:12	N/A	N/A	1007	956.98	2.49%	94.99%
2017	1,015.0	19,050,785	18,769	-0.03%	98	1:10	N/A	N/A	1011.9	959.94	0.49%	94.87%
2018	1,000.0	20,100,259	20,100	7.09%	102	1:10	N/A	N/A	983.39	931.34	-2.82%	94.71%
2019	991.0	21,694,845	21,892	8.91%	109	1:09	N/A	N/A	959.29	912.39	-2.45%	95.11%
2020	982.0	22,543,063	22,956	4.86%	108	1:09	N/A	N/A	977.47	945.53	1.90%	96.73%
2021	909.0	22,009,523	24,213	5.47%	116	1:08	N/A	N/A	911.56	876.47	-6.74%	96.15%
2022	912.0	25,602,068	28,072	15.94%	100	1:09	N/A	N/A	936	876	2.68%	93.59%
2023	949.0	26,577,267	28,006	-0.24%	101	1:09	N/A	N/A	947.85	887.63	1.27%	93.65%

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
District Buildings										
Elementary										
Anna L. Klein School	90,487	90,487	90,487	90,487	138,002	138,002	138,002	138,002	138,002	138,002
Square Feet	872	872	872	872	1,326	1,326	1,326	1,326	1,326	1,326
Capacity (students)	1,024	982	982	982	1,000	991	982	909	909	949
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)	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Anna L. Klein School	N/A	100,762	264,159	158,925	619,295	259,241	326,059	137,814	167,380	111,447	178,316
Total School Facilities		100,762	264,159	158,925	619,295	259,241	326,059	137,814	167,380	111,447	178,316
Grand Total		\$ 100,762	\$ 264,159	\$ 158,925	\$ 619,295	\$ 259,241	\$ 326,059	\$ 137,814	\$ 167,380	\$ 111,447	\$ 178,316

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, 2023**

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



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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities and each major fund and the aggregate remaining fund information of the Board of Education of the Town of Guttenberg School District, in the County of Hudson, New Jersey, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements, and have issued our report thereon dated December 8, 2023.

Internal Control Over Financial Reporting

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



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

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

Compliance and Other Matters

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

We noted certain matters that were required to be reported to the Board of Education of the Town of Guttenberg School District in the separate Auditors' Management Report on Administrative Findings - Financial, Compliance and Performance dated December 8, 2023.

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

December 8, 2023





WIELKOTZ & COMPANY LLC
CERTIFIED PUBLIC ACCOUNTANTS

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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

Opinion on 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, 2023. 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.

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, 2023.

Basis for Opinion on Each Major Federal and State Program

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 the audit requirements of 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. Our



responsibilities under those standards and the Uniform Guidance and N.J. OMB Circular 15-08 are described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Town of Guttenberg Board of Education and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of the Town of Guttenberg Board of Education's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Town of Guttenberg Board of Education's federal and state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Town of Guttenberg Board of Education's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards, the Uniform Guidance and N.J. OMB Circular 15-08, will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about, the Town of Guttenberg Board of Education's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, the Uniform Guidance and N.J. OMB Circular 15-08, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Town of Guttenberg Board of Education's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.



- Obtain an understanding of the Town of Guttenberg Board of Education's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the Town of Guttenberg Board of Education's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.



Honorable President and
Members of the Board of Education

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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. Wielkocz

