

**SCHOOL DISTRICT OF THE  
TOWN OF GUTTENBERG  
COUNTY OF HUDSON, NEW JERSEY  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2010**

**School District  
of**

# **Town of Guttenberg**

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

**Comprehensive Annual Financial Report  
Year Ended June 30, 2010**

# **Comprehensive Annual Financial Report**

of the

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

**Year Ended June 30, 2010**

**Prepared by**

**Jolene Mantineo  
Board Secretary/Business Administrator**

# OUTLINE OF CAFR

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## **INTRODUCTORY SECTION**

# BOARD OF EDUCATION

## ANNA L. KLEIN SCHOOL

301 - 69TH STREET  
GUTTENBERG, NEW JERSEY 07093

Office of the Business Administrator  
JOLENE MANTINEO

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

November 15, 2010

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, 2010, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with management of the Board. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the Basic Financial Statements and results of operations of the Board. All disclosures necessary to enable the reader to gain an understanding of the Board's financial activities have been included.

The comprehensive annual report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the Board organizational chart and a list of principal officials. The financial section includes the independent auditor's report, management discussion and analysis, the Basic financial statements and schedules. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The Board is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, "Audits of State and Local Governments", and the State Treasury Circular Letter 04-04 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and finding and recommendations, are included in the single audit section of this report.

**REPORTING ENTITY AND ITS SERVICES:** The Guttenberg Board of Education is an independent reporting entity 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 2009-2010 fiscal year with an enrollment of 980 students, which are 2 below the previous year's enrollment. The following details the changes in the student enrollment of the District over the last five years.

| <u>Fiscal Year</u> | <u>Enrollment Student Enrollment</u> | <u>Percentage Change</u> |
|--------------------|--------------------------------------|--------------------------|
| 2009-2010          | 980                                  | {.2} %                   |
| 2008-2009          | 982                                  | 2.4%                     |
| 2007-2008          | 959                                  | 2.6%                     |
| 2006-2007          | 935                                  | .87%                     |
| 2005-2006          | 927                                  | {1.06%}                  |
| 2004-2005          | 937                                  | 1.40%                    |

**ECONOMIC CONDITION AND OUTLOOK:** The Town of Guttenberg area is experiencing an unstable economy, which is expected to improve or grow at a very slow pace. The job market and real estate industries are also at an all-time low.

**MAJOR INITIATIVES:** The variety of educational programs offered at the Anna L. Klein School focuses on strong preparation for a large high school. The programs in the school are comprehensively designed to meet the abilities and interest of all students, and include regular, enriched and remedial courses at all levels, and advanced placement courses for academically talented students in grades 3 through 8.

**INTERNAL ACCOUNTING CONTROLS:** Management of the Board is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Board are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with general accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits require estimates and judgements made by management.

As a recipient of federal and state financial assistance, the Board also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the Board management. As part of the Board's single audit described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal and state financial assistance programs, as well as to determine that the Board has complied with applicable laws and regulations.

**BUDGETARY CONTROLS:** In addition to internal accounting controls, the Board maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied on the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general funds, the special revenue fund, and the debt service fund. The final budget amount as amended for the fiscal year

is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line basis. Open encumbrances at year-end are either canceled or are included as reservations of fund balance in the subsequent year are reported as reservations of fund balance at June 30, 2010.

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

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

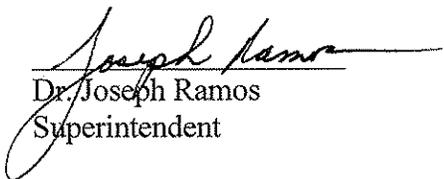
**OTHER INFORMATION:**

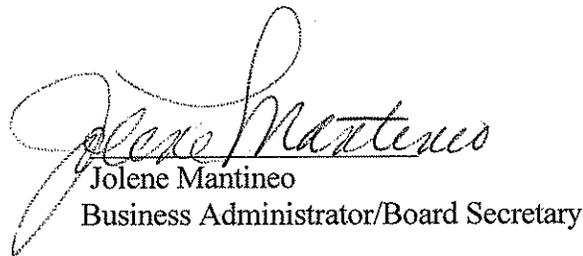
**Independent Audit-** State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Ferraioli, Wielkotz, Cerullo and Cuva, P.A., was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act Amendments of 1996 and the related OMB circular A-133 and State Office of management and Budget Circular Letter 04-04. The auditor's report on the Basic financial statements and specific required supplemental information is included in the financial section of this report. The auditors reports related specifically to the single audit are included in the single audit section of this report.

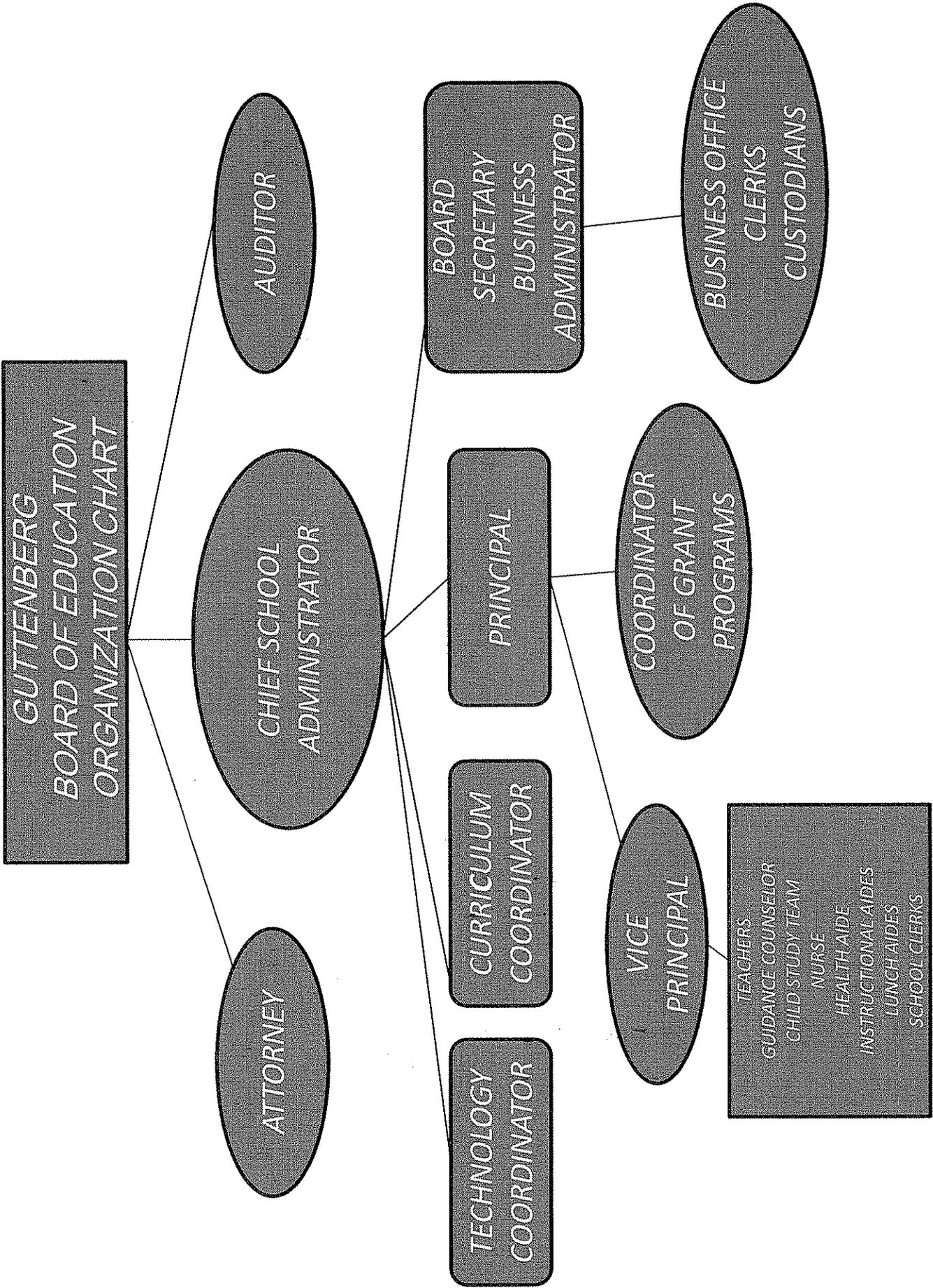
**ACKNOWLEDGEMENTS:**

We would like to express our appreciation to the members of the Guttenberg Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation.

Respectfully submitted:

  
Dr. Joseph Ramos  
Superintendent

  
Jolene Mantineo  
Business Administrator/Board Secretary



**TOWN OF GUTTENBERG  
BOARD OF EDUCATION**

**ROSTER OF OFFICIALS**

**JUNE 30, 2010**

| <u>Members of the Board of Education</u> | <u>Term Expires</u> |
|------------------------------------------|---------------------|
| Sari F. Zukerman - President             | 2013                |
| Rebecca Vazquez - Vice President         | 2012                |
| Michael Baruch                           | 2011                |
| Margarita Batista                        | 2013                |
| Rocio Day                                | 2012                |
| Gonzalo E. Perez                         | 2011                |
| Elsa Schwarz                             | 2013                |
| Elaine Silverstone                       | 2012                |
| Robert Tholen                            | 2011                |

**OTHER OFFICIALS**

Dr. Joseph Ramos, Superintendent

Jolene Mantineo, Business Administrator/Board Secretary

Edward G. Huebsch, Treasurer of School Monies

John L. Schettino, Esq., Board Attorney

**TOWN OF GUTTENBERG  
BOARD OF EDUCATION**

**CONSULTANTS AND ADVISORS**

**AUDIT FIRM**

Ferraioli, Wielkotz, Cerullo & Cuva, P.A.  
401 Wanaque Avenue  
Pompton Lakes, NJ 07442

**ATTORNEY**

John Schettino, Esq.  
800 Main Street, Suite 101  
Hackensack, NJ 07601

**OFFICIAL DEPOSITORY**

Wachovia Bank  
6727 Bergenline Avenue  
Guttenberg, NJ 07093

**FINANCIAL SECTION**

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

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

Certified Public Accountants  
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Fax 973-835-6631

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Newton, N.J. 07860  
973-579-3212  
Fax 973-579-7128

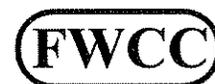
## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying 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, State of New Jersey, as of and for the fiscal year ended June 30, 2010, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town of Guttenberg School District Board of Education's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, and each major fund, and the aggregate remaining fund information of the Town of Guttenberg Board of Education, in the County of Hudson, State of New Jersey, as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

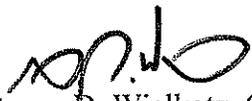


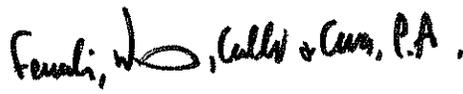
In accordance with *Government Auditing Standards*, we have also issued our report dated November 16, 2010 on our consideration of the Town of Guttenberg Board of Education's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts 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 the internal control over financial reporting or on compliance. This report is an integral part of our audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management Discussion and Analysis and Budgetary Comparison Information on pages 9 through 17 and 50 through 58 are not a required part of the basic financial statements but are supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed 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 accompanying introductory section and other supplementary information such as the combining and individual fund financial statements, long-term debt schedules and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and long-term debt schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

The accompanying schedules of federal awards and state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

  
FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.  
Certified Public Accountants

November 16, 2010

**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, 2010  
UNAUDITED**

The discussion and analysis of the Town of Guttenberg Board of Education's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2010. The intent of this discussion and analysis is to look at the District's financial performance as a whole and should not be interpreted as a replacement for the audit which consists of the financial statements and other supplemental information that presents all the District's revenues and expenditures by program for the General Fund, Special Revenue Fund, Debt Service and Enterprise Fund.

**FINANCIAL HIGHLIGHTS**

- In total, net assets decreased by \$1,664,446. Net assets of governmental activities decreased \$1,656,759 while net assets of business-type activities decreased by \$7,687.
- General revenues accounted for \$13,578,267 in revenue or 86 percent of all district revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$2,140,451 or 14 percent of total revenues of \$15,718,718.
- The School District had \$17,383,164 in expenses related to governmental and business-type activities; only \$2,140,451 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily grants, entitlements and property taxes) of \$13,578,267 were adequate to provide for these programs.

**USING THIS ANNUAL REPORT**

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

**District-Wide Financial Statements**

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

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

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
UNAUDITED (CONTINUED)**

**USING THIS ANNUAL REPORT, (continued)**

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

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

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

**Fund Financial Statements**

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

**Governmental Funds**

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

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

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
UNAUDITED (CONTINUED)**

**USING THIS ANNUAL REPORT, (continued)**

The Town of Guttenberg Board of Education maintains three individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures and changes in fund balances for the general, special revenue and debt service funds, which are both considered to be major funds.

The Town of Guttenberg Board of Education adopts annual appropriated budgets for its governmental funds. A budgetary comparison statement has been provided for the general fund, special revenue fund and debt service fund to demonstrate compliance with their budgets.

**Proprietary Funds**

Proprietary funds use the accrual basis of accounting, the same as on the district-wide statements, therefore the statements will essentially match the business-type activities portion of the district-wide statements. The Town of Guttenberg Board of Education uses proprietary funds to account for its food service and school age child care programs as well as its internal service fund.

**Fiduciary Funds**

Fiduciary funds are used to account for resources held for the benefit of parties outside the District. These activities are excluded from the District's other financial statements because the assets cannot be utilized by the District to finance its operations.

**Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning budgetary information for the District's major funds.

Our auditor has provided assurance in his independent auditor's report, located immediately preceding this Management's Discussion and Analysis, that the Basic Financial Statements are fairly stated. Varying degrees of assurance are being provided by the auditor regarding the Required Supplemental Information and the Supplemental Information identified above. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Financial Section.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
UNAUDITED (CONTINUED)**

**DISTRICT-WIDE FINANCIAL ANALYSIS**

The Statement of Net Assets provides the perspective of the District as a whole. Net assets 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 assets were \$1,188,186 at June 30, 2010 and \$2,852,632 at June 30, 2009. Restricted net assets are reported separately to show legal constraints that limit the School District's ability to use those net assets for day-to-day operations. Our analysis below focuses on the net assets for 2010 compared to 2009 (Table 1) and change in net assets (Table 2) of the School District.

**Table 1**

**Net Assets  
June 30,**

|                             | <u>Governmental Activities</u> |                    | <u>Business-Type Activities</u> |                | <u>Total</u>       |                    |
|-----------------------------|--------------------------------|--------------------|---------------------------------|----------------|--------------------|--------------------|
|                             | <u>2010</u>                    | <u>2009</u>        | <u>2010</u>                     | <u>2009</u>    | <u>2010</u>        | <u>2009</u>        |
| <b>Assets</b>               |                                |                    |                                 |                |                    |                    |
| Current and Other Assets    | 1,201,938                      | 2,514,040          | 211,934                         | 227,120        | 1,413,872          | 2,741,160          |
| Capital Assets              | <u>3,151,059</u>               | <u>3,265,011</u>   | <u>45,418</u>                   | <u>48,541</u>  | <u>3,196,477</u>   | <u>3,313,552</u>   |
| Total Assets                | <u>4,352,997</u>               | <u>5,779,051</u>   | <u>257,352</u>                  | <u>275,661</u> | <u>4,610,349</u>   | <u>6,054,712</u>   |
| <b>Liabilities</b>          |                                |                    |                                 |                |                    |                    |
| Current Liabilities         | 1,024,246                      | 792,842            | 1,811                           | 12,433         | 1,026,057          | 805,275            |
| Noncurrent Liabilities      | <u>2,396,106</u>               | <u>2,396,805</u>   | —                               | —              | <u>2,396,106</u>   | <u>2,396,805</u>   |
| Total Liabilities           | <u>3,420,352</u>               | <u>3,189,647</u>   | <u>1,811</u>                    | <u>12,433</u>  | <u>3,422,163</u>   | <u>3,202,080</u>   |
| <b>Net Assets</b>           |                                |                    |                                 |                |                    |                    |
| Invested in Capital Assets- |                                |                    |                                 |                |                    |                    |
| Net of Related Debt         | 1,832,059                      | 1,766,011          | 45,418                          | 48,541         | 1,877,477          | 1,814,552          |
| Restricted                  | 366,442                        | 2,032,942          | 32,055                          | 32,055         | 398,497            | 2,064,997          |
| Unrestricted                | <u>(1,265,856)</u>             | <u>(1,209,549)</u> | <u>178,068</u>                  | <u>182,632</u> | <u>(1,087,788)</u> | <u>(1,026,917)</u> |
| Total Net Assets            | <u>932,645</u>                 | <u>2,589,404</u>   | <u>255,541</u>                  | <u>263,228</u> | <u>1,188,186</u>   | <u>2,852,632</u>   |

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
UNAUDITED (CONTINUED)**

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

Table 2 below shows the changes in net assets for fiscal year 2010.

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

|                              | <u>Governmental Activities</u> |                   | <u>Business-Type Activities</u> |                   | <u>Total</u>      |                   |
|------------------------------|--------------------------------|-------------------|---------------------------------|-------------------|-------------------|-------------------|
|                              | <u>2010</u>                    | <u>2009</u>       | <u>2010</u>                     | <u>2009</u>       | <u>2010</u>       | <u>2009</u>       |
| <b>Revenues</b>              |                                |                   |                                 |                   |                   |                   |
| Program Revenues:            |                                |                   |                                 |                   |                   |                   |
| Charges for Services and     |                                |                   |                                 |                   |                   |                   |
| Sales                        |                                |                   | 48,727                          | 57,239            | 48,727            | 57,239            |
| Operating Grants and         |                                |                   |                                 |                   |                   |                   |
| Contributions                | 1,759,823                      | 1,904,460         | 331,901                         | 341,515           | 2,091,724         | 2,245,975         |
| General Revenues:            |                                |                   |                                 |                   |                   |                   |
| Taxes:                       |                                |                   |                                 |                   |                   |                   |
| Property taxes, levied for   |                                |                   |                                 |                   |                   |                   |
| general purposes             | 8,702,159                      | 8,519,159         |                                 |                   | 8,702,159         | 8,519,159         |
| Property taxes, levied for   |                                |                   |                                 |                   |                   |                   |
| debt services                | 239,544                        | 248,899           |                                 |                   | 239,544           | 248,899           |
| Federal and State Aid not    |                                |                   |                                 |                   |                   |                   |
| Restricted                   | 4,616,634                      | 4,939,293         |                                 |                   | 4,616,634         | 4,939,293         |
| Investment Earnings          | 232                            | 2,268             |                                 |                   | 232               | 2,268             |
| Miscellaneous Income         | <u>19,698</u>                  | <u>88,006</u>     | <u>          </u>               | <u>          </u> | <u>19,698</u>     | <u>88,006</u>     |
| Total Revenues and Transfers | <u>15,338,090</u>              | <u>15,702,085</u> | <u>380,628</u>                  | <u>398,754</u>    | <u>15,718,718</u> | <u>16,100,839</u> |

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
UNAUDITED (CONTINUED)**

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

|                              | <u>Governmental Activities</u> |                   | <u>Business-Type Activities</u> |                   | <u>Total</u>       |                   |
|------------------------------|--------------------------------|-------------------|---------------------------------|-------------------|--------------------|-------------------|
|                              | <u>2010</u>                    | <u>2009</u>       | <u>2010</u>                     | <u>2009</u>       | <u>2010</u>        | <u>2009</u>       |
| <b>Functions/Program</b>     |                                |                   |                                 |                   |                    |                   |
| Instruction:                 |                                |                   |                                 |                   |                    |                   |
| Regular                      | 4,963,409                      | 5,657,989         |                                 |                   | 4,963,409          | 5,657,989         |
| Special Education            | 812,324                        | 314,041           |                                 |                   | 812,324            | 314,041           |
| Other Special Instruction    | 959,974                        | 346,089           |                                 |                   | 959,974            | 346,089           |
| Support Services:            |                                |                   |                                 |                   |                    |                   |
| Tuition                      | 4,955,575                      | 4,157,153         |                                 |                   | 4,955,575          | 4,157,153         |
| Student & Instruction        |                                |                   |                                 |                   |                    |                   |
| Related Services             | 1,999,616                      | 2,025,191         |                                 |                   | 1,999,616          | 2,025,191         |
| School Administrative        |                                |                   |                                 |                   |                    |                   |
| Services                     | 393,283                        | 428,315           |                                 |                   | 393,283            | 428,315           |
| General Administrative       |                                |                   |                                 |                   |                    |                   |
| Services                     | 476,171                        | 468,842           |                                 |                   | 476,171            | 468,842           |
| Central Services             | 276,933                        | 293,891           |                                 |                   | 276,933            | 293,891           |
| Administrative Information   |                                |                   |                                 |                   |                    |                   |
| Technology                   | 151,511                        | 102,974           |                                 |                   | 151,511            | 102,974           |
| Plant Operations and         |                                |                   |                                 |                   |                    |                   |
| Maintenance                  | 741,515                        | 701,187           |                                 |                   | 741,515            | 701,187           |
| Pupil Transportation         | 365,479                        | 319,188           |                                 |                   | 365,479            | 319,188           |
| Unallocated Benefits         | 642,428                        | 753,592           |                                 |                   | 642,428            | 753,592           |
| Non-Depreciable Capital      |                                |                   |                                 |                   |                    |                   |
| Outlay                       | 30,305                         | 142,407           |                                 |                   | 30,305             | 142,407           |
| Special Schools              | 4,000                          | 3,791             |                                 |                   | 4,000              | 3,791             |
| Food Service                 |                                |                   | 369,657                         | 290,486           | 369,657            | 290,486           |
| School Age Child Care        |                                |                   | 15,535                          | 40,803            | 15,535             | 40,803            |
| Debt Services:               |                                |                   |                                 |                   |                    |                   |
| Interest and Other Charges   | 74,195                         | 84,318            |                                 |                   | 74,195             | 84,318            |
| Unallocated depreciation     | <u>148,131</u>                 | <u>121,763</u>    | <u>3,123</u>                    | <u>          </u> | <u>151,254</u>     | <u>121,763</u>    |
| Total Expenses and Transfers | <u>16,994,849</u>              | <u>15,920,731</u> | <u>388,315</u>                  | <u>331,289</u>    | <u>17,383,164</u>  | <u>16,252,020</u> |
| Increase or (Decrease) in    |                                |                   |                                 |                   |                    |                   |
| Net Assets                   | <u>(1,656,759)</u>             | <u>(218,646)</u>  | <u>(7,687)</u>                  | <u>67,465</u>     | <u>(1,664,446)</u> | <u>(151,181)</u>  |

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
UNAUDITED (CONTINUED)**

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

**Governmental and Business- Activities**

As reported in the Statement of Activities the cost of all of our governmental and business-type activities this year was \$17,383,164. However, the amount that our taxpayers ultimately financed for these activities through School District taxes was only \$8,941,703 because some of the cost was paid by those who benefitted from the programs \$48,727, by other governments and organizations who subsidized certain programs with grants and contributions \$2,091,724, and by miscellaneous sources \$4,636,564.

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

- ✓ Food service expenses exceeded revenues by \$1,387.
- ✓ After school child care expenses exceeded revenues by \$6,300.
- ✓ Charges for services provided totaled \$48,727. This represents amounts paid by consumers for daily food services and tuition charges for child care.
- ✓ Federal and state reimbursement for meals served, including payments for free and reduced priced lunches, and donated commodities was \$331,901.

**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, 2010, the School District amended the budgets of these major governmental funds several times. Revisions in the budget were made to recognize revenues that were not anticipated and to prevent over-expenditures in specific line item accounts. Several of these revisions bear notation:

- TPAF, which is the state's contribution to the pension fund, is neither a revenue item nor an expenditure item to the district but is required to be reflected in the financial statements.
- The special revenue fund was increased by \$1,520,209 for increases in federal and state grant awards.

**General Fund**

The general fund actual revenue was \$13,358,327. That amount is \$183,087 below the final amended budget of \$13,541,414. The variance between the actual revenues and final budget was the result of non-budgeted on-behalf payments of \$663,516 for TPAF social security reimbursements and on-behalf pension payments and a \$846,603 deficit in miscellaneous anticipated revenues and other state aids.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
UNAUDITED (CONTINUED)**

**MAJOR GOVERNMENTAL FUNDS BUDGETING AND OPERATING HIGHLIGHTS, (continued)**

**General Fund, (continued)**

The actual expenditures of the general fund were \$15,089,108 including transfers which is \$453,628 more than the final amended budget of \$14,635,480. The variance between the actual expenditures and final budget was due to non-budgeted on-behalf TPAF social security and pension payments of \$663,516 and \$209,888 of unexpended budgeted funds.

**Special Revenue Fund**

The special revenue fund actual revenue was \$1,738,556. That amount is above the original budget estimate of \$975,718 and below the final amended budget of \$2,495,927. The \$1,520,209 variance between the original and final budget was due to additional federal and state grant monies awarded to the District after the original budget was approved. The \$757,371 variance between the final amended budget and the June 30, 2010 actual results was due to the deferral of Federal and State grants received in the current fiscal year to be spent in the next fiscal year.

The actual expenditures of the special education fund were \$1,738,556, which is above the original budget of \$975,718 and below the final amended budget of \$2,495,927. The \$1,520,209 variance between the original and final budget was due to additional expenditures related to the additional grants awarded to the District after the original budget was approved. The \$757,371 variance between the final amended budget and the June 30, 2010 actual results was due to the anticipation of fully expending federal and state grant programs. Expenditures will be incurred in the next fiscal year.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

At the end of fiscal year 2010 the School District had \$5,823,595 invested in sites, buildings, equipment and construction in progress. Of this amount, \$2,627,118 in depreciation has been taken over the years. We currently have a net book value of \$3,196,477. Total depreciable additions for the year were \$14,179, which consisted of various equipment purchases and site and building improvements. The District has also recorded construction-in-progress of \$20,000 for which no depreciation has been taken. Table 3 shows fiscal year 2010 balances compared to 2009.

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

|                            | <u>Governmental Activities</u> |                  | <u>Business-Type Activities</u> |               | <u>Total</u>     |                  |
|----------------------------|--------------------------------|------------------|---------------------------------|---------------|------------------|------------------|
|                            | <u>2010</u>                    | <u>2009</u>      | <u>2010</u>                     | <u>2009</u>   | <u>2010</u>      | <u>2009</u>      |
| Land                       | 9,957                          | 9,957            |                                 |               | 9,957            | 9,957            |
| Site Improvements          | 215,537                        | 230,695          |                                 |               | 215,537          | 230,695          |
| Buildings and Improvements | 2,821,387                      | 2,950,132        |                                 |               | 2,821,387        | 2,950,132        |
| Machinery and Equipment    | 34,678                         | 24,727           |                                 |               | 34,678           | 24,727           |
| Food Service Equipment     |                                |                  | 45,418                          | 48,541        | 45,418           | 48,541           |
| Construction-in-Progress   | 69,500                         | 49,500           |                                 |               | 69,500           | 49,500           |
|                            | <u>3,151,059</u>               | <u>3,265,011</u> | <u>45,418</u>                   | <u>48,541</u> | <u>3,196,477</u> | <u>3,313,552</u> |

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
UNAUDITED (CONTINUED)**

**CAPITAL ASSETS AND DEBT ADMINISTRATION, (continued)**

**Debt Administration**

At June 30, 2010, the District had \$2,396,106 of long term debt. Of this amount, \$818,018 is for compensated absences; \$234,029 is for the unfunded pension liability; \$1,319,000 of serial bonds for school improvements; and \$25,059 is the deferral of the annual PERS contribution.

At June 30, 2010, the school district's overall legal debt margin was \$32,883,218. For more detailed information, please refer to the Notes to the Basic Financial Statements.

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

|                               | <b><u>2010</u></b>        | <b><u>2009</u></b>        |
|-------------------------------|---------------------------|---------------------------|
| 1994 School Improvement Bonds | <b><u>\$1,319,000</u></b> | <b><u>\$1,499,000</u></b> |

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS**

The economy in the State of New Jersey is slowly improving. The current State of New Jersey revenue estimates have declined to the point that the legislature and governor have approved a State Aid funding bill for the 2010-2011 school year that is slightly above the funding level of the 2009-2010 school year.

These factors were considered in preparing the Town of Guttenberg Board of Education's budgets for the 2010-2011 fiscal year.

**REQUESTS FOR INFORMATION**

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

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

**BASIC FINANCIAL STATEMENTS**

**DISTRICT-WIDE FINANCIAL STATEMENTS**

## TOWN OF GUTTENBERG BOARD OF EDUCATION

## Statement of Net Assets

June 30, 2010

|                                                 | Governmental<br>Activities | Business-type<br>Activities | Total              |
|-------------------------------------------------|----------------------------|-----------------------------|--------------------|
| <b>ASSETS</b>                                   |                            |                             |                    |
| Cash, cash equivalents and investments          |                            | 177,939                     | 177,939            |
| Receivables, net                                | 1,201,936                  | 31,650                      | 1,233,586          |
| Inventory                                       |                            | 2,345                       | 2,345              |
| Restricted assets:                              |                            |                             |                    |
| Maintenance reserve account - cash              | 1                          |                             | 1                  |
| Capital reserve account - cash                  | 1                          |                             | 1                  |
| Capital assets:                                 |                            |                             |                    |
| Land and construction in progress               | 79,457                     |                             | 79,457             |
| Other capital assets, net                       | 3,071,602                  | 45,418                      | 3,117,020          |
| Total Assets                                    | <u>4,352,997</u>           | <u>257,352</u>              | <u>4,610,349</u>   |
| <b>LIABILITIES</b>                              |                            |                             |                    |
| Cash Deficit                                    | 605,412                    |                             | 605,412            |
| Accounts payable and accrued liabilities        | 405,390                    |                             | 405,390            |
| Interfunds payable                              |                            | 1,811                       | 1,811              |
| Payable to federal government                   | 3,497                      |                             | 3,497              |
| Deferred revenue                                | 9,947                      |                             | 9,947              |
| Noncurrent liabilities:                         |                            |                             |                    |
| Due within one year                             | 240,778                    |                             | 240,778            |
| Due beyond one year                             | 2,155,328                  |                             | 2,155,328          |
| Total liabilities                               | <u>3,420,352</u>           | <u>1,811</u>                | <u>3,422,163</u>   |
| <b>NET ASSETS</b>                               |                            |                             |                    |
| Invested in capital assets, net of related debt | 1,832,059                  | 45,418                      | 1,877,477          |
| Restricted for:                                 |                            |                             |                    |
| Debt Service                                    | 1                          |                             | 1                  |
| Capital Reserve                                 | 1                          |                             | 1                  |
| Other Purposes                                  | 366,440                    | 32,055                      | 398,495            |
| Unrestricted (Deficit)                          | <u>(1,265,856)</u>         | <u>178,068</u>              | <u>(1,087,788)</u> |
| Total net assets                                | <u>932,645</u>             | <u>255,541</u>              | <u>1,188,186</u>   |

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

TOWN OF GUTTENBERG BOARD OF EDUCATION  
Statement of Activities  
For the Fiscal Year Ended June 30, 2010

| Functions/Programs                                                       | Program Revenues |                              |                      |                                    |                                  | Net (Expense) Revenue and Changes in Net Assets |                          |              |
|--------------------------------------------------------------------------|------------------|------------------------------|----------------------|------------------------------------|----------------------------------|-------------------------------------------------|--------------------------|--------------|
|                                                                          | 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                                                                  | 3,837,505        | 1,125,904                    |                      | 855,260                            |                                  | (4,108,149)                                     |                          | (4,108,149)  |
| Special education                                                        | 433,237          | 379,087                      |                      |                                    |                                  | (812,324)                                       |                          | (812,324)    |
| Other special instruction                                                | 959,974          |                              |                      |                                    |                                  | (959,974)                                       |                          | (959,974)    |
| Support services:                                                        |                  |                              |                      |                                    |                                  |                                                 |                          |              |
| Tuition                                                                  | 4,955,575        |                              |                      | 880,520                            |                                  | (4,955,575)                                     |                          | (4,955,575)  |
| Student & instruction related services                                   | 1,907,400        | 92,216                       |                      |                                    |                                  | (1,119,096)                                     |                          | (1,119,096)  |
| School administrative services                                           | 321,972          | 71,311                       |                      |                                    |                                  | (393,283)                                       |                          | (393,283)    |
| General administrative services                                          | 440,941          | 35,230                       |                      |                                    |                                  | (476,171)                                       |                          | (476,171)    |
| Central services                                                         | 215,351          | 61,582                       |                      |                                    |                                  | (276,933)                                       |                          | (276,933)    |
| Administrative information technology                                    | 122,653          | 28,858                       |                      |                                    |                                  | (151,511)                                       |                          | (151,511)    |
| Plant operations and maintenance                                         | 609,119          | 132,396                      |                      |                                    |                                  | (741,515)                                       |                          | (741,515)    |
| Pupil transportation                                                     | 365,479          |                              |                      |                                    |                                  | (365,479)                                       |                          | (365,479)    |
| Unallocated benefits                                                     | 642,428          |                              |                      |                                    |                                  | (642,428)                                       |                          | (642,428)    |
| Non-depreciable capital outlay                                           | 30,305           |                              |                      | 4,330                              |                                  | (25,975)                                        |                          | (25,975)     |
| Special schools                                                          | 4,000            |                              |                      |                                    |                                  | (4,000)                                         |                          | (4,000)      |
| Debt Services:                                                           |                  |                              |                      |                                    |                                  |                                                 |                          |              |
| Interest and Other Charges                                               |                  | 74,195                       |                      | 19,713                             |                                  | (54,482)                                        |                          | (54,482)     |
| Unallocated depreciation                                                 |                  | 148,131                      |                      |                                    |                                  | (148,131)                                       |                          | (148,131)    |
| Total governmental activities                                            | 14,845,939       | 2,148,910                    | -                    | 1,759,823                          | -                                | (15,235,026)                                    |                          | (15,235,026) |
| Business-type activities:                                                |                  |                              |                      |                                    |                                  |                                                 |                          |              |
| Food Service                                                             | 372,780          |                              | 39,492               | 331,901                            |                                  |                                                 | (1,387)                  | (1,387)      |
| School Age Child Care                                                    | 15,535           |                              | 9,235                |                                    |                                  |                                                 | (6,300)                  | (6,300)      |
| Total business-type activities                                           | 388,315          |                              | 48,727               | 331,901                            |                                  |                                                 | (7,687)                  | (7,687)      |
| Total primary government                                                 | 15,234,254       | 48,727                       | -                    | 2,091,724                          | -                                | (15,235,026)                                    | (7,687)                  | (15,242,713) |
| General revenues:                                                        |                  |                              |                      |                                    |                                  |                                                 |                          |              |
| Taxes:                                                                   |                  |                              |                      |                                    |                                  |                                                 |                          |              |
| Property taxes, levied for general purposes                              |                  |                              |                      |                                    |                                  | 8,702,159                                       |                          | 8,702,159    |
| Property taxes, levied for debt services                                 |                  |                              |                      |                                    |                                  | 239,544                                         |                          | 239,544      |
| Federal and State aid not restricted                                     |                  |                              |                      |                                    |                                  | 4,616,634                                       |                          | 4,616,634    |
| Investment Earnings                                                      |                  |                              |                      |                                    |                                  | 232                                             |                          | 232          |
| Miscellaneous Income                                                     |                  |                              |                      |                                    |                                  | 19,698                                          |                          | 19,698       |
| Total general revenues, special items, extraordinary items and transfers |                  |                              |                      |                                    |                                  | 13,578,267                                      |                          | 13,578,267   |
| Change in Net Assets                                                     |                  |                              |                      |                                    |                                  | (1,656,759)                                     | (7,687)                  | (1,664,446)  |
| Net Assets—beginning                                                     |                  |                              |                      |                                    |                                  | 2,589,404                                       | 263,228                  | 2,852,632    |
| Net Assets—ending                                                        |                  |                              |                      |                                    |                                  | 932,645                                         | 255,541                  | 1,188,186    |

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

**FUND FINANCIAL STATEMENTS**

**TOWN OF GUTTENBERG BOARD OF EDUCATION**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2010**

|                                      | General<br>Fund | Special<br>Revenue<br>Fund | Debt<br>Service<br>Fund | Total<br>Governmental<br>Funds |
|--------------------------------------|-----------------|----------------------------|-------------------------|--------------------------------|
| <b>ASSETS</b>                        |                 |                            |                         |                                |
| Cash and cash equivalents            |                 |                            | 1                       | 1                              |
| Interfund receivables                | 1,811           |                            |                         | 1,811                          |
| Receivables from other governments   | 414,766         | 785,359                    |                         | 1,200,125                      |
| Restricted cash and cash equivalents | 2               |                            |                         | 2                              |
| Total assets                         | <u>416,579</u>  | <u>785,359</u>             | <u>1</u>                | <u>1,201,939</u>               |
| <b>LIABILITIES AND FUND BALANCES</b> |                 |                            |                         |                                |
| Liabilities:                         |                 |                            |                         |                                |
| Cash overdraft                       | 273,216         | 473,972                    |                         | 747,188                        |
| Accounts payable                     | 70,350          | 297,943                    |                         | 368,293                        |
| Payable to federal government        |                 | 3,497                      |                         | 3,497                          |
| Deferred revenue                     |                 | 9,947                      |                         | 9,947                          |
| Total liabilities                    | <u>343,566</u>  | <u>785,359</u>             | <u>-</u>                | <u>1,128,925</u>               |
| Fund Balances:                       |                 |                            |                         |                                |
| Reserved for:                        |                 |                            |                         |                                |
| Encumbrances                         | 155,627         |                            |                         | 155,627                        |
| Excess Surplus                       | 69,037          |                            |                         | 69,037                         |
| Maintenance reserve account          | 1               |                            |                         | 1                              |
| Capital reserve account              | 1               |                            |                         | 1                              |
| Unreserved, reported in:             |                 |                            |                         |                                |
| General fund                         | (151,653)       |                            |                         | (151,653)                      |
| Debt service fund                    |                 |                            | 1                       | 1                              |
| Total Fund balances                  | <u>73,013</u>   | <u>-</u>                   | <u>1</u>                | <u>73,014</u>                  |
| Total liabilities and fund balances  | <u>416,579</u>  | <u>785,359</u>             | <u>1</u>                |                                |

Amounts reported for *governmental activities* in the statement of net assets (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 \$5,741,451 and the accumulated depreciation is \$2,590,392.                           | 3,151,059      |
| Accrued interest on serial bonds payable is not due and payable in the current period and is not reported as a liability in the funds                                                                                                    | (37,097)       |
| Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 3)                                                                                              | (2,396,106)    |
| Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of internal service funds are included in governmental activities in the statement of net assets | <u>141,775</u> |
| Net assets of governmental activities                                                                                                                                                                                                    | <u>932,645</u> |

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

**TOWN OF GUTTENBERG BOARD OF EDUCATION**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2010**

|                                                      | General<br>Fund | Special<br>Revenue<br>Fund | Debt<br>Service<br>Fund | Total<br>Governmental<br>Funds |
|------------------------------------------------------|-----------------|----------------------------|-------------------------|--------------------------------|
| <b>REVENUES</b>                                      |                 |                            |                         |                                |
| Local sources:                                       |                 |                            |                         |                                |
| Local tax levy                                       | 8,702,159       |                            | 239,544                 | 8,941,703                      |
| Miscellaneous                                        | 19,698          |                            |                         | 19,698                         |
| Total - Local Sources                                | 8,721,857       | -                          | 239,544                 | 8,961,401                      |
| State sources                                        | 3,939,913       | 177,318                    | 19,713                  | 4,136,944                      |
| Federal sources                                      | 676,721         | 1,562,792                  |                         | 2,239,513                      |
| Total revenues                                       | 13,338,491      | 1,740,110                  | 259,257                 | 15,337,858                     |
| <b>EXPENDITURES</b>                                  |                 |                            |                         |                                |
| Current:                                             |                 |                            |                         |                                |
| Regular instruction                                  | 4,108,149       | 855,260                    |                         | 4,963,409                      |
| Special education instruction                        | 812,324         |                            |                         | 812,324                        |
| Other special instruction                            | 959,974         |                            |                         | 959,974                        |
| Support services and undistributed costs:            |                 |                            |                         |                                |
| Tuition                                              | 4,955,575       |                            |                         | 4,955,575                      |
| Student & instruction related services               | 1,120,650       | 878,966                    |                         | 1,999,616                      |
| General administrative services                      | 476,171         |                            |                         | 476,171                        |
| School administrative services                       | 393,283         |                            |                         | 393,283                        |
| Central services                                     | 276,933         |                            |                         | 276,933                        |
| Administrative information technology                | 151,511         |                            |                         | 151,511                        |
| Plant operations and maintenance                     | 741,389         |                            |                         | 741,389                        |
| Pupil transportation                                 | 365,479         |                            |                         | 365,479                        |
| On-behalf contributions                              | 663,516         |                            |                         | 663,516                        |
| Capital Outlay                                       | 60,154          | 4,330                      |                         | 64,484                         |
| Special Schools                                      | 4,000           |                            |                         | 4,000                          |
| Debt Service:                                        |                 |                            |                         |                                |
| Principal                                            |                 |                            | 180,000                 | 180,000                        |
| Interest and other Charges                           |                 |                            | 79,257                  | 79,257                         |
| Total expenditures                                   | 15,089,108      | 1,738,556                  | 259,257                 | 17,086,921                     |
| Excess (Deficiency) of revenues<br>over expenditures | (1,750,617)     | 1,554                      | -                       | (1,749,063)                    |
| Net change in fund balances                          | (1,750,617)     | 1,554                      | -                       | (1,749,063)                    |
| Fund balance—July 1                                  | 1,823,630       | (1,554)                    | 1                       | 1,822,077                      |
| Fund balance—June 30                                 | 73,013          | -                          | 1                       | 73,014                         |

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

**TOWN OF GUTTENBERG BOARD OF EDUCATION  
 Reconciliation of the Statement of Revenues, Expenditures,  
 and Changes in Fund Balances of Governmental Funds  
 to the Statement of Activities  
 For the Fiscal Year Ended June 30, 2010**

**Total net change in fund balances - governmental funds (from B-2)** (1,749,063)

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

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

|  |                             |           |           |
|--|-----------------------------|-----------|-----------|
|  | Depreciation expense        | (148,131) |           |
|  | Depreciable Capital outlays | 34,179    | (113,952) |

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

Principal payment on serial bonds 180,000

In the statement of activities, interest on long-term debt is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is a subtraction in the reconciliation.(-)

5,062

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

Increase in compensated absences payable 21,088

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.