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

Wielkocz & Company, LLC

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

December 8, 2023

TOWN OF GUTTENBERG
BOARD OF EDUCATION

Schedule of Expenditures of Federal Awards

Year ended June 30, 2023

Federal CFDA Number	Federal Grantor/Pass-through Grantor/Program Title	Federal FAIN Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2022	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Refunds/ Cancelled PY A/P/ Deobligated	(Accounts Receivable) at June 30, 2023	Deferred Revenue at June 30, 2023	Due to Grantor at June 30, 2023
U.S. Department of Agriculture													
Passed-through State Department of Education:													
Enterprise Fund:													
10.550	USDA Commodities Program	231N1304N1096		7/1/22-6/30/23	\$ 56,656			56,656	56,656				
10.555	National School Lunch Program	231N1304N1099		7/1/22-6/30/23	381,949			355,240	381,949		(26,709)		
10.555	National School Lunch Program	221N1304N1099		7/1/21-6/30/22	379,422	(36,842)		36,842					
10.553	National School Breakfast Program	231N1304N1099		7/1/22-6/30/23	105,672			98,487	105,672		(7,185)		
10.553	National School Breakfast Program	221N1304N1099		7/1/21-6/30/22	92,352	(11,650)		11,650					
10.555	Supply Chain Assistance Funding	211N1304N1099		1/1/22-9/30/23	24,720			24,720	24,720				
10.555	Supply Chain Assistance Funding (2nd Round)	211N1304N1099		1/1/22-9/30/23	22,870			22,870	22,870				
10.555	Supply Chain Assistance Funding (3rd Round)	211N1304N1099		10/1/22-9/30/24	13,060			13,060	12,476			584	
10.649	P-EBT Administrative Cost	2022225900941	N/A	7/1/22-6/30/23	653				653		(653)		
Total Enterprise Fund													
U.S. Department of Health and Human Services													
General Fund:													
93.778	Medicaid Administrative Claiming (MAC)	2005N15MAP		7/1/22-6/30/23	4,509			4,509	4,509				
93.778	Medical Assistance Program (SEMI)	2005N15MAP		7/1/22-6/30/23	9,570			9,570	9,570				
93.775	FFCRA/SEMI Revenue	2005N15MAP		7/1/22-6/30/23	937			937	937				
Total General Fund													
U.S. Department of Education													
Passed-through State Department of Education:													
Special Revenue Fund:													
84.010A	Title I, Improving Basic Programs	S010A220030	ESEA185020	7/1/22-6/30/23	718,637		(477,664)	835,287	643,830		(286,207)		99
84.010A	Title I, Improving Basic Programs	S010A210030	ESEA185021	7/1/21-9/30/22	757,033	(477,664)	477,664						
84.010A	Title I, Improving Basic Programs	S010A200030	ESEA185021	7/1/20-6/30/21	10,000	99							
84.010A	Title I, SEA	S010A220030	ESEA185020	7/1/22-9/30/23	10,000								
84.367	Title II, Part A - Teacher/Principal Training and Recruiting	S367A220029	ESEA185020	7/1/22-6/30/23	82,740		(48,974)	101,962	82,038		(29,050)		
84.367	Title II, Part A - Teacher/Principal Training and Recruiting	S367A210029	ESEA185021	7/1/21-9/30/22	77,347	(48,974)	48,974						
84.365	Title III - English Language Acquisition and Language Enhancement	S365A220030	ESEA185020	7/1/22-6/30/23	43,895		(2,156)	80,883	80,356	(5,376)	(7,005)		
84.365	Title III - English Language Acquisition and Language Enhancement	S365A210030	ESEA185021	7/1/21-9/30/22	36,758	(2,156)	2,156						
84.365	Title III - Immigrant	S365A220030	ESEA185020	7/1/22-6/30/23	19,468		(5,707)	17,189	11,518		(36)		
84.365	Title III - Immigrant	S365A210030	ESEA185021	7/1/21-9/30/22	11,757	(5,707)	5,707						
84.424	Title IV, Student Support/Academic Enrichment	S424A220031	ESEA185020	7/1/22-6/30/23	62,852		(7,288)	68,725	95,683		(34,246)		
84.424	Title IV, Student Support/Academic Enrichment	S424A210031	ESEA185021	7/1/21-9/30/22	59,269	(7,288)	7,288						
84.027A	ID.E.A. Part B, Basic Regular	H027A220100	IDEA185020	7/1/22-6/30/23	236,144		(25,320)	252,256	236,086	201	(8,949)		
84.027A	ID.E.A. Part B, Basic Regular	H027A210100	IDEA185021	7/1/21-9/30/22	233,435	(25,320)	25,320						
84.173	ID.E.A. Part B, Preschool	H173A220114	IDEA185020	7/1/22-6/30/23	10,433		(2,782)	12,467	10,433		(748)		
84.173	ID.E.A. Part B, Preschool	H173A210114	IDEA185021	7/1/21-9/30/22	9,406	(2,782)	2,782						
84.425D	CARES Relief Act	S425D200027		3/13/20-9/30/22	651,041	(9,417)	9,417	29,183	19,766		(469,076)		
84.425D	CRRSA-ESSER II	S425D210027		3/13/20-9/30/23	2,877,299	(603,371)	96,043	997,573	959,321				