106

**Change in net assets of governmental activities** (1,656,759)

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

**TOWN OF GUTTENBERG BOARD OF EDUCATION**  
**Combining Statement of Net Assets**  
**Enterprise Funds**  
**June 30, 2010**

|                                                           | Business-Type Activities -<br>Enterprise Fund |                          | Totals          | Governmental<br>Activities -<br>Internal<br>Service Fund |
|-----------------------------------------------------------|-----------------------------------------------|--------------------------|-----------------|----------------------------------------------------------|
|                                                           | Food Service<br>Program                       | School Age<br>Child Care |                 |                                                          |
| <b>ASSETS</b>                                             |                                               |                          |                 |                                                          |
| Current assets:                                           |                                               |                          |                 |                                                          |
| Cash and cash equivalents                                 | 194,740                                       |                          | 194,740         | 141,775                                                  |
| Accounts receivable:                                      |                                               |                          |                 |                                                          |
| State                                                     | 1,226                                         |                          | 1,226           |                                                          |
| Federal                                                   | 30,424                                        |                          | 30,424          |                                                          |
| Inventories                                               | 2,345                                         |                          | 2,345           |                                                          |
| Total current assets                                      | <u>228,735</u>                                |                          | <u>228,735</u>  | <u>141,775</u>                                           |
| Noncurrent assets:                                        |                                               |                          |                 |                                                          |
| Capital assets:                                           |                                               |                          |                 |                                                          |
| Equipment                                                 | 82,144                                        |                          | 82,144          |                                                          |
| Less accumulated depreciation                             | <u>(36,726)</u>                               |                          | <u>(36,726)</u> |                                                          |
| Total capital assets (net of accumulated<br>depreciation) | <u>45,418</u>                                 |                          | <u>45,418</u>   |                                                          |
| Total assets                                              | <u>274,153</u>                                |                          | <u>274,153</u>  | <u>141,775</u>                                           |
| <b>LIABILITIES</b>                                        |                                               |                          |                 |                                                          |
| Current liabilities:                                      |                                               |                          |                 |                                                          |
| Deficit in cash                                           |                                               | 16,801                   | 16,801          |                                                          |
| Interfund payable                                         |                                               | 1,811                    | 1,811           |                                                          |
| Total current liabilities                                 |                                               | <u>18,612</u>            | <u>18,612</u>   |                                                          |
| Total liabilities                                         |                                               | <u>18,612</u>            | <u>18,612</u>   |                                                          |
| <b>NET ASSETS</b>                                         |                                               |                          |                 |                                                          |
| Invested in capital assets net of<br>related debt         | 45,418                                        |                          | 45,418          |                                                          |
| Restricted contributed capital                            | 32,055                                        |                          | 32,055          |                                                          |
| Unrestricted                                              | 196,680                                       | (18,612)                 | 178,068         | 141,775                                                  |
| Total net assets                                          | <u>274,153</u>                                | <u>(18,612)</u>          | <u>255,541</u>  | <u>141,775</u>                                           |

**TOWN OF GUTTENBERG BOARD OF EDUCATION**  
**Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets**  
**Enterprise Funds**  
**For the Fiscal Year Ended June 30, 2010**

|                                                | Business-Type Activities -<br>Enterprise Funds |                          |                     | Governmental<br>Activities -<br>Internal<br>Service Fund |
|------------------------------------------------|------------------------------------------------|--------------------------|---------------------|----------------------------------------------------------|
|                                                | Food Service<br>Program                        | School Age<br>Child Care | Total<br>Enterprise |                                                          |
| Operating revenues:                            |                                                |                          |                     |                                                          |
| Charges for services:                          |                                                |                          |                     |                                                          |
| Daily sales - reimbursable programs            | 39,492                                         |                          | 39,492              |                                                          |
| S.A.C.C. tuition                               |                                                | 9,235                    | 9,235               |                                                          |
| Total operating revenues                       | <u>39,492</u>                                  | <u>9,235</u>             | <u>48,727</u>       | <u>-</u>                                                 |
| Operating expenses:                            |                                                |                          |                     |                                                          |
| Cost of sales                                  | 136,658                                        |                          | 136,658             |                                                          |
| Salaries                                       | 178,131                                        | 14,980                   | 193,111             |                                                          |
| Supplies and materials                         | 14,203                                         | 299                      | 14,502              |                                                          |
| Cleaning, repair and maintenance               | 2,159                                          |                          | 2,159               |                                                          |
| Utilities                                      | 315                                            | 256                      | 571                 | 126                                                      |
| Employee benefits                              | 24,736                                         |                          | 24,736              |                                                          |
| Purchased property services                    | 13,455                                         |                          | 13,455              |                                                          |
| Depreciation                                   | 3,123                                          |                          | 3,123               |                                                          |
| Total Operating Expenses                       | <u>372,780</u>                                 | <u>15,535</u>            | <u>388,315</u>      | <u>126</u>                                               |
| Operating income (loss)                        | <u>(333,288)</u>                               | <u>(6,300)</u>           | <u>(339,588)</u>    | <u>(126)</u>                                             |
| Nonoperating revenues (expenses):              |                                                |                          |                     |                                                          |
| State sources:                                 |                                                |                          |                     |                                                          |
| State school lunch program                     | 11,424                                         |                          | 11,424              |                                                          |
| State school breakfast program                 | 607                                            |                          | 607                 |                                                          |
| Federal sources:                               |                                                |                          |                     |                                                          |
| National school lunch program                  | 290,602                                        |                          | 290,602             |                                                          |
| National school breakfast program              | 9,990                                          |                          | 9,990               |                                                          |
| Food distribution program                      | 19,278                                         |                          | 19,278              |                                                          |
| Interest and investment revenue                |                                                |                          | -                   | 232                                                      |
| Total nonoperating revenues (expenses)         | <u>331,901</u>                                 | <u>-</u>                 | <u>331,901</u>      | <u>232</u>                                               |
| Income (loss) before contributions & transfers | <u>(1,387)</u>                                 | <u>(6,300)</u>           | <u>(7,687)</u>      | <u>106</u>                                               |
| Transfers in (out)                             |                                                |                          |                     |                                                          |
| Change in net assets                           | <u>(1,387)</u>                                 | <u>(6,300)</u>           | <u>(7,687)</u>      | <u>106</u>                                               |
| Total net assets—beginning                     | <u>275,540</u>                                 | <u>(12,312)</u>          | <u>263,228</u>      | <u>141,669</u>                                           |
| Total net assets—ending                        | <u>274,153</u>                                 | <u>(18,612)</u>          | <u>255,541</u>      | <u>141,775</u>                                           |

**TOWN OF GUTTENBERG BOARD OF EDUCATION**  
**Combining Statement of Cash Flows**  
**Enterprise Funds**  
**For the Fiscal Year Ended June 30, 2010**

|                                                                                                           | Business-Type Activities -<br>Enterprise Funds |                          |                     | Governmental<br>Activities -<br>Internal<br>Service Fund |
|-----------------------------------------------------------------------------------------------------------|------------------------------------------------|--------------------------|---------------------|----------------------------------------------------------|
|                                                                                                           | Food Service<br>Program                        | School Age<br>Child Care | Total<br>Enterprise |                                                          |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                                               |                                                |                          |                     |                                                          |
| Receipts from customers                                                                                   | 39,492                                         | 9,235                    | 48,727              |                                                          |
| Payments to Outside Food Service Management Company                                                       | (261,165)                                      |                          | (261,165)           |                                                          |
| Payments to employees                                                                                     | (73,131)                                       | (14,980)                 | (88,111)            |                                                          |
| Payments for utilities                                                                                    | (315)                                          | (256)                    | (571)               | (126)                                                    |
| Payments for cleaning, repair and maintenance                                                             | (2,531)                                        |                          | (2,531)             |                                                          |
| Payments for supplies                                                                                     | (12,103)                                       | (299)                    | (12,402)            |                                                          |
| Net cash provided by (used for) operating activities                                                      | <u>(309,753)</u>                               | <u>(6,300)</u>           | <u>(316,053)</u>    | <u>(126)</u>                                             |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>                                                    |                                                |                          |                     |                                                          |
| State Sources                                                                                             | 11,517                                         |                          | 11,517              |                                                          |
| Federal Sources                                                                                           | 287,229                                        |                          | 287,229             |                                                          |
| Net cash provided by (used for) non-capital financing activities                                          | <u>298,746</u>                                 | <u>-</u>                 | <u>298,746</u>      | <u>-</u>                                                 |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>                                           |                                                |                          |                     |                                                          |
| Equipment Assistance Grant - ARRA                                                                         | 20,500                                         |                          | 20,500              |                                                          |
| Purchases of capital assets                                                                               | (10,250)                                       |                          | (10,250)            |                                                          |
| Net cash provided by (used for) capital and related financing activities                                  | <u>10,250</u>                                  | <u>-</u>                 | <u>10,250</u>       | <u>-</u>                                                 |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                                                               |                                                |                          |                     |                                                          |
| Interest and dividends                                                                                    |                                                |                          | -                   | 232                                                      |
| Net cash provided by (used for) investing activities                                                      | <u>-</u>                                       | <u>-</u>                 | <u>-</u>            | <u>232</u>                                               |
| Net increase (decrease) in cash and cash equivalents                                                      | (757)                                          | (6,300)                  | (7,057)             | 106                                                      |
| Balances—beginning of year                                                                                | 195,497                                        | (10,501)                 | 184,996             | 141,669                                                  |
| Balances—end of year                                                                                      | <u>194,740</u>                                 | <u>(16,801)</u>          | <u>177,939</u>      | <u>141,775</u>                                           |
| <b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>     |                                                |                          |                     |                                                          |
| Operating income (loss) provided by:                                                                      | (333,288)                                      | (6,300)                  | (339,588)           | (126)                                                    |
| Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities: |                                                |                          |                     |                                                          |
| Depreciation and net amortization                                                                         | 3,123                                          |                          | 3,123               |                                                          |
| Food Distribution Program                                                                                 | 19,278                                         |                          | 19,278              |                                                          |
| (Increase) decrease in inventories                                                                        | 1,506                                          |                          | 1,506               |                                                          |
| Increase (decrease) in accounts payable                                                                   | (372)                                          |                          | (372)               |                                                          |
| Total adjustments                                                                                         | <u>23,535</u>                                  | <u>-</u>                 | <u>23,535</u>       | <u>-</u>                                                 |
| Net cash provided by (used for) operating activities                                                      | <u>(309,753)</u>                               | <u>(6,300)</u>           | <u>(316,053)</u>    | <u>(126)</u>                                             |

**TOWN OF GUTTENBERG BOARD OF EDUCATION**  
**Combining Statement of Fiduciary Net Assets**  
**Fiduciary Funds**  
**June 30, 2010**

|                                                             | Unemployment<br>Compensation<br>Trust Fund | Private<br>Purpose<br>Scholarship Fund | Agency<br>Fund |
|-------------------------------------------------------------|--------------------------------------------|----------------------------------------|----------------|
| <b>ASSETS</b>                                               |                                            |                                        |                |
| Cash and cash equivalents                                   | 15,307                                     | 19,353                                 | 55,315         |
| Deposits                                                    |                                            |                                        | 7,688          |
| Total assets                                                | 15,307                                     | 19,353                                 | 63,003         |
| <b>LIABILITIES</b>                                          |                                            |                                        |                |
| Payable to student groups                                   |                                            |                                        | 10,217         |
| Payroll deductions and withholdings                         |                                            |                                        | 55,402         |
| Net salaries and wages                                      |                                            |                                        | (2,616)        |
| Total liabilities                                           |                                            |                                        | 63,003         |
| <b>NET ASSETS</b>                                           |                                            |                                        |                |
| Held in trust for unemployment<br>claims and other purposes | 15,307                                     |                                        |                |
| Reserved for Scholarships                                   |                                            | 19,353                                 |                |

**TOWN OF GUTTENBERG BOARD OF EDUCATION**  
**Combining Statement of Changes in Fiduciary Net Assets**  
**Fiduciary Funds**  
**For the Fiscal Year Ended June 30, 2010**

|                                  | <u>Unemployment<br/>Compensation<br/>Trust Fund</u> | <u>Private<br/>Purpose<br/>Scholarship Fund</u> |
|----------------------------------|-----------------------------------------------------|-------------------------------------------------|
| <b>ADDITIONS</b>                 |                                                     |                                                 |
| Contributions:                   |                                                     |                                                 |
| Donations                        |                                                     |                                                 |
| Total Contributions              | -                                                   | -                                               |
| <b>DEDUCTIONS</b>                |                                                     |                                                 |
| Scholarship payments             |                                                     | 2,250                                           |
| Total deductions                 | -                                                   | 2,250                                           |
| Change in net assets             | -                                                   | (2,250)                                         |
| Net assets—beginning of the year | 15,307                                              | 21,603                                          |
| Net assets—end of the year       | <u>15,307</u>                                       | <u>19,353</u>                                   |

**NOTES TO THE FINANCIAL STATEMENTS**

**Town of Guttenberg School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2010**

**NOTE 1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY**

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

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

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

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

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

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Board of Education of the Town of Guttenberg School District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Board also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental and business-type activities provided they do not conflict with or contradict GASB pronouncements. The more significant of the board’s accounting policies are described below.

**Town of Guttenberg School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2010**

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

**A. Basis of Presentation:**

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

**District-wide Financial Statements:**

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

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

**Fund Financial Statements:**

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

**Town of Guttenberg School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2010**

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

**GOVERNMENTAL FUNDS**

Governmental funds are those through which most governmental functions of the Board are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the Board's governmental funds:

**General Fund** - The General Fund is the general operating fund of the Board. It is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the Capital Outlay subfund.

As required by the New Jersey State Department of Education, the Board includes budgeted Capital Outlay in this fund. Accounting principles generally accepted in the United States of America as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, District taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

**Special Revenue Fund** - The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

**Capital Projects Fund** - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds). The financial resources are derived from sale of bonds, lease purchases and other revenues.

**Debt Service Fund** - The debt service fund is used to account for the accumulation of resources for and the payment of principal and interest on bonds issued to finance major property acquisition, construction and improvement programs.

**Town of Guttenberg School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2010**

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

**PROPRIETARY FUNDS**

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

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

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

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

**FIDUCIARY FUNDS**

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

**B. Measurement Focus:**

**District-wide Financial Statements**

The District-wide statements (i.e., the statement of net assets 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 assets, except for fiduciary funds.

**Town of Guttenberg School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2010**

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

**B. Measurement Focus: (continued)**

**Fund Financial Statements**

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

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

**C. Basis of Accounting:**

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

**Revenues - Exchange and Non-exchange Transactions**

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

**Town of Guttenberg School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2010**

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

**C. Basis of Accounting: (continued)**

**Revenues - Exchange and Non-exchange Transactions, (continued)**

Nonexchange transactions, in which the Board receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the Board must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Board on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized. Under GAAP, in accordance with GASB No. 33, Accounting and Financial Reporting for Nonexchange Transactions, the last state aid payment is not considered revenue to the school district if the state has not recorded the corresponding expenditure, even though state law dictates recording the revenue.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: ad valorem property taxes, tuition, unrestricted grants and interest.

**Expenses/Expenditures**

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported in the operating statement as an expense with a like amount reported as donated commodities revenue.

The measurement of focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

**D. Budgets/Budgetary Control:**

Annual appropriated budgets are adopted in the spring of the preceding year for the general, and special revenue funds. The budgets are submitted to the county superintendents office for approval. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2(g)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year.

**Town of Guttenberg School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2010**

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

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

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

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

**E. Encumbrances:**

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

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

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

**F. Cash, Cash Equivalents and Investments:**

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

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

**Town of Guttenberg School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2010**

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

**F. Cash, Cash Equivalents and Investments: (continued)**

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

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

**G. Tuition Payable:**

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

**H. Inventories:**

On District-wide financial statements, inventories are presented at cost, which approximates market on a first-in, first-out basis and are expensed when used.

On fund financial statements inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Inventories of proprietary funds consist of food and goods held for resale, as well as supplies, and are expensed when used.

**I. Prepaid Items:**

Payments made to vendors for services that will benefit periods beyond June 30, 2010, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year in which services are consumed.

**J. Short-Term Interfund Receivables/Payables:**

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

**Town of Guttenberg School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2010**

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

**K. Capital Assets:**

General capital assets are those assets not specifically related to activities reported in the enterprise fund. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the district -wide statement of net assets 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 assets and in the fund.

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

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

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

**L. Compensated Absences:**

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

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

**Town of Guttenberg School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2010**

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

**M. Deferred Revenue:**

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

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

**N. Accrued Liabilities and Long-term Obligations:**

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

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

**O. Fund Balance Reserves:**

The Board reserves those portions of fund equity which are legally segregated for a specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditures. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund equity reserves have been established for encumbrances, excess surplus, capital reserve and maintenance reserve.

**P. Net Assets:**

Net assets represent the difference between assets and liabilities. Net assets 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 assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Board or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

**Town of Guttenberg School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2010**

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

**Q. Operating Revenues and Expenses:**

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the Board, these revenues are sales for food service and tuition for the School Age Child Care Program. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund.

**R. 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.

**S. 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.

**T. 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.

**NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS**

**Cash**

**Custodial Credit Risk - Deposits**

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The District's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 18A:20-37 that are treated as cash equivalents. As of June 30, 2010, \$-0- of the District's bank balance of \$2,063,792 was exposed to custodial credit risk.

**Town of Guttenberg School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2010**

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

**Investments**

**Investment Rate Risk**

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

**Credit Risk**

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

**Concentration of Credit Risk**

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

**NOTE 4. RECEIVABLES**

Receivables at June 30, 2010, consisted of accounts and intergovernmental. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

|                                    | Governmental<br>Fund Financial<br>Statements | Enterprise<br>Fund | District Wide<br>Financial<br>Statements |
|------------------------------------|----------------------------------------------|--------------------|------------------------------------------|
| Local School Taxes                 | \$82,147                                     |                    | \$82,147                                 |
| State Aid                          | 18,861                                       | \$1,226            | 20,087                                   |
| Federal Aid                        | 1,099,117                                    | 30,424             | 1,129,541                                |
| Due from Other Funds               | <u>1,811</u>                                 |                    | <u>1,811</u>                             |
| Gross Receivables                  | 1,201,936                                    | 31,650             | 1,233,586                                |
| Less: Allowance for Uncollectibles |                                              |                    |                                          |
| Total Receivables, Net             | <u>\$1,201,936</u>                           | <u>\$31,650</u>    | <u>\$1,233,586</u>                       |

**Town of Guttenberg School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2010**

**NOTE 5. CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2010 was as follows:

|                                                                             | <u>Balance</u><br><u>6/30/09</u> | <u>Additions</u> | <u>Deductions</u> | <u>Balance</u><br><u>6/30/10</u> |
|-----------------------------------------------------------------------------|----------------------------------|------------------|-------------------|----------------------------------|
| <b>Governmental Activities</b>                                              |                                  |                  |                   |                                  |
| Capital Assets Not Being Depreciated                                        |                                  |                  |                   |                                  |
| Land                                                                        | 9,957                            |                  |                   | 9,957                            |
| Construction in Progress                                                    | <u>49,500</u>                    | <u>20,000</u>    | _____             | <u>69,500</u>                    |
| Total Capital Assets Not Being Depreciated                                  | <u>59,457</u>                    | <u>20,000</u>    | _____             | <u>79,457</u>                    |
| Capital Assets Being Depreciated                                            |                                  |                  |                   |                                  |
| Sites and Improvements                                                      | 311,325                          |                  |                   | 311,325                          |
| Buildings and Improvements                                                  | 4,631,444                        |                  |                   | 4,631,444                        |
| Machinery and Equipment                                                     | <u>705,046</u>                   | <u>14,179</u>    | _____             | <u>719,225</u>                   |
| Total Capital Assets, Being Depreciated                                     | <u>5,647,815</u>                 | <u>14,179</u>    | _____             | <u>5,661,994</u>                 |
| Less Accumulated Depreciation:                                              |                                  |                  |                   |                                  |
| Sites and Improvements                                                      | (80,630)                         | (15,158)         |                   | (95,788)                         |
| Buildings and Improvements                                                  | (1,681,312)                      | (128,745)        |                   | (1,810,057)                      |
| Machinery and Equipment                                                     | <u>(680,319)</u>                 | <u>(4,228)</u>   | _____             | <u>(684,547)</u>                 |
| Total Accumulated Depreciation                                              | <u>(2,442,261)</u>               | <u>(148,131)</u> | _____             | <u>(2,590,392)</u>               |
| Total Capital Assets, Being Depreciated,<br>Net of Accumulated Depreciation | <u>3,205,554</u>                 | <u>(133,952)</u> | _____             | <u>3,071,602</u>                 |
| Governmental Activities Capital Assets, Net                                 | <u>3,265,011</u>                 | <u>(113,952)</u> | _____             | <u>3,151,059</u>                 |
| <br>                                                                        |                                  |                  |                   |                                  |
|                                                                             | <u>Balance</u><br><u>6/30/09</u> | <u>Additions</u> | <u>Deductions</u> | <u>Balance</u><br><u>6/30/10</u> |
| <b>Business-Type Activity</b>                                               |                                  |                  |                   |                                  |
| Furniture and Equipment                                                     | 82,144                           |                  |                   | 82,144                           |
| Less Accumulated Depreciation                                               |                                  |                  |                   |                                  |
| Furniture and Equipment                                                     | <u>(33,603)</u>                  | <u>(3,123)</u>   | _____             | <u>(36,726)</u>                  |
| Business-Type Activity Capital Assets, Net                                  | <u>48,541</u>                    | <u>(3,123)</u>   | _____             | <u>45,418</u>                    |

Depreciation expense was not allocated to governmental functions. It appears on the statement of activities as unallocated depreciation.

**Town of Guttenberg School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2010**

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

Changes in long-term obligations for the year ended June 30, 2010 were as follows:

|                                    | <u>Balance</u><br><u>June 30, 2009</u> | <u>Issued</u>   | <u>Retired</u>   | <u>Balance</u><br><u>June 30, 2010</u> | <u>Amount</u><br><u>Due Within</u><br><u>One Year</u> |
|------------------------------------|----------------------------------------|-----------------|------------------|----------------------------------------|-------------------------------------------------------|
| Unfunded Pension Liability         | \$234,029                              |                 | \$               | \$234,029                              | \$40,778                                              |
| Deferred PERS Pension Contribution | 25,059                                 | \$              |                  | 25,059                                 |                                                       |
| Compensated Absences Payable       | 839,106                                | 10,931          | 32,019           | 818,018                                |                                                       |
| Bonds Payable                      | <u>1,499,000</u>                       |                 | <u>180,000</u>   | <u>1,319,000</u>                       | <u>200,000</u>                                        |
| Total                              | <u>\$2,597,194</u>                     | <u>\$10,931</u> | <u>\$212,019</u> | <u>\$2,396,106</u>                     | <u>\$240,778</u>                                      |

**A. Bonds Payable:**

Bonds are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligation bonds.

Outstanding bonds payable at June 30, 2010 consisted of the following:

| <u>Issue</u>             | <u>Issue</u><br><u>Date</u> | <u>Interest</u><br><u>Rates</u> | <u>Date of</u><br><u>Maturity</u> | <u>Principal</u><br><u>Balance</u><br><u>June 30, 2010</u> |
|--------------------------|-----------------------------|---------------------------------|-----------------------------------|------------------------------------------------------------|
| School Improvement Bonds | 07/01/1994                  | 5.625%                          | 07/01/2015                        | <u>\$1,319,000</u>                                         |

Principal and interest due on serial bonds outstanding is as follows:

| <u>Year Ending June 30,</u> | <u>Principal</u>   | <u>Interest</u>  | <u>Total</u>       |
|-----------------------------|--------------------|------------------|--------------------|
| 2011                        | \$200,000          | \$68,569         | \$268,569          |
| 2012                        | 200,000            | 57,319           | 257,319            |
| 2013                        | 200,000            | 46,069           | 246,069            |
| 2014                        | 240,000            | 33,694           | 273,694            |
| 2015                        | 240,000            | 20,193           | 260,193            |
| 2016                        | <u>239,000</u>     | <u>6,722</u>     | <u>245,722</u>     |
|                             | <u>\$1,319,000</u> | <u>\$232,566</u> | <u>\$1,551,566</u> |

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

As of June 30, 2010 the Board has no authorized but not issued bonds.

**C. Capital Leases**

The District had no capital leases outstanding at June 30, 2010.

**Town of Guttenberg School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2010**

**NOTE 7. OPERATING LEASES**

The District has entered an operating lease for copying equipment which expires in February of 2013. Total operating lease payments made during the year ended June 30, 2010 were \$26,182. Future minimum lease payments are as follows:

| <u>Year Ending June 30,</u> | <u>Amount</u>   |
|-----------------------------|-----------------|
| 2011                        | \$28,821        |
| 2012                        | 21,508          |
| 2013                        | <u>9,464</u>    |
|                             | <u>\$59,793</u> |

**NOTE 8. PENSION PLANS**

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

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

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

**Town of Guttenberg School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2010**

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

**Vesting and Benefit Provisions** - The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/55 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System.

Members are always 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.

**Significant Legislation-** - Chapter 108, P.L. 2003, effective July 1, 2003 provided that the State Treasurer shall reduce the normal and accrued liability contributions payable by employers other than the State, excluding the contribution payable from the benefit enhancement fund, to a percentage of the amount certified annually by the retirement system, which for PERS will be as follows: for payments due in the State fiscal year ending June 30, 2005, 20 percent; for payments due in the State fiscal year ending June 30, 2006, not more than 40 percent; for payments due in the State fiscal year ending June 30, 2007, not more than 60 percent; and for payments due in the State fiscal year ending June 30, 2008, not more than 80 percent.

Chapter 42, P.L. 2002 permitted local government units to issue refunding bonds to retire unfunded accrued liability resulting from early retirement benefits under PERS and TPAF, effective July 12, 2002.

**Contribution Requirements** - The contribution policy is set by laws of the State of New Jersey and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The pension funds provide for employee contributions based on 5.0% for PERS and 5.0% for TPAF of the employee's annual compensation, as defined through June 30, 2007. Under Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, the PERS and employee contribution rate will increase to 5.5 percent effective July 1, 2007. Employers are required to contribute at an actuarially determined rate in all Funds except the SACT. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PERS and TPAF. In the PERS and TPAF, the employer contribution includes funding for post-retirement medical premiums.

During the year ended June 30, 2010 for TPAF, which is a cost sharing plan with special funding situations, annual pension cost equals annual required contribution. For PERS, which is a cost sharing multi-employer defined benefit pension plan, the annual pension cost differs from the annual required contribution due to the enactment of Chapter 114, P.L. 1997. TPAF employer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997.

**Town of Guttenberg School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2010**

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

The Board's contribution to PERS, equal to the required contributions for each year, were as follows:

| Year<br><u>Ending</u> |          |
|-----------------------|----------|
| 6/30/10               | \$69,389 |
| 6/30/09               | 31,829   |
| 6/30/08               | 48,910   |

The State of New Jersey contribution to TPAF (paid on-behalf of the District) for normal and post retirement benefits and NCGI Premium were as follows:

| Year<br><u>Ending</u> | Pension<br><u>Contributions</u> | Post-Retirement<br>Medical<br><u>Contributions</u> | NCGI<br><u>Premium</u> |
|-----------------------|---------------------------------|----------------------------------------------------|------------------------|
| 6/30/10               | \$-0-                           | \$274,378                                          | \$14,609               |
| 6/30/09               | -0-                             | 251,652                                            | 13,191                 |
| 6/30/08               | 293,486                         | 181,423                                            | 13,645                 |

During the year ended June 30, 2010, the State of New Jersey contributed \$288,987 to the TPAF for NCGI Premium contributions and post-retirement medical benefits on behalf of the Board. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$374,529 during the year ended June 30, 2010 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. These amounts have been included in the district-wide financial statements, and the fund-based statements as revenues and expenditures in accordance with GASB 24.

**NOTE 9. POST-RETIREMENT BENEFITS**

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required Teachers' Pension and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2009, there were 84,590 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994 Chapter 62. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to P.L. 1992 Chapter 126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. In fiscal year 2009, the State paid \$116.9 million toward Chapter 126 benefits for 13,320 eligible retired members.

**Town of Guttenberg School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2010**

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

The Board's contribution to PERS, equal to the required contributions for each year, were as follows:

| Year<br><u>Ending</u> | \$     |
|-----------------------|--------|
| 6/30/10               | 31,829 |
| 6/30/09               | 48,910 |
| 6/30/08               |        |

The State of New Jersey contribution to TPAF (paid on-behalf of the District) for normal and post retirement benefits and NCGI Premium were as follows:

| Year<br><u>Ending</u> | Pension<br><u>Contributions</u> | Post-Retirement<br>Medical<br><u>Contributions</u> | NCGI<br><u>Premium</u> |
|-----------------------|---------------------------------|----------------------------------------------------|------------------------|
| 6/30/10               | \$-0-                           | \$274,378                                          | \$14,609               |
| 6/30/09               | -0-                             | 251,652                                            | 13,191                 |
| 6/30/08               | 293,486                         | 181,423                                            | 13,645                 |

During the year ended June 30, 2010, the State of New Jersey contributed \$288,987 to the TPAF for NCGI Premium contributions and post-retirement medical benefits on behalf of the Board. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$374,529 during the year ended June 30, 2010 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. These amounts have been included in the district-wide financial statements, and the fund-based statements as revenues and expenditures in accordance with GASB 24.

**NOTE 9. POST-RETIREMENT BENEFITS**

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required Teachers' Pension and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2009, there were 84,590 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994 Chapter 62. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to P.L. 1992 Chapter 126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. In fiscal year 2009, the State paid \$116.9 million toward Chapter 126 benefits for 13,320 eligible retired members.

**Town of Guttenberg School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2010**

**NOTE 10. DEFERRED COMPENSATION**

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

|                                         |          |
|-----------------------------------------|----------|
| Security Benefit Life Insurance Company | Copeland |
| Metropolitan Life Insurance Co.         |          |

**NOTE 11. RISK MANAGEMENT**

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

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

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

**New Jersey Unemployment Compensation Insurance** - The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Contributory Method". Under this method, the District remits all contributions directly to the State of New Jersey Unemployment Trust Fund. The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's expendable trust fund for the current and previous two years:

| <u>Fiscal Year</u> | <u>Interest Earnings/<br/>District<br/>Contributions</u> | <u>Employee<br/>Contributions</u> | <u>Amount<br/>Reimbursed</u> | <u>Ending<br/>Balance</u> |
|--------------------|----------------------------------------------------------|-----------------------------------|------------------------------|---------------------------|
| 2009-2010          | \$-0-                                                    | \$-0-                             | \$-0-                        | \$15,307                  |
| 2008-2009          | -0-                                                      | -0-                               | -0-                          | 15,307                    |
| 2007-2008          | -0-                                                      | -0-                               | -0-                          | 15,307                    |

**Town of Guttenberg School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2010**

**NOTE 12. INVENTORY**

Inventory in the Food Service Fund at June 30, 2010 consisted of the following:

|          |                |
|----------|----------------|
| Supplies | \$534          |
| Food     | <u>1,811</u>   |
|          | <u>\$2,345</u> |

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

**NOTE 13. CAPITAL RESERVE ACCOUNT**

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

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

The activity of the capital reserve for the July 1, 2009 to June 30, 2010 fiscal year is as follows:

|                                 |        |
|---------------------------------|--------|
| Beginning Balance, July 1, 2009 | \$1.00 |
| Ending Balance, June 30, 2010   | \$1.00 |

**NOTE 14. MAINTENANCE RESERVE ACCOUNT**

A maintenance reserve account was established by the Board of Education in FY 2005. The account is maintained in the General Fund. The maintenance reserve account is used to accumulate funds for the required maintenance of a facility in accordance with the EFCRA (N.J.A.A. 18A:7G-9). EFCFA requires that upon district completion of a school facilities project, the district must submit a plan for the maintenance of that facility. All such plans must include a provision for a maintenance reserve fund.

**Town of Guttenberg School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2010**

**NOTE 15. FUND BALANCE APPROPRIATED**

**General Fund [Exhibit B-1]** - Of the \$73,013 General Fund fund balance at June 30, 2010, \$155,627 is reserved for encumbrances; \$69,037 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7 (\$-0- of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2011); \$1 has been reserved in the Capital Reserve Account; \$1 has been reserved in the Maintenance Reserve Account; and \$(151,653) is unreserved and undesignated.

**NOTE 16. CALCULATION OF EXCESS SURPLUS**

In accordance with N.J.S.A. 18A:7F-7 as amended, the designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2010 is \$69,037. Of this amount, \$69,037 is the result of current year's operations.

**NOTE 17. DEFICIT FUND BALANCES**

The District has a deficit fund balance of \$151,653 in the General Fund as of June 30, 2010 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 \$151,653 is less than the last state aid payment.

**Town of Guttenberg School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2010**

**NOTE 18. CONTINGENT LIABILITIES**

**Grant Programs** - The school district participates in federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The school district is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any 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.

**REQUIRED SUPPLEMENTARY  
INFORMATION - PART II**

**BUDGETARY COMPARISON SCHEDULES**

**GUTTENBERG BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Fiscal Year Ended June 30, 2010**

|                                                                                  | <u>Original<br/>Budget</u> | <u>Budget<br/>Transfers/<br/>Adjustments</u> | <u>Final<br/>Budget</u> | <u>Actual</u>     | <u>Variance<br/>Final To<br/>Actual</u> |
|----------------------------------------------------------------------------------|----------------------------|----------------------------------------------|-------------------------|-------------------|-----------------------------------------|
| <b>REVENUES:</b>                                                                 |                            |                                              |                         |                   |                                         |
| Local Sources:                                                                   |                            |                                              |                         |                   |                                         |
| Local Tax Levy                                                                   | 8,702,159                  | -                                            | 8,702,159               | 8,702,159         | -                                       |
| Miscellaneous                                                                    | 50,000                     | -                                            | 50,000                  | 19,698            | (30,302)                                |
| <b>Total - Local Sources</b>                                                     | <b>8,752,159</b>           | <b>-</b>                                     | <b>8,752,159</b>        | <b>8,721,857</b>  | <b>(30,302)</b>                         |
| State Sources:                                                                   |                            |                                              |                         |                   |                                         |
| Special Education Aid                                                            | 717,882                    | -                                            | 717,882                 | 717,882           | -                                       |
| Equalization Aid                                                                 | 3,583,615                  | (650,232)                                    | 2,933,383               | 2,278,526         | (654,857)                               |
| Security Aid                                                                     | 412,186                    | -                                            | 412,186                 | 267,921           | (144,265)                               |
| Transportation Aid                                                               | 49,083                     | -                                            | 49,083                  | 31,904            | (17,179)                                |
| TPAF Pension and Postretirement Medical Contributions (On-Behalf - Non Budgeted) |                            |                                              |                         | 274,378           | 274,378                                 |
| TPAF Non-Contributory Insurance (On-Behalf - Non Budgeted)                       |                            |                                              |                         | 14,609            | 14,609                                  |
| TPAF Social Security (Reimbursed - Non-Budgeted)                                 |                            |                                              |                         | 374,529           | 374,529                                 |
| <b>Total - State Sources</b>                                                     | <b>4,762,766</b>           | <b>(650,232)</b>                             | <b>4,112,534</b>        | <b>3,959,749</b>  | <b>(152,785)</b>                        |
| Federal Sources:                                                                 |                            |                                              |                         |                   |                                         |
| Equalization Aid - ARRA ESF                                                      |                            | 625,999                                      | 625,999                 | 625,999           | -                                       |
| Equalization Aid - ARRA GSF                                                      |                            | 24,233                                       | 24,233                  | 24,233            | -                                       |
| Medical Assistance Program (SEMI)                                                | 26,489                     | -                                            | 26,489                  | 26,489            | -                                       |
| <b>Total - Federal Sources</b>                                                   | <b>26,489</b>              | <b>650,232</b>                               | <b>676,721</b>          | <b>676,721</b>    | <b>-</b>                                |
| <b>TOTAL REVENUES</b>                                                            | <b>13,541,414</b>          | <b>-</b>                                     | <b>13,541,414</b>       | <b>13,358,327</b> | <b>(183,087)</b>                        |
| <b>EXPENDITURES:</b>                                                             |                            |                                              |                         |                   |                                         |
| <b>Current Expense:</b>                                                          |                            |                                              |                         |                   |                                         |
| <b>Regular Programs - Instruction</b>                                            |                            |                                              |                         |                   |                                         |
| <b>Salaries of Teachers:</b>                                                     |                            |                                              |                         |                   |                                         |
| Kindergarten - Salaries of Teachers                                              | 281,337                    | (50,141)                                     | 231,196                 | 231,196           | -                                       |
| Grades 1-5 - Salaries of Teachers                                                | 1,231,371                  | (60,198)                                     | 1,171,173               | 1,171,173         | -                                       |
| Grades 6-8 - Salaries of Teachers                                                | 904,223                    | (12,742)                                     | 891,481                 | 891,481           | -                                       |
| <b>Regular Programs - Home Instruction:</b>                                      |                            |                                              |                         |                   |                                         |
| Salaries of Teachers                                                             | 10,000                     | -                                            | 10,000                  | 9,654             | 346                                     |
| <b>Regular Programs - Undistributed Instruction</b>                              |                            |                                              |                         |                   |                                         |
| Other Salaries for Instruction                                                   | 253,334                    | (64,670)                                     | 188,664                 | 188,664           | -                                       |
| Purchased Professional-Educational Services                                      | 10,000                     | (10,000)                                     | -                       | -                 | -                                       |
| Other Purchased Services (400-500 series)                                        | 15,000                     | (1,594)                                      | 13,406                  | 13,406            | -                                       |
| General Supplies                                                                 | 204,729                    | 111,487                                      | 316,216                 | 311,010           | 5,206                                   |
| Textbooks                                                                        | 251,452                    | (80,484)                                     | 170,968                 | 165,661           | 5,307                                   |
| <b>TOTAL REGULAR PROGRAMS - INSTRUCTION</b>                                      | <b>3,161,446</b>           | <b>(168,342)</b>                             | <b>2,993,104</b>        | <b>2,982,245</b>  | <b>10,859</b>                           |
| <b>SPECIAL EDUCATION - INSTRUCTION</b>                                           |                            |                                              |                         |                   |                                         |
| <b>Learning and/or Language Disabilities:</b>                                    |                            |                                              |                         |                   |                                         |
| Salaries of Teachers                                                             | 144,472                    | 5,175                                        | 149,647                 | 149,647           | -                                       |
| General Supplies                                                                 | 1,554                      | (1,554)                                      | -                       | -                 | -                                       |
| Textbooks                                                                        | 1,222                      | (1,222)                                      | -                       | -                 | -                                       |
| <b>Total Learning and/or Language Disabilities</b>                               | <b>147,248</b>             | <b>2,399</b>                                 | <b>149,647</b>          | <b>149,647</b>    | <b>-</b>                                |
| <b>Multiple Disabilities</b>                                                     |                            |                                              |                         |                   |                                         |
| Salaries of Teachers                                                             | 54,932                     | (3,320)                                      | 51,612                  | 51,612            | -                                       |
| General Supplies                                                                 | 1,000                      | (1,000)                                      | -                       | -                 | -                                       |
| <b>Total Multiple Disabilities</b>                                               | <b>55,932</b>              | <b>(4,320)</b>                               | <b>51,612</b>           | <b>51,612</b>     | <b>-</b>                                |
| <b>Resource Room/Resource Center:</b>                                            |                            |                                              |                         |                   |                                         |
| Salaries of Teachers                                                             | 182,366                    | -                                            | 182,366                 | 182,366           | -                                       |
| General Supplies                                                                 | 1,000                      | (1,000)                                      | -                       | -                 | -                                       |
| <b>Total Resource Room/Resource Center</b>                                       | <b>183,366</b>             | <b>(1,000)</b>                               | <b>182,366</b>          | <b>182,366</b>    | <b>-</b>                                |
| <b>Preschool Disabilities-Full Time</b>                                          |                            |                                              |                         |                   |                                         |
| Salaries of Teachers                                                             | 49,612                     | -                                            | 49,612                  | 49,612            | -                                       |
| General Supplies                                                                 | 1,000                      | (1,000)                                      | -                       | -                 | -                                       |
| <b>Total Preschool Disabilities-Full Time</b>                                    | <b>50,612</b>              | <b>(1,000)</b>                               | <b>49,612</b>           | <b>49,612</b>     | <b>-</b>                                |
| <b>TOTAL SPECIAL EDUCATION - INSTRUCTION</b>                                     | <b>437,158</b>             | <b>(3,921)</b>                               | <b>433,237</b>          | <b>433,237</b>    | <b>-</b>                                |
| <b>Basic Skills/Remedial-Instruction</b>                                         |                            |                                              |                         |                   |                                         |
| Salaries of Teachers                                                             | 444,798                    | 50,748                                       | 495,546                 | 495,117           | 429                                     |
| <b>Total Basic Skills/Remedial-Instruction</b>                                   | <b>444,798</b>             | <b>50,748</b>                                | <b>495,546</b>          | <b>495,117</b>    | <b>429</b>                              |