TOWN OF GUTTENBERG
BOARD OF EDUCATION

Schedule of Expenditures of Federal Awards

Year ended June 30, 2023

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, 2022	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Refunds/ Cancelled PY A/P/ Deobligated	(Accounts Receivable) at June 30, 2023	Deferred Revenue at June 30, 2023	Due to Grantor at June 30, 2023
American Rescue Plan:													
ARP - ESSER III	84.425U	S425U210027		3/13/20-9/30/24	5,981,545	(98,777)		752,217	1,059,445	180	(405,825)		
ARP - Accelerated Learning Coach and Educator Support	84.425U	S425U210027		3/13/20-9/30/24	148,281								
ARP - Evidence Based Summer Learning and Enrichment	84.425U	S425U210027		3/13/20-9/30/24	40,000	(474)		3,300	6,038		(3,212)		
ARP - Evidence Based Comprehensive Beyond the School Day	84.425U	S425U210027		3/13/20-9/30/24	45,000	(6,197)		6,197			(703)		
ARP - NJTSS Mental Health Support Staffing	84.425U	215064233E		4/23/21-9/30/24	16,260	(212)		9,530	10,021				
ARP - Homeless Children & Youth II													
ARP - I.D.E.A. Part B	84.027X	H027X210100		7/1/21-9/30/22	52,649	(17,468)		17,468	64				
ARP - I.D.E.A. Part B Preschool	84.173X	H173X210114		7/1/21-9/30/22	4,461	(65)		129					
Total U.S. Department of Education						(1,305,773)		3,184,366	3,214,599	91,048	(1,245,057)		99
Total Federal Financial Assistance						(1,354,265)		3,818,907	3,834,611	91,048	(1,279,604)	584	99

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, 2023

State Grantor/Program Title	Grant or State Project Numbers	Grant Period	Program or Award Amount	Balance June 30, 2022		Balance at June 30, 2023			MEMO			
				Deferred Revenue (Accounts Receivable)	Carryover/(Walkover) Amount	Cash Received	Budgetary Expenditures	(Accounts Receivable)	Deferred Revenue	Budgetary Receivable	Cumulative Total Expenditures	
State Department of Education: General Fund:												
Equalization Aid	23-495-034-5120-078	7/1/22-6/30/23	9,880,957 \$			8,917,075	9,880,957					9,880,957
Special Education Categorical Aid	23-495-034-5120-089	7/1/22-6/30/23	1,189,648			1,073,599	1,189,648					1,189,648
Transportation Aid	23-495-034-5120-014	7/1/22-6/30/23	60,778			54,849	60,778					60,778
Security Aid	23-495-034-5120-084	7/1/22-6/30/23	603,184			544,344	603,184					603,184
Extraordinary Aid	23-495-034-5120-044	7/1/22-6/30/23	50,762				50,762					50,762
Extraordinary Aid	23-495-034-5120-044	7/1/21-6/30/22	59,230	(59,230)		59,230		(50,762)				59,230
Reimbursed TPAF Social Security	23-495-034-5094-003	7/1/22-6/30/23	575,608			518,298	575,608					575,608
Reimbursed TPAF Social Security	22-495-034-5094-003	7/1/21-6/30/22	517,961	(74,720)		74,720		(57,310)				517,961
On Behalf TPAF Pension - Post Retirement	23-495-034-5094-001	7/1/22-6/30/23	623,913			623,913	623,913					623,913
On Behalf TPAF NCGI Premiums	23-495-034-5094-004	7/1/22-6/30/23	32,500			32,500	32,500					32,500
On Behalf LTDI	23-495-034-5094-002	7/1/22-6/30/23	1,439			1,439	1,439					1,439
On Behalf TPAF Pension - Contribution	23-495-034-5094-002	7/1/22-6/30/23	2,342,522			2,342,522	2,342,522					2,342,522
Total General Fund			2,342,522	(133,950)		14,242,489	15,361,311	(108,072)				15,938,502
Special Revenue Fund:												
SDA Emergent & Capital Maintenance Needs	23-495-034-5120-128	7/1/22-6/30/23	20,550									
Preschool Education Aid	23-495-034-5120-086	7/1/22-6/30/23	131,677		32,792	124,472	126,618		30,646	(13,168)		126,618
Preschool Education Aid	22-495-034-5120-086	7/1/21-6/30/22	59,634	(32,792)	(32,792)							25,362
Total Special Revenue Fund			59,634	32,792	32,792	124,472	126,618		30,646	(13,168)		151,980