GUTTENBERG BOARD OF EDUCATION  
 Budgetary Comparison Schedule  
 General Fund  
 Fiscal Year Ended June 30, 2010

|                                                                           | Original<br>Budget | Budget<br>Transfers/<br>Adjustments | Final<br>Budget  | Actual           | Variance<br>Final To<br>Actual |
|---------------------------------------------------------------------------|--------------------|-------------------------------------|------------------|------------------|--------------------------------|
| <b>Bilingual Education - Instruction</b>                                  |                    |                                     |                  |                  |                                |
| Salaries of Teachers                                                      | 327,138            | 45,457                              | 372,595          | 372,588          | 7                              |
| Other Salaries for Instruction                                            | 3,850              | -                                   | 3,850            | 3,850            | -                              |
| General Supplies                                                          | 20,279             | (6,900)                             | 13,379           | 13,349           | 30                             |
| Textbooks                                                                 | 4,219              | (1,100)                             | 3,119            | 3,111            | 8                              |
| <b>Total Bilingual Education - Instruction</b>                            | <b>355,486</b>     | <b>37,457</b>                       | <b>392,943</b>   | <b>392,898</b>   | <b>45</b>                      |
| <b>School-Sponsored Cocurricular Activities - Instruction</b>             |                    |                                     |                  |                  |                                |
| Salaries                                                                  | 30,000             | (9,897)                             | 20,103           | 20,103           | -                              |
| Purchased Services (300-500 series)                                       | 32,000             | -                                   | 32,000           | 31,640           | 360                            |
| <b>Total School-Sponsored Cocurricular Activities - Instruction</b>       | <b>62,000</b>      | <b>(9,897)</b>                      | <b>52,103</b>    | <b>51,743</b>    | <b>360</b>                     |
| <b>Other Instructional Programs - Instruction</b>                         |                    |                                     |                  |                  |                                |
| Salaries                                                                  | 30,000             | (14,171)                            | 15,829           | 15,829           | -                              |
| Purchased Services - (300-500 series)                                     | 1,000              | -                                   | 1,000            | 1,000            | -                              |
| Supplies and Materials                                                    | 3,581              | -                                   | 3,581            | 3,387            | 194                            |
| <b>Total Other Instructional Programs - Instruction</b>                   | <b>34,581</b>      | <b>(14,171)</b>                     | <b>20,410</b>    | <b>20,216</b>    | <b>194</b>                     |
| <b>TOTAL INSTRUCTION</b>                                                  | <b>4,495,469</b>   | <b>(108,126)</b>                    | <b>4,387,343</b> | <b>4,375,456</b> | <b>11,887</b>                  |
| <b>Undistributed Expenditures - Instruction</b>                           |                    |                                     |                  |                  |                                |
| Tuition to other LEAs within the state - regular                          | 3,420,000          | 374,651                             | 3,794,651        | 3,748,200        | 46,451                         |
| Tuition to other LEAs within the state - Special                          | 491,192            | (64,495)                            | 426,697          | 426,697          | -                              |
| Tuition to CSSD & Regular Day Schools                                     | 392,100            | (1,603)                             | 390,497          | 390,497          | -                              |
| Tuition to Private School for the Disabled within State                   | 352,996            | (6,558)                             | 346,438          | 337,360          | 9,078                          |
| Tuition - Other - Charter Schools                                         | -                  | 52,821                              | 52,821           | 52,821           | -                              |
| <b>Total Undistributed Expenditures - Instruction</b>                     | <b>4,656,288</b>   | <b>354,816</b>                      | <b>5,011,104</b> | <b>4,955,575</b> | <b>55,529</b>                  |
| <b>Undist. Expend. - Health Services</b>                                  |                    |                                     |                  |                  |                                |
| Salaries                                                                  | 72,350             | 746                                 | 73,096           | 73,096           | -                              |
| Purchased Professional and Technical Services                             | 10,000             | (2,400)                             | 7,600            | 7,600            | -                              |
| Supplies and Materials                                                    | 2,500              | -                                   | 2,500            | 2,295            | 205                            |
| <b>Total Undistributed Expenditures - Health Services</b>                 | <b>84,850</b>      | <b>(1,654)</b>                      | <b>83,196</b>    | <b>82,991</b>    | <b>205</b>                     |
| <b>Undist. Expenditures - Speech, OT, PT &amp; Related Services</b>       |                    |                                     |                  |                  |                                |
| Salaries                                                                  | 84,482             | (16,897)                            | 67,585           | 67,585           | -                              |
| Purchased Professional - Educational Services                             | 450,000            | (68,011)                            | 381,989          | 381,989          | -                              |
| Supplies and materials                                                    | 1,000              | (1,000)                             | -                | -                | -                              |
| <b>Total Undist. Expend. - Other Supp. Serv. Students - Related Serv.</b> | <b>535,482</b>     | <b>(85,908)</b>                     | <b>449,574</b>   | <b>449,574</b>   | <b>-</b>                       |
| <b>Undist. Expend. - Other Supp. Serv. Students (Guidance) - Regular</b>  |                    |                                     |                  |                  |                                |
| Salaries of Other Professional Staff                                      | 51,136             | 36,000                              | 87,136           | 86,289           | 847                            |
| Salaries of Secretarial and Clerical Assistants                           | 16,459             | 3,806                               | 20,265           | 20,265           | -                              |
| <b>Total Undist. Expend. - Other Supp. Serv. Students - Regular</b>       | <b>67,595</b>      | <b>39,806</b>                       | <b>107,401</b>   | <b>106,554</b>   | <b>847</b>                     |
| <b>Undist. Expend. - Other Supp. Serv. Students- Child Study Team</b>     |                    |                                     |                  |                  |                                |
| Salaries of Other Professional Staff                                      | 94,289             | 23,572                              | 117,861          | 117,861          | -                              |
| Salaries of Secretarial and Clerical Assistants                           | 16,459             | -                                   | 16,459           | 15,830           | 629                            |
| Other Salaries                                                            | 25,000             | 2,676                               | 27,676           | 27,676           | -                              |
| Purchased Professional - Educational Services                             | 8,000              | (1,835)                             | 6,165            | 6,041            | 124                            |
| Supplies and Materials                                                    | 9,482              | (4,000)                             | 5,482            | 5,482            | -                              |
| <b>Total Undist. Expend. - Other Supp. Serv. Students-Special</b>         | <b>153,230</b>     | <b>20,413</b>                       | <b>173,643</b>   | <b>172,890</b>   | <b>753</b>                     |
| <b>Undist. Expend. - Improvement of Instructional Services</b>            |                    |                                     |                  |                  |                                |
| Salaries of Other Professional Staff                                      | 66,000             | 21,733                              | 87,733           | 87,733           | -                              |
| Other Salaries                                                            | 94,050             | (15,889)                            | 78,161           | 78,161           | -                              |
| <b>Total Undist. Expend. - Improvement of Instructional Services</b>      | <b>160,050</b>     | <b>5,844</b>                        | <b>165,894</b>   | <b>165,894</b>   | <b>-</b>                       |
| <b>Undist. Expend. - Educational Media Serv./Sch. Library</b>             |                    |                                     |                  |                  |                                |
| Salaries                                                                  | 45,430             | (6,086)                             | 39,344           | 39,344           | -                              |
| Supplies and Materials                                                    | 10,000             | (10,000)                            | -                | -                | -                              |
| <b>Total Undist. Expend. - Educational Media Serv./Sch. Library</b>       | <b>55,430</b>      | <b>(16,086)</b>                     | <b>39,344</b>    | <b>39,344</b>    | <b>-</b>                       |
| <b>Undist. Expend. - Instructional Staff Training Services</b>            |                    |                                     |                  |                  |                                |
| Other Purchased Services (400-500 Series)                                 | 15,000             | (3,813)                             | 11,187           | 11,187           | -                              |
| <b>Total Undist. Expend. - Instructional Staff Training Services</b>      | <b>15,000</b>      | <b>(3,813)</b>                      | <b>11,187</b>    | <b>11,187</b>    | <b>-</b>                       |
| <b>Undist. Expend. - Support Serv. - General Administration</b>           |                    |                                     |                  |                  |                                |
| Salaries                                                                  | 221,131            | 3,188                               | 224,319          | 224,192          | 127                            |
| Salaries of Attorneys                                                     | 50,000             | -                                   | 50,000           | 50,000           | -                              |
| Audit Fees                                                                | 25,000             | -                                   | 25,000           | 24,250           | 750                            |
| Other purchased professional services - Accountant                        | 18,500             | -                                   | 18,500           | 18,500           | -                              |

**GUTTENBERG BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Fiscal Year Ended June 30, 2010**

|                                                                                 | Original<br>Budget | Budget<br>Transfers/<br>Adjustments | Final<br>Budget  | Actual           | Variance<br>Final To<br>Actual |
|---------------------------------------------------------------------------------|--------------------|-------------------------------------|------------------|------------------|--------------------------------|
| Purchased Technical Services - Consultant                                       | 17,164             | -                                   | 17,164           | 16,000           | 1,164                          |
| Communications/telephone                                                        | 55,000             | (17,092)                            | 37,908           | 35,999           | 1,909                          |
| BOE Other Purchased Services                                                    | 15,457             | (15,107)                            | 350              | 350              | -                              |
| Other Purchased Services (400-500 series)                                       | 37,000             | -                                   | 37,000           | 36,794           | 206                            |
| General Supplies                                                                | 30,854             | (8,373)                             | 22,481           | 22,481           | -                              |
| BOE In-House Training/Meeting Supplies                                          | 5,000              | (2,971)                             | 2,029            | 2,030            | (1)                            |
| Miscellaneous expenditures                                                      | 8,000              | (4,009)                             | 3,991            | 3,991            | -                              |
| BOE Membership Dues and Fees                                                    | 6,824              | -                                   | 6,824            | 6,354            | 470                            |
| <b>Total Undist. Expend. - Supp. Serv. - General Administration</b>             | <b>489,930</b>     | <b>(44,364)</b>                     | <b>445,566</b>   | <b>440,941</b>   | <b>4,625</b>                   |
| <b>Undist. Expend. - Support Serv. - School Administration</b>                  |                    |                                     |                  |                  |                                |
| Salaries of Principals/Assistant Principals                                     | 241,244            | 1,593                               | 242,837          | 242,837          | -                              |
| Salaries of Secretarial and Clerical assistants                                 | 59,038             | -                                   | 59,038           | 59,038           | -                              |
| Supplies and materials                                                          | 20,426             | -                                   | 20,426           | 20,097           | 329                            |
| <b>Total Undist. Expend. - Support Serv. - School Administration</b>            | <b>320,708</b>     | <b>1,593</b>                        | <b>322,301</b>   | <b>321,972</b>   | <b>329</b>                     |
| <b>Undistributed Expenditures - Central Services</b>                            |                    |                                     |                  |                  |                                |
| Salaries                                                                        | 212,699            | -                                   | 212,699          | 212,699          | -                              |
| Purchased Technical Services                                                    | 19,500             | (19,000)                            | 500              | -                | 500                            |
| Misc. Purchased Services (400-500 series)                                       | 5,000              | (5,000)                             | -                | -                | -                              |
| Sale/Leaseback Payments                                                         | -                  | 1,063                               | 1,063            | 1,063            | -                              |
| Supplies and Materials                                                          | 20,000             | (18,411)                            | 1,589            | 1,589            | -                              |
| Miscellaneous expenditures                                                      | 1,050              | (1,050)                             | -                | -                | -                              |
| <b>Total Undists Expend. - Central Services</b>                                 | <b>258,249</b>     | <b>(42,398)</b>                     | <b>215,851</b>   | <b>215,351</b>   | <b>500</b>                     |
| <b>Undist. Expend. - Admin. Info. Tech.</b>                                     |                    |                                     |                  |                  |                                |
| Salaries                                                                        | 127,185            | (11,215)                            | 115,970          | 115,970          | -                              |
| Purchased Technical Services                                                    | 7,500              | -                                   | 7,500            | 6,683            | 817                            |
| <b>Total Undist. Expend. - Admin. Info. Technology</b>                          | <b>134,685</b>     | <b>(11,215)</b>                     | <b>123,470</b>   | <b>122,653</b>   | <b>817</b>                     |
| <b>Undist. Expend. - Required Maint. for School Facilities</b>                  |                    |                                     |                  |                  |                                |
| Salaries                                                                        | 80,864             | -                                   | 80,864           | 80,864           | -                              |
| Cleaning, Repair and Maintenance Services                                       | 93,456             | (3,502)                             | 89,954           | 52,250           | 37,704                         |
| <b>Total Undist. Expend. - Required Maint. for School Facilities</b>            | <b>174,320</b>     | <b>(3,502)</b>                      | <b>170,818</b>   | <b>133,114</b>   | <b>37,704</b>                  |
| <b>Undist. Expend. - Other Oper. &amp; Maint. of Plant Svcs.</b>                |                    |                                     |                  |                  |                                |
| Salaries                                                                        | 144,248            | 3,960                               | 148,208          | 148,095          | 113                            |
| Other Purchased Property Services                                               | 13,300             | 1,416                               | 14,716           | 13,730           | 986                            |
| Insurance                                                                       | 105,000            | -                                   | 105,000          | 104,844          | 156                            |
| Miscellaneous Purchased Services                                                | 6,000              | (3,553)                             | 2,447            | 2,447            | -                              |
| General Supplies                                                                | 66,331             | (21,703)                            | 44,628           | 44,628           | -                              |
| Energy (Electricity)                                                            | 100,000            | (1,390)                             | 98,610           | 98,610           | -                              |
| Energy (Natural Gas)                                                            | 70,000             | (24,471)                            | 45,529           | 45,529           | -                              |
| <b>Total Undist. Expend. - Other Oper. &amp; Maint. of Plant Svcs.</b>          | <b>504,879</b>     | <b>(45,741)</b>                     | <b>459,138</b>   | <b>457,883</b>   | <b>1,255</b>                   |
| <b>Undist. Expend. - Security</b>                                               |                    |                                     |                  |                  |                                |
| Salaries                                                                        | 25,000             | (7,004)                             | 17,996           | 17,996           | -                              |
| <b>Total Undist. Expend. - Security</b>                                         | <b>25,000</b>      | <b>(7,004)</b>                      | <b>17,996</b>    | <b>17,996</b>    | <b>1,255</b>                   |
| <b>Total Undistributed Expend.-Oper &amp; Maint of Plant Svcs.</b>              | <b>704,199</b>     | <b>(56,247)</b>                     | <b>647,952</b>   | <b>608,993</b>   | <b>38,959</b>                  |
| <b>Undist. Expend. - Student transportation services:</b>                       |                    |                                     |                  |                  |                                |
| Contract Service - Joint Agreements                                             | 360,666            | 4,813                               | 365,479          | 365,479          | -                              |
| <b>Total Undist. Expend. - Student Transportation Services</b>                  | <b>360,666</b>     | <b>4,813</b>                        | <b>365,479</b>   | <b>365,479</b>   | -                              |
| <b>ALLOCATED BENEFITS</b>                                                       |                    |                                     |                  |                  |                                |
| <b>Regular Programs - Instruction - Employee Benefits</b>                       |                    |                                     |                  |                  |                                |
| Social Security Contributions                                                   | 85,000             | (13,373)                            | 71,627           | 71,627           | -                              |
| T.P.A.F. Contributions - ERIP                                                   | 27,000             | -                                   | 27,000           | -                | 27,000                         |
| Unemployment Compensation                                                       | 22,000             | -                                   | 22,000           | 21,772           | 228                            |
| Health Benefits                                                                 | 935,596            | 94,909                              | 1,030,505        | 1,030,505        | -                              |
| Tuition Reimbursement                                                           | 5,000              | (5,000)                             | -                | -                | -                              |
| Other Employee Benefits                                                         | 2,000              | -                                   | 2,000            | 2,000            | -                              |
| <b>Total Regular Programs - Instruction</b>                                     | <b>1,076,596</b>   | <b>76,536</b>                       | <b>1,153,132</b> | <b>1,125,904</b> | <b>27,228</b>                  |
| <b>Special Programs - Instruction - Employee Benefits</b>                       |                    |                                     |                  |                  |                                |
| Health Benefits                                                                 | 378,087            | -                                   | 378,087          | 378,087          | -                              |
| Tuition Reimbursement                                                           | 3,000              | (3,000)                             | -                | -                | -                              |
| Other Employee Benefits                                                         | 1,000              | -                                   | 1,000            | 1,000            | -                              |
| <b>Total Special Programs - Instruction - Employee Benfits</b>                  | <b>382,087</b>     | <b>(3,000)</b>                      | <b>379,087</b>   | <b>379,087</b>   | -                              |
| <b>Health Services - Employee Benefits</b>                                      |                    |                                     |                  |                  |                                |
| Health Benefits                                                                 | 24,911             | (1,938)                             | 22,973           | 22,973           | -                              |
| Other Employee Benefits                                                         | 400                | -                                   | 400              | -                | 400                            |
| <b>Total Health Services - Employee Benefits</b>                                | <b>25,311</b>      | <b>(1,938)</b>                      | <b>23,373</b>    | <b>22,973</b>    | <b>400</b>                     |
| <b>Other Support Serv. - Speech, OT, PT, &amp; Rel. Svc - Employee Benefits</b> |                    |                                     |                  |                  |                                |

**GUTTENBERG BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Fiscal Year Ended June 30, 2010**

|                                                                          | Original<br>Budget | Budget<br>Transfers/<br>Adjustments | Final<br>Budget   | Actual            | Variance<br>Final To<br>Actual |
|--------------------------------------------------------------------------|--------------------|-------------------------------------|-------------------|-------------------|--------------------------------|
| Health Benefits                                                          | 16,130             | (11,130)                            | 5,000             | 5,000             | -                              |
| Other Employee Benefits                                                  | 400                | -                                   | 400               | -                 | 400                            |
| <b>Total Other Support Services- Employee Benefits</b>                   | <b>16,530</b>      | <b>(11,130)</b>                     | <b>5,400</b>      | <b>5,000</b>      | <b>400</b>                     |
| <b>Other Support Services - Guidance - Employee Benefits:</b>            |                    |                                     |                   |                   |                                |
| Health Benefits                                                          | 22,449             | (3,378)                             | 19,071            | 19,071            | -                              |
| <b>Total Other Support Services - Employee Benefits</b>                  | <b>22,449</b>      | <b>(3,378)</b>                      | <b>19,071</b>     | <b>19,071</b>     | <b>-</b>                       |
| <b>Other Support Services - Child Study Team - Employee Benefits</b>     |                    |                                     |                   |                   |                                |
| Health Benefits                                                          | 28,586             | (3,317)                             | 25,269            | 25,269            | -                              |
| Other Employee Benefits                                                  | 600                | -                                   | 600               | 600               | -                              |
| <b>Total Other Support Svcs - Child Study Team - Employee Benefits</b>   | <b>29,186</b>      | <b>(3,317)</b>                      | <b>25,869</b>     | <b>25,869</b>     | <b>-</b>                       |
| <b>Improvement of Instruction Services - Employee Benefits</b>           |                    |                                     |                   |                   |                                |
| Health Benefits                                                          | 16,130             | (4,934)                             | 11,196            | 11,196            | -                              |
| Other Employee Benefits                                                  | 400                | -                                   | 400               | -                 | 400                            |
| <b>Total Improvement of Instruction Services</b>                         | <b>16,530</b>      | <b>(4,934)</b>                      | <b>11,596</b>     | <b>11,196</b>     | <b>400</b>                     |
| <b>Educational Media Services - School Lib - Employee Benefits</b>       |                    |                                     |                   |                   |                                |
| Health Benefits                                                          | 9,993              | (1,886)                             | 8,107             | 8,107             | -                              |
| Other Employee Benefits                                                  | 200                | -                                   | 200               | -                 | 200                            |
| <b>Total Educational Media Services - School Lib - Employee Benefits</b> | <b>10,193</b>      | <b>(1,886)</b>                      | <b>8,307</b>      | <b>8,107</b>      | <b>200</b>                     |
| <b>Support Services - General Admin - Employee Benefits</b>              |                    |                                     |                   |                   |                                |
| Social Security Contributions                                            | 7,800              | (3,054)                             | 4,746             | 4,746             | -                              |
| Health Benefits                                                          | 45,180             | (14,696)                            | 30,484            | 30,484            | -                              |
| Other Employee Benefits                                                  | 400                | -                                   | 400               | -                 | 400                            |
| <b>Total Support Services - General Admin - Employee Benefits</b>        | <b>53,380</b>      | <b>(17,750)</b>                     | <b>35,630</b>     | <b>35,230</b>     | <b>400</b>                     |
| <b>Support Services - School Admin - Employee Benefits</b>               |                    |                                     |                   |                   |                                |
| Social Security Contributions                                            | 7,800              | (2,003)                             | 5,797             | 5,797             | -                              |
| Health Benefits                                                          | 69,808             | (4,885)                             | 64,923            | 64,923            | -                              |
| Other Employee Benefits                                                  | 600                | -                                   | 600               | 591               | 9                              |
| <b>Total Support Services - School Admin - Employee Benefits</b>         | <b>78,208</b>      | <b>(6,888)</b>                      | <b>71,320</b>     | <b>71,311</b>     | <b>9</b>                       |
| <b>Support Services - Central Services - Employee Benefits</b>           |                    |                                     |                   |                   |                                |
| Social Security Contributions                                            | 12,000             | (1,452)                             | 10,548            | 10,548            | -                              |
| Health Benefits                                                          | 51,034             | -                                   | 51,034            | 51,034            | -                              |
| Other Employee Benefits                                                  | 400                | -                                   | 400               | -                 | 400                            |
| <b>Total Support Services - Central Services - Employee Benefits</b>     | <b>63,434</b>      | <b>(1,452)</b>                      | <b>61,982</b>     | <b>61,582</b>     | <b>400</b>                     |
| <b>Support Services - Admin. Info. Tech. - Employee Benefits</b>         |                    |                                     |                   |                   |                                |
| Social Security Contributions                                            | 10,000             | (1,128)                             | 8,872             | 8,872             | -                              |
| Health Benefits                                                          | 19,986             | -                                   | 19,986            | 19,986            | -                              |
| Other Employee Benefits                                                  | 400                | -                                   | 400               | -                 | 400                            |
| <b>Total Support Services - Admin. Info. Tech. - Employee Benefits</b>   | <b>30,386</b>      | <b>(1,128)</b>                      | <b>29,258</b>     | <b>28,858</b>     | <b>400</b>                     |
| <b>Operation and Maintenance of Plant Svcs - Employee Benefits</b>       |                    |                                     |                   |                   |                                |
| Social Security Contributions                                            | 22,200             | (4,799)                             | 17,401            | 17,401            | -                              |
| Health Benefits                                                          | 126,978            | (19,399)                            | 107,579           | 107,579           | -                              |
| Other Employee Benefits                                                  | 600                | -                                   | 600               | 200               | 400                            |
| <b>Total Operation and Maintenance of Plant Svcs - Employee Benefits</b> | <b>149,778</b>     | <b>(24,198)</b>                     | <b>125,580</b>    | <b>125,180</b>    | <b>400</b>                     |
| <b>Support Services - Security - Employee Benefits</b>                   |                    |                                     |                   |                   |                                |
| Health Benefits                                                          | -                  | 7,216                               | 7,216             | 7,216             | -                              |
| <b>Total Security - Employee Benefits</b>                                | <b>-</b>           | <b>7,216</b>                        | <b>7,216</b>      | <b>7,216</b>      | <b>-</b>                       |
| <b>TOTAL ALLOCATED BENEFITS</b>                                          | <b>1,954,068</b>   | <b>2,753</b>                        | <b>1,956,821</b>  | <b>1,926,584</b>  | <b>30,237</b>                  |
| <b>UNALLOCATED BENEFITS</b>                                              |                    |                                     |                   |                   |                                |
| <b>Unallocated Benefits - Employee Benefits</b>                          |                    |                                     |                   |                   |                                |
| Other Retirement Contributions - Regular                                 | 65,000             | -                                   | 65,000            | -                 | 65,000                         |
| <b>Total Unallocated Benefits - Employee Benefits</b>                    | <b>65,000</b>      | <b>-</b>                            | <b>65,000</b>     | <b>-</b>          | <b>65,000</b>                  |
| <b>Total Personal Services - Employee Benefits</b>                       | <b>2,019,068</b>   | <b>2,753</b>                        | <b>2,021,821</b>  | <b>1,926,584</b>  | <b>3,009</b>                   |
| <b>On-behalf TPAF Pension and Post Retirement</b>                        |                    |                                     |                   |                   |                                |
| Medical Contributions (non-budgeted)                                     | -                  | -                                   | -                 | 274,378           | (274,378)                      |
| On-behalf TPAF Non-Contributory Insurance (non-budgeted)                 | -                  | -                                   | -                 | 14,609            | (14,609)                       |
| Reimbursed TPAF Social Security Contributions (non-budgeted)             | -                  | -                                   | -                 | 374,529           | (374,529)                      |
| <b>TOTAL ON-BEHALF CONTRIBUTIONS</b>                                     | <b>-</b>           | <b>-</b>                            | <b>-</b>          | <b>663,516</b>    | <b>(663,516)</b>               |
| <b>TOTAL UNDISTRIBUTED EXPENDITURES</b>                                  | <b>10,015,430</b>  | <b>168,353</b>                      | <b>10,183,783</b> | <b>10,649,498</b> | <b>(465,715)</b>               |
| <b>TOTAL GENERAL CURRENT EXPENSE</b>                                     | <b>14,510,899</b>  | <b>60,227</b>                       | <b>14,571,126</b> | <b>15,024,954</b> | <b>(453,828)</b>               |

GUTTENBERG BOARD OF EDUCATION  
 Budgetary Comparison Schedule  
 General Fund  
 Fiscal Year Ended June 30, 2010

|                                                                                 | Original<br>Budget | Budget<br>Transfers/<br>Adjustments | Final<br>Budget   | Actual            | Variance<br>Final To<br>Actual |
|---------------------------------------------------------------------------------|--------------------|-------------------------------------|-------------------|-------------------|--------------------------------|
| <b>CAPITAL OUTLAY</b>                                                           |                    |                                     |                   |                   |                                |
| <b>Equipment - Undistributed:</b>                                               |                    |                                     |                   |                   |                                |
| Grades 1-5                                                                      | 7,500              | 13,049                              | 20,549            | 20,549            | -                              |
| Grades 6-8                                                                      | 2,500              | -                                   | 2,500             | 2,499             | 1                              |
| Instruction                                                                     | 13,049             | (13,049)                            |                   |                   | -                              |
| School Administration                                                           | -                  | 17,305                              | 17,305            | 17,106            | 199                            |
| <b>Total Equipment - Undistributed</b>                                          | <u>23,049</u>      | <u>17,305</u>                       | <u>40,354</u>     | <u>40,154</u>     | <u>200</u>                     |
| <b>Undist. Expenditures - Facilities Acquisition and Construction Services:</b> |                    |                                     |                   |                   |                                |
| Construction Services                                                           | 20,000             | -                                   | 20,000            | 20,000            | -                              |
| Other Objects                                                                   | 17,305             | (17,305)                            |                   |                   | -                              |
| <b>Total Facilities Acquisition and Construction Services</b>                   | <u>37,305</u>      | <u>(17,305)</u>                     | <u>20,000</u>     | <u>20,000</u>     | <u>-</u>                       |
| <b>TOTAL CAPITAL OUTLAY</b>                                                     | <u>60,354</u>      | <u>-</u>                            | <u>60,354</u>     | <u>60,154</u>     | <u>200</u>                     |
| <b>SPECIAL SCHOOLS</b>                                                          |                    |                                     |                   |                   |                                |
| <b>Evening school for Foreign born - Instruction</b>                            |                    |                                     |                   |                   |                                |
| Salaries of Teachers                                                            | 4,000              | -                                   | 4,000             | 4,000             | -                              |
| General Supplies                                                                | 1,200              | (1,200)                             |                   |                   | -                              |
| <b>Total Evening school for Foreign born - Instruction</b>                      | <u>5,200</u>       | <u>(1,200)</u>                      | <u>4,000</u>      | <u>4,000</u>      | <u>-</u>                       |
| <b>TOTAL SPECIAL SCHOOLS</b>                                                    | <u>5,200</u>       | <u>(1,200)</u>                      | <u>4,000</u>      | <u>4,000</u>      | <u>-</u>                       |
| <b>GENERAL FUND</b>                                                             |                    |                                     |                   |                   |                                |
| Transfer of funds to charter schools                                            | 59,027             | (59,027)                            | -                 | -                 | -                              |
| <b>TOTAL EXPENDITURES</b>                                                       | <u>14,635,480</u>  | <u>-</u>                            | <u>14,635,480</u> | <u>15,089,108</u> | <u>(453,628)</u>               |
| <b>Excess (Deficiency) of Revenues</b>                                          |                    |                                     |                   |                   |                                |
| Over (Under) Expenditures                                                       | (1,094,066)        | -                                   | (1,094,066)       | (1,730,781)       | (636,715)                      |
| <b>Excess (Deficiency) of Revenues and Other Financing Sources</b>              |                    |                                     |                   |                   |                                |
| Over (Under) Expenditures and Other Financing Sources (Uses)                    | (1,094,066)        | -                                   | (1,094,066)       | (1,730,781)       | (636,715)                      |
| <b>Fund Balance, July 1</b>                                                     | 2,243,959          |                                     | 2,243,959         | 2,243,959         | -                              |
| <b>Fund Balance, June 30</b>                                                    | <u>1,149,893</u>   | <u>-</u>                            | <u>1,149,893</u>  | <u>513,178</u>    | <u>(636,715)</u>               |
| <b>Recapitulation of excess (deficiency) of revenues under expenditures</b>     |                    |                                     |                   |                   |                                |
| Adjustment for Prior Year Encumbrances                                          | 163,430            |                                     | 163,430           | 163,430           |                                |
| <b>Budgeted Fund Balance</b>                                                    | <u>930,636</u>     | <u>-</u>                            | <u>930,636</u>    | <u>1,567,351</u>  | <u>636,715</u>                 |
|                                                                                 | <u>1,094,066</u>   | <u>-</u>                            | <u>1,094,066</u>  | <u>1,730,781</u>  | <u>636,715</u>                 |
| <b>Recapitulation</b>                                                           |                    |                                     |                   |                   |                                |
| <b>Reserved for:</b>                                                            |                    |                                     |                   |                   |                                |
| Encumbrances                                                                    |                    |                                     |                   | 155,627           |                                |
| Capital Reserve                                                                 |                    |                                     |                   | 1                 |                                |
| Maintenance Reserve                                                             |                    |                                     |                   | 1                 |                                |
| Excess Surplus                                                                  |                    |                                     |                   | 69,037            |                                |
| Undesignated Fund Balance                                                       |                    |                                     |                   | 288,512           |                                |
| <b>Reconciliation to Governmental Funds Statement (GAAP):</b>                   |                    |                                     |                   | 513,178           |                                |
| Less: Last State Aid Payment not recognized, GAAP Basis                         |                    |                                     |                   | (440,165)         |                                |
| <b>Fund Balance per Governmental Funds (GAAP)</b>                               |                    |                                     |                   | <u>73,013</u>     |                                |

**GUTTENBERG BOARD OF EDUCATION**  
**General Fund - ARRA Education Stabilization Fund (ESF)**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2010**

|                                                                      | Original<br>Budget | Budget<br>Transfers/<br>Adjustments | Final<br>Budget | Actual  | Variance<br>Final to<br>Actual |
|----------------------------------------------------------------------|--------------------|-------------------------------------|-----------------|---------|--------------------------------|
| <b>REVENUES:</b>                                                     |                    |                                     |                 |         |                                |
| Federal Sources:                                                     |                    |                                     |                 |         |                                |
| ARRA - ESF (Education Stabilization Fund)                            | -                  | 625,999                             | 625,999         | 625,999 | -                              |
| Total - Federal Sources                                              | -                  | 625,999                             | 625,999         | 625,999 | -                              |
| <b>TOTAL REVENUES</b>                                                | -                  | 625,999                             | 625,999         | 625,999 | -                              |
| <b>EXPENDITURES:</b>                                                 |                    |                                     |                 |         |                                |
| <b>Regular Programs - Undistributed Instruction</b>                  |                    |                                     |                 |         |                                |
| Instructional Supplies                                               |                    | 136,487                             | 136,487         | 132,776 | 3,711                          |
| Textbooks                                                            |                    | 69,417                              | 69,417          | 68,607  | 810                            |
| <b>TOTAL REGULAR PROGRAMS - INSTRUCTION</b>                          | -                  | 205,904                             | 205,904         | 201,383 | 4,521                          |
| <b>SPECIAL EDUCATION - INSTRUCTION</b>                               |                    |                                     |                 |         |                                |
| <b>Learning and/or Language Disabilities:</b>                        |                    |                                     |                 |         |                                |
| Salaries of Teachers                                                 |                    | 11,358                              | 11,358          | 11,358  | -                              |
| Total Learning and/or Language Disabilities                          | -                  | 11,358                              | 11,358          | 11,358  | -                              |
| <b>TOTAL SPECIAL EDUCATION - INSTRUCTION</b>                         | -                  | 11,358                              | 11,358          | 11,358  | -                              |
| <b>Basic Skills/Remedial - Instruction:</b>                          |                    |                                     |                 |         |                                |
| Salaries of Teachers                                                 |                    | 255,930                             | 255,930         | 255,930 | -                              |
| Total Basic Skills/Remedial Instruction                              | -                  | 255,930                             | 255,930         | 255,930 | -                              |
| <b>TOTAL INSTRUCTION</b>                                             | -                  | 473,192                             | 473,192         | 468,671 | 4,521                          |
| <b>UNDISTRIBUTED EXPENDITURES</b>                                    |                    |                                     |                 |         |                                |
| <b>Security</b>                                                      |                    |                                     |                 |         |                                |
| Salaries                                                             |                    | 17,708                              | 17,708          | 17,708  | -                              |
| Total Security                                                       | -                  | 17,708                              | 17,708          | 17,708  | -                              |
| <b>ALLOCATED BENEFITS</b>                                            |                    |                                     |                 |         |                                |
| <b>Basic Skills/Remedial Instruction:</b>                            |                    |                                     |                 |         |                                |
| Health Benefits                                                      |                    | 127,883                             | 127,883         | 127,883 | -                              |
| Total Basic Skills/Remedial Instruction                              | -                  | 127,883                             | 127,883         | 127,883 | -                              |
| <b>Security</b>                                                      |                    |                                     |                 |         |                                |
| Health Benefits                                                      |                    | 7,216                               | 7,216           | 7,216   | -                              |
| Total Security                                                       | -                  | 7,216                               | 7,216           | 7,216   | -                              |
| <b>TOTAL ALLOCATED BENEFITS</b>                                      | -                  | 135,099                             | 135,099         | 135,099 | -                              |
| <b>TOTAL EXPENDITURES</b>                                            | -                  | 625,999                             | 625,999         | 621,478 | 4,521                          |
| <b>Excess (Deficiency) of Revenues<br/>Over (Under) Expenditures</b> | -                  | -                                   | -               | 4,521   | (4,521)                        |

**GUTTENBERG BOARD OF EDUCATION**  
**General Fund - Government Services Fund (GSF)**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2010**

|                                                                  | <u>Original<br/>Budget</u> | <u>Budget<br/>Transfers/<br/>Adjustments</u> | <u>Final<br/>Budget</u> | <u>Actual</u> | <u>Variance<br/>Final to<br/>Actual</u> |
|------------------------------------------------------------------|----------------------------|----------------------------------------------|-------------------------|---------------|-----------------------------------------|
| <b>REVENUES:</b>                                                 |                            |                                              |                         |               |                                         |
| Federal Sources:                                                 |                            |                                              |                         |               |                                         |
| ARRA - GSF (Government Services Fund)                            |                            | 24,233                                       | 24,233                  | 24,233        | -                                       |
| Total - Federal Sources                                          | -                          | 24,233                                       | 24,233                  | 24,233        | -                                       |
| <b>TOTAL REVENUES</b>                                            | -                          | 24,233                                       | 24,233                  | 24,233        | -                                       |
| <b>EXPENDITURES:</b>                                             |                            |                                              |                         |               |                                         |
| Regular Programs - Undistributed Instruction                     |                            |                                              |                         |               |                                         |
| Textbooks                                                        |                            | 24,233                                       | 24,233                  | 20,228        | 4,005                                   |
| <b>TOTAL REGULAR PROGRAMS - INSTRUCTION</b>                      | -                          | 24,233                                       | 24,233                  | 20,228        | 4,005                                   |
| <br>Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | <br>-                      | <br>-                                        | <br>-                   | <br>4,005     | <br>(4,005)                             |