TOWN OF GUTTENBERG
BOARD OF EDUCATION

Schedule of Expenditures of State Awards

Year ended June 30, 2023

State Grantor/Program Title	Grant or State Project Numbers	Grant Period	Program or Award Amount	Balance June 30, 2022		Balance at June 30, 2023			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:												
State School Breakfast Program	23-100-010-3350-023	7/1/22-6/30/23	1,728		1,628	1,728		(100)				1,728
State School Breakfast Program	22-100-010-3350-023	7/1/22-6/30/23	4,392		4,102	4,392		(290)				4,392
State School Lunch Program	23-100-010-3350-023	7/1/22-6/30/23	5,818		10,674	11,471		(797)				5,818
State School Lunch Program	22-100-010-3350-023	7/1/21-6/30/22	9,018		848	17,591		(1,187)				9,018
					(848)							20,956
					(848)							
Total State Financial Assistance				\$ (102,006)	14,384,213	15,505,520		(109,259)	30,646		(1,157,868)	16,111,438

Less: On-Behalf TPAF Pension System Contributions

TPAF - Post Retirement Medical Contribution	23-495-034-5094-001	7/1/22-6/30/23				623,913						
TPAF - Long Term Disability Insurance	23-495-034-5094-002	7/1/22-6/30/23				1,439						
TPAF - Non-contributory Insurance	23-495-034-5094-004	7/1/22-6/30/23				32,500						
TPAF - Pension Contribution	23-495-034-5094-002	7/1/22-6/30/23				2,342,522						
						3,000,374						
Total for State Financial Assistance - Major Program Determination						12,505,146						

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 \$(195,158) for the general fund and \$-0- for the special revenue fund. See Notes to Required Supplemental Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board’s financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$15,016	\$15,166,153	\$15,181,169
Special Revenue Fund	3,214,599	126,618	3,341,217
Food Service Fund	<u>604,996</u>	<u>17,591</u>	<u>622,587</u>
Total Awards and Financial Assistance	<u>\$3,834,611</u>	<u>\$15,310,362</u>	<u>\$19,144,973</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, 2023. 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, 2023.

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 \$3,000,374 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>	\$643,830
Title II, Part A: <i>Improving Teacher Quality State Grants</i>	82,038
Title III: <i>English Language Acquisition State Grants</i>	80,356
Title III: <i>Immigrant</i>	11,518
Title IV: <i>Student Support and Academic Enrichment Grants</i>	<u>95,683</u>
Total	<u>\$913,425</u>

**TOWN OF GUTTENBERG SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: unmodified

Internal control over financial reporting:

1. Material weakness(es) identified? _____ yes X no

2. Significant deficiencies identified that are not considered to be material weaknesses? _____ yes X none reported

Noncompliance material to basic financial statements noted? _____ yes X no

Federal Awards

Internal Control over major programs:

1. Material weakness(es) identified? _____ yes X no

2. Significant deficiencies identified that are not considered to be material weaknesses? _____ yes X 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? _____ yes X no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>FEIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
_____ 84.425 D/U/W _____ (A)	_____ S425D200027 _____	<u>Coronavirus Response and Relief Supplemental Act</u>

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

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

Auditee qualified as low-risk auditee? _____ yes X no

**TOWN OF GUTTENBERG BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(continued)**

Section II – Financial Statement Findings

NONE

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

STATE AWARDS

NONE

FEDERAL AWARDS

NONE

**TOWN OF GUTTENBERG BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(continued)**

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

STATUS OF PRIOR YEAR FINDINGS

This section identifies the status of prior year audit findings related to the general purpose financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, U.S. OMB Circular A-133 (Section .315 (a)(b)) and New Jersey OMB's Circular 15-08, as amended.

NONE