**TOWN OF GUTTENBERG BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2010**

|                                                                                                     | Original Budget | Budget Transfers/ Adjustments | Final Budget     | Actual           | Variance Final to Actual |
|-----------------------------------------------------------------------------------------------------|-----------------|-------------------------------|------------------|------------------|--------------------------|
| <b>REVENUES:</b>                                                                                    |                 |                               |                  |                  |                          |
| State Sources                                                                                       | 187,425         | -                             | 187,425          | 175,764          | (11,661)                 |
| Federal Sources                                                                                     | 788,293         | 1,520,209                     | 2,308,502        | 1,562,792        | (745,710)                |
| <b>Total Revenues</b>                                                                               | <b>975,718</b>  | <b>1,520,209</b>              | <b>2,495,927</b> | <b>1,738,556</b> | <b>(757,371)</b>         |
| <b>EXPENDITURES:</b>                                                                                |                 |                               |                  |                  |                          |
| <b>Instruction:</b>                                                                                 |                 |                               |                  |                  |                          |
| Salaries of Teachers                                                                                | 587,223         | 171,700                       | 758,923          | 664,540          | 94,383                   |
| Other Salaries for Instruction                                                                      | 21,010          | 500                           | 21,510           | 21,010           | 500                      |
| Purchased Professional - Educational Services                                                       |                 | 291                           | 291              |                  | 291                      |
| Purchased Professional and Technical Services                                                       |                 | 5,431                         | 5,431            |                  | 5,431                    |
| Other Purchased Services                                                                            | 250,000         | (80,000)                      | 170,000          | 70,274           | 99,726                   |
| General Supplies                                                                                    | 43,699          | 131,900                       | 175,599          | 90,593           | 85,006                   |
| Other Objects                                                                                       |                 | 61,500                        | 61,500           | 8,843            | 52,657                   |
| <b>Total instruction</b>                                                                            | <b>901,932</b>  | <b>291,322</b>                | <b>1,193,254</b> | <b>855,260</b>   | <b>337,994</b>           |
| <b>Support services:</b>                                                                            |                 |                               |                  |                  |                          |
| Salaries of Program Directors                                                                       | 3,500           | 10,500                        | 14,000           | 14,000           | -                        |
| Salaries of Other Professional Staff                                                                |                 | 169,704                       | 169,704          | 169,704          | -                        |
| Personal Services - Employee Benefits                                                               | 70,286          | 356,726                       | 427,012          | 342,019          | 84,993                   |
| Purchased Professional Educational Services                                                         |                 | 506,887                       | 506,887          | 242,999          | 263,888                  |
| Other Purchased Professional & Technical Services                                                   |                 | 112,908                       | 112,908          | 90,682           | 22,226                   |
| Other Purchased Services                                                                            |                 | 22,519                        | 22,519           | 7,867            | 14,652                   |
| Supplies and Materials                                                                              |                 | 44,643                        | 44,643           | 11,695           | 32,948                   |
| <b>Total support services</b>                                                                       | <b>73,786</b>   | <b>1,223,887</b>              | <b>1,297,673</b> | <b>878,966</b>   | <b>418,707</b>           |
| <b>Facilities acquisition and const. serv.:</b>                                                     |                 |                               |                  |                  |                          |
| Instructional Equipment                                                                             |                 | 5,000                         | 5,000            | 4,330            | 670                      |
| <b>Total facilities acquisition and const. serv.</b>                                                | <b>-</b>        | <b>5,000</b>                  | <b>5,000</b>     | <b>4,330</b>     | <b>670</b>               |
| <b>Total Expenditures</b>                                                                           | <b>975,718</b>  | <b>1,520,209</b>              | <b>2,495,927</b> | <b>1,738,556</b> | <b>757,371</b>           |
| <b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b> | <b>-</b>        | <b>-</b>                      | <b>-</b>         | <b>-</b>         | <b>-</b>                 |

**TOWN OF GUTTENBERG BOARD OF EDUCATION**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**Note to Required Supplementary Information**  
**For the Fiscal Year Ended June 30, 2010**

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

|                                                                                                                                                                                                                                     |             | General<br>Fund | Special<br>Revenue<br>Fund |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|-----------------|----------------------------|
| <b>Sources/inflows of resources</b>                                                                                                                                                                                                 |             |                 |                            |
| Actual amounts (budgetary basis) "revenue"<br>from the budgetary comparison schedule                                                                                                                                                | [C-1],[C-2] | 13,358,327      | 1,738,556                  |
| Difference - budget to GAAP:                                                                                                                                                                                                        |             |                 |                            |
| State aid payment recognized for GAAP statements in<br>the current year, previously recognized for budgetary purposes.                                                                                                              |             | 420,329         | 18,570                     |
| The last state aid payment is recognized as revenue for budgetary<br>purposes, and differs from GAAP which does not recognize this<br>revenue until the subsequent year when the State recognizes the<br>related expense (GASB 33). |             | (440,165)       | (17,016)                   |
| Total revenues as reported on the statement of revenues, expenditures<br>and changes in fund balances - governmental funds.                                                                                                         | [B-2]       | 13,338,491      | 1,740,110                  |
| <b>Uses/outflows of resources</b>                                                                                                                                                                                                   |             |                 |                            |
| Actual amounts (budgetary basis) "total outflows" from the<br>budgetary comparison schedule                                                                                                                                         | [C-1],[C-2] | 15,089,108      | 1,738,556                  |
| Total expenditures as reported on the statement of revenues,<br>expenditures, and changes in fund balances - governmental funds                                                                                                     | [B-2]       | 15,089,108      | 1,738,556                  |

**SPECIAL REVENUE FUND**

**TOWN OF GUTTENBERG BOARD OF EDUCATION**  
**Special Revenue Fund**  
**Combining Schedule of Program Revenues and Expenditures - Budgetary Basis**  
**For the Fiscal Year Ended June 30, 2010**

| Total                                                                                               | Title I<br>Improving<br>Basic<br>Programs | Title I<br>Improving<br>Basic Programs<br>Carryover | Title I, ARRA<br>Improving<br>Basic<br>Programs | Title I, SIA Part A<br>ARRA - School<br>Improvement<br>Accountability | Totals<br>2010   |
|-----------------------------------------------------------------------------------------------------|-------------------------------------------|-----------------------------------------------------|-------------------------------------------------|-----------------------------------------------------------------------|------------------|
| <b>REVENUES</b>                                                                                     |                                           |                                                     |                                                 |                                                                       |                  |
| State Sources                                                                                       | 175,764                                   | -                                                   | -                                               | -                                                                     | 175,764          |
| Federal Sources                                                                                     | 618,761                                   | 33,645                                              | 231,460                                         | 20,792                                                                | 1,562,792        |
| <b>Total Revenues</b>                                                                               | <b>794,525</b>                            | <b>33,645</b>                                       | <b>231,460</b>                                  | <b>20,792</b>                                                         | <b>1,738,556</b> |
| <b>EXPENDITURES:</b>                                                                                |                                           |                                                     |                                                 |                                                                       |                  |
| <b>Instruction:</b>                                                                                 |                                           |                                                     |                                                 |                                                                       |                  |
| Salaries of Teachers                                                                                | 240,026                                   | 164                                                 | 88,698                                          |                                                                       | 664,540          |
| Other Salaries for Instruction                                                                      | 21,010                                    |                                                     |                                                 |                                                                       | 21,010           |
| Other Purchased Services                                                                            | 70,274                                    |                                                     |                                                 |                                                                       | 70,274           |
| General Supplies                                                                                    | 24,945                                    | 33,442                                              | 15,020                                          | 10,992                                                                | 90,593           |
| Other Objects                                                                                       | 8,843                                     |                                                     |                                                 |                                                                       | 8,843            |
| <b>Total instruction</b>                                                                            | <b>365,098</b>                            | <b>33,606</b>                                       | <b>103,718</b>                                  | <b>10,992</b>                                                         | <b>855,260</b>   |
| <b>Support Services:</b>                                                                            |                                           |                                                     |                                                 |                                                                       |                  |
| Salaries of Program Directors                                                                       | 7,000                                     |                                                     | 3,500                                           |                                                                       | 14,000           |
| Salaries of Other Professional Staff                                                                | 126,044                                   |                                                     | 43,660                                          |                                                                       | 169,704          |
| Personal Services - Employee Benefits                                                               | 153,859                                   |                                                     | 43,237                                          |                                                                       | 342,019          |
| Purchased Professional Educational Services                                                         | 32,309                                    |                                                     | 34,754                                          | 9,000                                                                 | 242,999          |
| Other Purchased Professional & Technical Services                                                   | 90,682                                    |                                                     |                                                 |                                                                       | 90,682           |
| Other Purchased Services                                                                            | 6,092                                     |                                                     | 475                                             | 800                                                                   | 7,867            |
| Supplies and Materials                                                                              | 9,111                                     | 39                                                  | 2,116                                           |                                                                       | 11,695           |
| <b>Total support services</b>                                                                       | <b>425,097</b>                            | <b>39</b>                                           | <b>127,742</b>                                  | <b>9,800</b>                                                          | <b>878,966</b>   |
| <b>Facilities acquisition and const. serv.:</b>                                                     |                                           |                                                     |                                                 |                                                                       |                  |
| Instructional Equipment                                                                             | 4,330                                     |                                                     |                                                 |                                                                       | 4,330            |
| <b>Total facilities acquisition and const. serv.</b>                                                | <b>4,330</b>                              | <b>-</b>                                            | <b>-</b>                                        | <b>-</b>                                                              | <b>4,330</b>     |
| <b>Total Expenditures</b>                                                                           | <b>794,525</b>                            | <b>33,645</b>                                       | <b>231,460</b>                                  | <b>20,792</b>                                                         | <b>1,738,556</b> |
| <b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b> |                                           |                                                     |                                                 |                                                                       |                  |
|                                                                                                     | -                                         | -                                                   | -                                               | -                                                                     | -                |

**TOWN OF GUTTENBERG BOARD OF EDUCATION**  
 Special Revenue Fund  
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
 For the Fiscal Year Ended June 30, 2010

|                                                                                                     | Total Brought Forward (Ex. E-1b) | Title I, SIA Part A School Improvement Accountability Carryover | Title II, Part A Teacher & Principal Training & Recruiting | Title II, Part A Teacher & Principal Training & Recruiting Carryover | Title II, Part D Enhancing Education through Technology | Total Carried Forward |
|-----------------------------------------------------------------------------------------------------|----------------------------------|-----------------------------------------------------------------|------------------------------------------------------------|----------------------------------------------------------------------|---------------------------------------------------------|-----------------------|
| <b>REVENUES</b>                                                                                     |                                  |                                                                 |                                                            |                                                                      |                                                         |                       |
| State Sources                                                                                       | 175,764                          |                                                                 |                                                            |                                                                      |                                                         | 175,764               |
| Federal Sources                                                                                     | 490,936                          | 19,917                                                          | 68,138                                                     | 31,559                                                               | 8,211                                                   | 618,761               |
| <b>Total Revenues</b>                                                                               | <b>666,700</b>                   | <b>19,917</b>                                                   | <b>68,138</b>                                              | <b>31,559</b>                                                        | <b>8,211</b>                                            | <b>794,525</b>        |
| <b>EXPENDITURES:</b>                                                                                |                                  |                                                                 |                                                            |                                                                      |                                                         |                       |
| <b>Instruction:</b>                                                                                 |                                  |                                                                 |                                                            |                                                                      |                                                         |                       |
| Salaries of Teachers                                                                                | 169,320                          |                                                                 | 47,440                                                     | 20,733                                                               | 2,533                                                   | 240,026               |
| Other Salaries for Instruction                                                                      | 21,010                           |                                                                 |                                                            |                                                                      |                                                         | 21,010                |
| Other Purchased Services                                                                            | 70,274                           |                                                                 |                                                            | 96                                                                   |                                                         | 70,274                |
| General Supplies                                                                                    | 5,552                            | 19,297                                                          |                                                            |                                                                      |                                                         | 24,945                |
| Other Objects                                                                                       | 8,843                            |                                                                 |                                                            |                                                                      |                                                         | 8,843                 |
| <b>Total instruction</b>                                                                            | <b>274,999</b>                   | <b>19,297</b>                                                   | <b>47,440</b>                                              | <b>20,829</b>                                                        | <b>2,533</b>                                            | <b>365,098</b>        |
| <b>Support services:</b>                                                                            |                                  |                                                                 |                                                            |                                                                      |                                                         |                       |
| Salaries of Program Directors                                                                       | 7,000                            |                                                                 |                                                            |                                                                      |                                                         | 7,000                 |
| Salaries of Other Professional Staff                                                                | 126,044                          |                                                                 |                                                            |                                                                      |                                                         | 126,044               |
| Personal Services - Employee Benefits                                                               | 127,873                          | 620                                                             | 18,678                                                     | 6,181                                                                | 507                                                     | 153,859               |
| Purchased Professional Educational Services                                                         | 25,638                           |                                                                 | 1,500                                                      |                                                                      | 5,171                                                   | 32,309                |
| Other Purchased Professional & Technical Services                                                   | 90,682                           |                                                                 |                                                            |                                                                      |                                                         | 90,682                |
| Other Purchased Services                                                                            | 5,572                            |                                                                 | 520                                                        | 4,549                                                                |                                                         | 6,092                 |
| Supplies and Materials                                                                              | 4,562                            |                                                                 |                                                            |                                                                      |                                                         | 9,111                 |
| <b>Total support services</b>                                                                       | <b>387,371</b>                   | <b>620</b>                                                      | <b>20,698</b>                                              | <b>10,730</b>                                                        | <b>5,678</b>                                            | <b>425,097</b>        |
| <b>Facilities acquisition and const. serv.:</b>                                                     |                                  |                                                                 |                                                            |                                                                      |                                                         |                       |
| Instructional Equipment                                                                             | 4,330                            |                                                                 |                                                            |                                                                      |                                                         | 4,330                 |
| <b>Total facilities acquisition and const. serv.</b>                                                | <b>4,330</b>                     |                                                                 |                                                            |                                                                      |                                                         | <b>4,330</b>          |
| <b>Total Expenditures</b>                                                                           | <b>666,700</b>                   | <b>19,917</b>                                                   | <b>68,138</b>                                              | <b>31,559</b>                                                        | <b>8,211</b>                                            | <b>794,525</b>        |
| <b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b> |                                  |                                                                 |                                                            |                                                                      |                                                         |                       |

**TOWN OF GUTTENBERG BOARD OF EDUCATION**

Special Revenue Fund

Combining Schedule of Program Revenues and Expenditures - Budgetary Basis

For the Fiscal Year Ended June 30, 2010

|                                                                                                     | Total Brought Forward (Ex. E-1c) | Title II, Part D<br>Enhancing Education through Technology carryover | Title III, English Language Acq. and Language Enhancement | Title III, English Language Acq. and Language Enhancement Carryover | Title III Immigrant Carryover | Total Carried Forward |
|-----------------------------------------------------------------------------------------------------|----------------------------------|----------------------------------------------------------------------|-----------------------------------------------------------|---------------------------------------------------------------------|-------------------------------|-----------------------|
| <b>REVENUES</b>                                                                                     |                                  |                                                                      |                                                           |                                                                     |                               |                       |
| State Sources                                                                                       | 175,764                          |                                                                      |                                                           |                                                                     |                               | 175,764               |
| Federal Sources                                                                                     | 455,830                          | 2,177                                                                | 8,783                                                     | 14,634                                                              | 9,512                         | 490,936               |
| <b>Total Revenues</b>                                                                               | <b>631,594</b>                   | <b>2,177</b>                                                         | <b>8,783</b>                                              | <b>14,634</b>                                                       | <b>9,512</b>                  | <b>666,700</b>        |
| <b>EXPENDITURES:</b>                                                                                |                                  |                                                                      |                                                           |                                                                     |                               |                       |
| <b>Instruction:</b>                                                                                 |                                  |                                                                      |                                                           |                                                                     |                               |                       |
| Salaries of Teachers                                                                                | 152,645                          |                                                                      | 6,491                                                     | 1,603                                                               | 8,581                         | 169,320               |
| Other Salaries for Instruction                                                                      | 21,010                           |                                                                      |                                                           |                                                                     |                               | 21,010                |
| Other Purchased Services                                                                            | 70,274                           |                                                                      |                                                           |                                                                     | 931                           | 70,274                |
| General Supplies                                                                                    | 4,621                            |                                                                      |                                                           |                                                                     |                               | 5,552                 |
| Other Objects                                                                                       | 8,843                            |                                                                      |                                                           |                                                                     |                               | 8,843                 |
| <b>Total instruction</b>                                                                            | <b>257,393</b>                   | <b>-</b>                                                             | <b>6,491</b>                                              | <b>1,603</b>                                                        | <b>9,512</b>                  | <b>274,999</b>        |
| <b>Support services:</b>                                                                            |                                  |                                                                      |                                                           |                                                                     |                               |                       |
| Salaries of Program Directors                                                                       | 7,000                            |                                                                      |                                                           |                                                                     |                               | 7,000                 |
| Salaries of Other Professional Staff                                                                | 126,044                          |                                                                      | 1,792                                                     | 13,031                                                              |                               | 126,044               |
| Personal Services - Employee Benefits                                                               | 112,884                          | 166                                                                  |                                                           |                                                                     |                               | 127,873               |
| Purchased Professional Educational Services                                                         | 23,627                           | 2,011                                                                |                                                           |                                                                     |                               | 25,638                |
| Other Purchased Professional & Technical Services                                                   | 90,682                           |                                                                      |                                                           |                                                                     |                               | 90,682                |
| Other Purchased Services                                                                            | 5,072                            |                                                                      | 500                                                       |                                                                     |                               | 5,572                 |
| Supplies and Materials                                                                              | 4,562                            |                                                                      |                                                           |                                                                     |                               | 4,562                 |
| <b>Total support services</b>                                                                       | <b>369,871</b>                   | <b>2,177</b>                                                         | <b>2,292</b>                                              | <b>13,031</b>                                                       | <b>-</b>                      | <b>387,371</b>        |
| <b>Facilities acquisition and const. serv.:</b>                                                     |                                  |                                                                      |                                                           |                                                                     |                               |                       |
| Instructional Equipment                                                                             | 4,330                            |                                                                      |                                                           |                                                                     |                               | 4,330                 |
| <b>Total facilities acquisition and const. serv.</b>                                                | <b>4,330</b>                     | <b>-</b>                                                             | <b>-</b>                                                  | <b>-</b>                                                            | <b>-</b>                      | <b>4,330</b>          |
| <b>Total Expenditures</b>                                                                           | <b>631,594</b>                   | <b>2,177</b>                                                         | <b>8,783</b>                                              | <b>14,634</b>                                                       | <b>9,512</b>                  | <b>666,700</b>        |
| <b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b> | <b>-</b>                         | <b>-</b>                                                             | <b>-</b>                                                  | <b>-</b>                                                            | <b>-</b>                      | <b>-</b>              |

**TOWN OF GUTTENBERG BOARD OF EDUCATION**  
**Special Revenue Fund**  
**Combining Schedule of Program Revenues and Expenditures - Budgetary Basis**  
**For the Fiscal Year Ended June 30, 2010**

|                                                                                                     | Total Brought Forward (Ex. E-1d) | Title IV, Safe and Drug Free Schools Carryover | Title IV, Safe and Drug Free Schools | IDEA Part B, Basic | IDEA Part B, Basic Carryover | Total Carried Forward |
|-----------------------------------------------------------------------------------------------------|----------------------------------|------------------------------------------------|--------------------------------------|--------------------|------------------------------|-----------------------|
| <b>REVENUES</b>                                                                                     |                                  |                                                |                                      |                    |                              |                       |
| State Sources                                                                                       | 175,764                          |                                                | 9,200                                | 263,629            | 169                          | 175,764               |
| Federal Sources                                                                                     | 177,957                          | 4,875                                          |                                      |                    |                              | 455,830               |
| <b>Total Revenues</b>                                                                               | <b>353,721</b>                   | <b>4,875</b>                                   | <b>9,200</b>                         | <b>263,629</b>     | <b>169</b>                   | <b>631,594</b>        |
| <b>EXPENDITURES:</b>                                                                                |                                  |                                                |                                      |                    |                              |                       |
| <b>Instruction:</b>                                                                                 |                                  |                                                |                                      |                    |                              |                       |
| Salaries of Teachers                                                                                | 95,713                           |                                                |                                      | 56,932             |                              | 152,645               |
| Other Salaries for Instruction                                                                      | 21,010                           |                                                |                                      |                    |                              | 21,010                |
| Other Purchased Services                                                                            | 70,274                           |                                                |                                      |                    |                              | 70,274                |
| General Supplies                                                                                    | 4,621                            |                                                |                                      |                    |                              | 4,621                 |
| Other Objects                                                                                       | 8,843                            |                                                |                                      |                    |                              | 8,843                 |
| <b>Total instruction</b>                                                                            | <b>200,461</b>                   | <b>0</b>                                       | <b>0</b>                             | <b>56,932</b>      | <b>-</b>                     | <b>257,393</b>        |
| <b>Support services:</b>                                                                            |                                  |                                                |                                      |                    |                              |                       |
| Salaries of Program Directors                                                                       | 3,500                            |                                                | 3,500                                |                    |                              | 7,000                 |
| Salaries of Other Professional Staff                                                                | -                                |                                                |                                      | 126,044            |                              | 126,044               |
| Personal Services - Employee Benefits                                                               | 55,186                           | 1,675                                          | 700                                  | 55,323             |                              | 112,884               |
| Purchased Professional Educational Services                                                         | -                                | 3,200                                          |                                      | 20,427             |                              | 23,627                |
| Other Purchased Professional & Technical Services                                                   | 85,682                           |                                                | 5,000                                |                    |                              | 90,682                |
| Other Purchased Services                                                                            | -                                |                                                |                                      | 4,903              | 169                          | 5,072                 |
| Supplies and Materials                                                                              | 4,562                            |                                                |                                      |                    |                              | 4,562                 |
| <b>Total support services</b>                                                                       | <b>148,930</b>                   | <b>4,875</b>                                   | <b>9,200</b>                         | <b>206,697</b>     | <b>169</b>                   | <b>369,871</b>        |
| <b>Facilities acquisition and const. serv.:</b>                                                     |                                  |                                                |                                      |                    |                              |                       |
| Instructional Equipment                                                                             | 4,330                            |                                                |                                      |                    |                              | 4,330                 |
| <b>Total facilities acquisition and const. serv.</b>                                                | <b>4,330</b>                     | <b>-</b>                                       | <b>-</b>                             | <b>-</b>           | <b>-</b>                     | <b>4,330</b>          |
| <b>Total Expenditures</b>                                                                           | <b>353,721</b>                   | <b>4,875</b>                                   | <b>9,200</b>                         | <b>263,629</b>     | <b>169</b>                   | <b>631,594</b>        |
| <b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b> | <b>-</b>                         | <b>-</b>                                       | <b>-</b>                             | <b>-</b>           | <b>-</b>                     | <b>-</b>              |

**TOWN OF GUTTENBERG BOARD OF EDUCATION**  
 Special Revenue Fund  
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
 For the Fiscal Year Ended June 30, 2010

|                                                                                                     | I.D.E.A.<br>Preschool | IDEA<br>Part B, Basic -<br>ARRA | IDEA<br>Part B, Preschool<br>ARRA | Preschool<br>Education<br>Aid | Total<br>Carried<br>Forward |
|-----------------------------------------------------------------------------------------------------|-----------------------|---------------------------------|-----------------------------------|-------------------------------|-----------------------------|
| <b>REVENUES</b>                                                                                     |                       |                                 |                                   |                               |                             |
| State Sources                                                                                       | 9,352                 | 167,593                         | 1,012                             | 175,764                       | 175,764                     |
| Federal Sources                                                                                     |                       |                                 |                                   |                               | 177,957                     |
| <b>Total Revenues</b>                                                                               | <b>9,352</b>          | <b>167,593</b>                  | <b>1,012</b>                      | <b>175,764</b>                | <b>353,721</b>              |
| <b>EXPENDITURES:</b>                                                                                |                       |                                 |                                   |                               |                             |
| <b>Instruction:</b>                                                                                 |                       |                                 |                                   |                               |                             |
| Salaries of Teachers                                                                                |                       |                                 |                                   | 95,713                        | 95,713                      |
| Other Salaries for Instruction                                                                      |                       |                                 |                                   | 21,010                        | 21,010                      |
| Other Purchased Services                                                                            |                       | 70,274                          |                                   |                               | 70,274                      |
| General Supplies                                                                                    |                       | 3,254                           | 1,012                             | 355                           | 4,621                       |
| Other Objects                                                                                       |                       | 8,843                           |                                   |                               | 8,843                       |
| <b>Total instruction</b>                                                                            | <b>-</b>              | <b>82,371</b>                   | <b>1,012</b>                      | <b>117,078</b>                | <b>200,461</b>              |
| <b>Support services:</b>                                                                            |                       |                                 |                                   |                               |                             |
| Salaries of Program Directors                                                                       |                       |                                 |                                   | 3,500                         | 3,500                       |
| Salaries of Other Professional Staff                                                                |                       |                                 |                                   |                               | -                           |
| Personal Services - Employee Benefits                                                               |                       |                                 |                                   | 55,186                        | 55,186                      |
| Purchased Professional Educational Services                                                         | 9,352                 | 76,330                          |                                   |                               | 85,682                      |
| Other Purchased Professional & Technical Services                                                   |                       |                                 |                                   |                               | -                           |
| Other Purchased Services                                                                            |                       | 4,562                           |                                   |                               | 4,562                       |
| Supplies and Materials                                                                              |                       |                                 |                                   |                               | -                           |
| <b>Total support services</b>                                                                       | <b>9,352</b>          | <b>80,892</b>                   | <b>-</b>                          | <b>58,686</b>                 | <b>148,930</b>              |
| <b>Facilities acquisition and const. serv.:</b>                                                     |                       |                                 |                                   |                               |                             |
| Instructional Equipment                                                                             |                       | 4,330                           |                                   |                               | 4,330                       |
| <b>Total facilities acquisition and const. serv.</b>                                                | <b>-</b>              | <b>4,330</b>                    | <b>-</b>                          | <b>-</b>                      | <b>4,330</b>                |
| <b>Total Expenditures</b>                                                                           | <b>9,352</b>          | <b>167,593</b>                  | <b>1,012</b>                      | <b>175,764</b>                | <b>353,721</b>              |
| <b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b> | <b>-</b>              | <b>-</b>                        | <b>-</b>                          | <b>-</b>                      | <b>-</b>                    |

**TOWN OF GUTTENBERG BOARD OF EDUCATION**  
**Special Revenue Fund**  
**Schedule of Preschool Education Aid**  
**Budgetary Basis**  
**For the Fiscal Year ended June 30, 2010**

|                                        | <u>Total</u>      |                | <u>Variance</u> |
|----------------------------------------|-------------------|----------------|-----------------|
|                                        | <u>Budget</u>     | <u>Actual</u>  |                 |
| <b>EXPENDITURES:</b>                   |                   |                |                 |
| Instruction:                           |                   |                |                 |
| Salaries of teachers                   | \$ 101,360        | 95,713         | 5,647           |
| Other salaries for instruction         | 21,010            | 21,010         |                 |
| General Supplies                       | 550               | 355            | 195             |
| <b>Total instruction</b>               | <u>122,920</u>    | <u>117,078</u> | <u>5,842</u>    |
| <b>SUPPORT SERVICES:</b>               |                   |                |                 |
| Salaries of Supervisors of Instruction | 3,500             | 3,500          |                 |
| Personal services - employee benefits  | 60,965            | 55,186         |                 |
| Travel                                 | 40                |                | 40              |
| <b>Total support services</b>          | <u>64,505</u>     | <u>58,686</u>  | <u>5,819</u>    |
| <b>Total expenditures</b>              | <u>\$ 187,425</u> | <u>175,764</u> | <u>11,661</u>   |

**Calculation of Budget and Carryover**

|                                                                                             |                  |
|---------------------------------------------------------------------------------------------|------------------|
| Total Revised 2009-10 Preschool Education Aid Allocation                                    | \$ 187,425       |
| Add: Actual ECPA Carryover (June 30, 2009)                                                  | 17,016           |
| Add: Budgeted transfer from General Fund 2009-10                                            |                  |
| Add: Prior year encumbrances cancelled                                                      |                  |
| Total Preschool Education Aid Funds Available for 2009-2010 Budget                          | <u>204,441</u>   |
| Less: 2009-10 Budgeted Preschool Education Aid (Including<br>prior year budgeted carryover) | <u>187,425</u>   |
| Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2010                    | 17,016           |
| Add: June 30, 2010 Unexpended Preschool Education Aid                                       | 11,661           |
| 2009-10 Carryover - Preschool Education Aid Programs                                        | <u>\$ 28,677</u> |
| 2009-10 Preschool Education Aid Carryover Budgeted<br>for Preschool Programs 2010-11        | <u>\$</u>        |

**PROPRIETARY FUNDS**

**TOWN OF GUTTENBERG BOARD OF EDUCATION**  
**Combining Statement of Net Assets**  
**Enterprise Funds**  
**June 30, 2010**

|                                                        | <u>Enterprise Fund</u>      |                              | <u>Internal Service Fund</u> | <u>Totals</u>   |
|--------------------------------------------------------|-----------------------------|------------------------------|------------------------------|-----------------|
|                                                        | <u>Food Service Program</u> | <u>School Age Child Care</u> | <u>Building Maintenance</u>  |                 |
| <b>ASSETS</b>                                          |                             |                              |                              |                 |
| Current assets:                                        |                             |                              |                              |                 |
| Cash and cash equivalents                              | 194,740                     |                              | 141,775                      | 336,515         |
| Accounts receivable:                                   |                             |                              |                              |                 |
| State                                                  | 1,226                       |                              |                              | 1,226           |
| Federal                                                | 30,424                      |                              |                              | 30,424          |
| Inventories                                            | 2,345                       |                              |                              | 2,345           |
| Total current assets                                   | <u>228,735</u>              |                              | <u>141,775</u>               | <u>370,510</u>  |
| Noncurrent assets:                                     |                             |                              |                              |                 |
| Capital assets:                                        |                             |                              |                              |                 |
| Equipment                                              | 82,144                      |                              |                              | 82,144          |
| Less accumulated depreciation                          | <u>(36,726)</u>             |                              |                              | <u>(36,726)</u> |
| Total capital assets (net of accumulated depreciation) | <u>45,418</u>               |                              |                              | <u>45,418</u>   |
| Total assets                                           | <u>274,153</u>              |                              | <u>141,775</u>               | <u>415,928</u>  |
| <b>LIABILITIES</b>                                     |                             |                              |                              |                 |
| Current liabilities:                                   |                             |                              |                              |                 |
| Cash Deficit                                           |                             | 16,801                       |                              | 16,801          |
| Interfund payable                                      |                             | 1,811                        |                              | 1,811           |
| Total current liabilities                              |                             | <u>18,612</u>                |                              | <u>18,612</u>   |
| Total liabilities                                      |                             | <u>18,612</u>                |                              | <u>18,612</u>   |
| <b>NET ASSETS</b>                                      |                             |                              |                              |                 |
| Invested in capital assets net of related debt         | 45,418                      |                              |                              | 45,418          |
| Restricted contributed capital                         | 32,055                      |                              |                              | 32,055          |
| Unrestricted                                           | 196,680                     | (18,612)                     | 141,775                      | 319,843         |
| Total net assets                                       | <u>274,153</u>              | <u>(18,612)</u>              | <u>141,775</u>               | <u>397,316</u>  |

**TOWN OF GUTTENBERG BOARD OF EDUCATION**  
**Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets**  
**Enterprise Funds**  
**For the Fiscal Year Ended June 30, 2010**

|                                                | Enterprise Funds        |                          | Internal Service<br>Fund | Totals           |
|------------------------------------------------|-------------------------|--------------------------|--------------------------|------------------|
|                                                | Food Service<br>Program | School Age<br>Child Care | Building<br>Maintenance  |                  |
| Operating revenues:                            |                         |                          |                          |                  |
| Charges for services:                          |                         |                          |                          |                  |
| Daily sales - reimbursable programs            | 39,492                  |                          |                          | 39,492           |
| S.A.C.C. tuition                               |                         | 9,235                    |                          | 9,235            |
| Total operating revenues                       | <u>39,492</u>           | <u>9,235</u>             | <u>-</u>                 | <u>48,727</u>    |
| Operating expenses:                            |                         |                          |                          |                  |
| Cost of sales                                  | 136,658                 |                          |                          | 136,658          |
| Salaries                                       | 178,131                 | 14,980                   |                          | 193,111          |
| Supplies and materials                         | 14,203                  | 299                      |                          | 14,502           |
| Cleaning, repair and maintenance               | 2,159                   |                          |                          | 2,159            |
| Utilities                                      | 315                     | 256                      | 126                      | 697              |
| Employee benefits                              | 24,736                  |                          |                          | 24,736           |
| Purchased property services                    | 13,455                  |                          |                          | 13,455           |
| Depreciation                                   | 3,123                   |                          |                          | 3,123            |
| Total Operating Expenses                       | <u>372,780</u>          | <u>15,535</u>            | <u>126</u>               | <u>388,441</u>   |
| Operating income (loss)                        | <u>(333,288)</u>        | <u>(6,300)</u>           | <u>(126)</u>             | <u>(339,714)</u> |
| Nonoperating revenues (expenses):              |                         |                          |                          |                  |
| State sources:                                 |                         |                          |                          |                  |
| State school lunch program                     | 11,424                  |                          |                          | 11,424           |
| State school breakfast program                 | 607                     |                          |                          | 607              |
| Federal sources:                               |                         |                          |                          |                  |
| National school lunch program                  | 290,602                 |                          |                          | 290,602          |
| National school breakfast program              | 9,990                   |                          |                          | 9,990            |
| Food distribution program                      | 19,278                  |                          |                          | 19,278           |
| Interest and investment revenue                |                         |                          | 232                      | 232              |
| Total nonoperating revenues (expenses)         | <u>331,901</u>          | <u>-</u>                 | <u>232</u>               | <u>332,133</u>   |
| Income (loss) before contributions & transfers | <u>(1,387)</u>          | <u>(6,300)</u>           | <u>106</u>               | <u>(7,581)</u>   |
| Transfers in (out)                             |                         |                          |                          |                  |
| Change in net assets                           | <u>(1,387)</u>          | <u>(6,300)</u>           | <u>106</u>               | <u>(7,581)</u>   |
| Total net assets—beginning                     | <u>275,540</u>          | <u>(12,312)</u>          | <u>141,669</u>           | <u>404,897</u>   |
| Total net assets—ending                        | <u>274,153</u>          | <u>(18,612)</u>          | <u>141,775</u>           | <u>397,316</u>   |

**TOWN OF GUTTENBERG BOARD OF EDUCATION**  
**Combining Statement of Cash Flows**  
**Enterprise Funds**  
**For the Fiscal Year Ended June 30, 2010**

|                                                                                                           | Enterprise Funds        |                          | Internal Service<br>Funds | Totals           |
|-----------------------------------------------------------------------------------------------------------|-------------------------|--------------------------|---------------------------|------------------|
|                                                                                                           | Food Service<br>Program | School Age<br>Child Care | Building<br>Maintenance   |                  |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                                               |                         |                          |                           |                  |
| Receipts from customers                                                                                   | 39,492                  | 9,235                    |                           | 48,727           |
| Payments to Outside Food Service Management Company                                                       | (261,165)               |                          |                           | (261,165)        |
| Payments to employees                                                                                     | (73,131)                | (14,980)                 |                           | (88,111)         |
| Payments for utilities                                                                                    | (315)                   | (256)                    | (126)                     | (697)            |
| Payments for cleaning, repair and maintenance                                                             | (2,531)                 |                          |                           | (2,531)          |
| Payments for supplies                                                                                     | (12,103)                | (299)                    |                           | (12,402)         |
| Net cash provided by (used for) operating activities                                                      | <u>(309,753)</u>        | <u>(6,300)</u>           | <u>(126)</u>              | <u>(316,179)</u> |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>                                                    |                         |                          |                           |                  |
| State Sources                                                                                             | 11,517                  |                          |                           | 11,517           |
| Federal Sources                                                                                           | 287,229                 |                          |                           | 287,229          |
| Net cash provided by (used for) non-capital financing activities                                          | <u>298,746</u>          | <u>-</u>                 | <u>-</u>                  | <u>298,746</u>   |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>                                           |                         |                          |                           |                  |
| Equipment Assistance Grant - ARRA                                                                         | 20,500                  |                          |                           | 20,500           |
| Purchases of capital assets                                                                               | (10,250)                |                          |                           | (10,250)         |
| Net cash provided by (used for) capital and related financing activities                                  | <u>10,250</u>           | <u>-</u>                 | <u>-</u>                  | <u>10,250</u>    |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                                                               |                         |                          |                           |                  |
| Interest and dividends                                                                                    |                         |                          | 232                       | 232              |
| Net cash provided by (used for) investing activities                                                      | -                       | -                        | 232                       | 232              |
| Net increase (decrease) in cash and cash equivalents                                                      | (757)                   | (6,300)                  | 106                       | (6,951)          |
| Balances—beginning of year                                                                                | 195,497                 | (10,501)                 | 141,669                   | 326,665          |
| Balances—end of year                                                                                      | <u>194,740</u>          | <u>(16,801)</u>          | <u>141,775</u>            | <u>319,714</u>   |
| <b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>     |                         |                          |                           |                  |
| Operating income (loss) provided by:                                                                      | (333,288)               | (6,300)                  | (126)                     | (339,714)        |
| Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities: |                         |                          |                           |                  |
| Depreciation and net amortization                                                                         | 3,123                   |                          |                           | 3,123            |
| Food Distribution Program                                                                                 | 19,278                  |                          |                           | 19,278           |
| (Increase) decrease in inventories                                                                        | 1,506                   |                          |                           | 1,506            |
| Increase (decrease) in accounts payable                                                                   | (372)                   |                          |                           | (372)            |
| Total adjustments                                                                                         | <u>23,535</u>           | <u>-</u>                 | <u>-</u>                  | <u>23,535</u>    |
| Net cash provided by (used for) operating activities                                                      | <u>(309,753)</u>        | <u>(6,300)</u>           | <u>(126)</u>              | <u>(316,179)</u> |

**FIDUCIARY FUND**

**GUTTENBERG BOARD OF EDUCATION**  
**Combining Statement of Fiduciary Net Assets**  
**Fiduciary Funds**  
**June 30, 2010**

|                                                             | <u>Unemployment<br/>Compensation<br/>Trust Fund</u> | <u>Private<br/>Purpose<br/>Scholarship Fund</u> | <u>Agency<br/>Fund</u> |
|-------------------------------------------------------------|-----------------------------------------------------|-------------------------------------------------|------------------------|
| <b>ASSETS</b>                                               |                                                     |                                                 |                        |
| Cash and cash equivalents                                   | 15,307                                              | 19,353                                          | 55,315                 |
| Deposits                                                    |                                                     |                                                 | 7,688                  |
| Total assets                                                | <u>15,307</u>                                       | <u>19,353</u>                                   | <u>63,003</u>          |
| <b>LIABILITIES</b>                                          |                                                     |                                                 |                        |
| Payable to student groups                                   |                                                     |                                                 | 10,217                 |
| Payroll deductions and withholdings                         |                                                     |                                                 | 55,402                 |
| Net salaries and wages                                      |                                                     |                                                 | (2,616)                |
| Total liabilities                                           |                                                     |                                                 | <u>63,003</u>          |
| <b>NET ASSETS</b>                                           |                                                     |                                                 |                        |
| Held in trust for unemployment<br>claims and other purposes | <u>15,307</u>                                       |                                                 |                        |
| Reserved for Scholarships                                   |                                                     | <u>19,353</u>                                   |                        |

**GUTTENBERG BOARD OF EDUCATION**  
**Combining Statement of Changes in Fiduciary Net Assets**  
**Fiduciary Funds**  
**For the Fiscal Year Ended June 30, 2010**

|                                  | <u>Unemployment<br/>Compensation<br/>Trust Fund</u> | <u>Private<br/>Purpose<br/>Scholarship Fund</u> |
|----------------------------------|-----------------------------------------------------|-------------------------------------------------|
| <b>ADDITIONS</b>                 |                                                     |                                                 |
| Contributions:                   |                                                     |                                                 |
| Donations                        |                                                     |                                                 |
| Total Contributions              | -                                                   | -                                               |
| <b>DEDUCTIONS</b>                |                                                     |                                                 |
| Scholarship payments             |                                                     | 2,250                                           |
| Total deductions                 | -                                                   | 2,250                                           |
| Change in net assets             | -                                                   | (2,250)                                         |
| Net assets—beginning of the year | 15,307                                              | 21,603                                          |
| Net assets—end of the year       | <u>15,307</u>                                       | <u>19,353</u>                                   |

**GUTTENBERG BOARD OF EDUCATION**  
**Student Activity Agency Fund**  
**Schedule of Receipts and Disbursements**  
**for the Fiscal Year ended June 30, 2010**

|                                | <u>Balance</u><br><u>July 1, 2009</u> | <u>Cash</u><br><u>Receipts</u> | <u>Cash</u><br><u>Disbursed</u> | <u>Balance</u><br><u>June 30, 2010</u> |
|--------------------------------|---------------------------------------|--------------------------------|---------------------------------|----------------------------------------|
| Anna L. Klein School:          |                                       |                                |                                 |                                        |
| Anna L. Klein School Funds     | 1,115                                 | 750                            | 1,450                           | 415                                    |
| Anna L. Klein Student Activity | 3,948                                 | 9,647                          | 7,865                           | 5,730                                  |
| Graduating Class Fund          | 1,844                                 | 19,416                         | 18,419                          | 2,841                                  |
| Student Council Account        | 3,381                                 | 2,421                          | 4,942                           | 860                                    |
| Anna L. Klein Yearbook Account | 189                                   | 4,008                          | 3,826                           | 371                                    |
|                                | <u>10,477</u>                         | <u>36,242</u>                  | <u>36,502</u>                   | <u>10,217</u>                          |

**GUTTENBERG BOARD OF EDUCATION  
Payroll Agency Fund  
Schedule of Receipts and Disbursements  
for the Fiscal Year ended June 30, 2010**

|                                        | Balance<br>July 1, 2009 | Cash<br>Receipts        | Cash<br>Disbursed       | Balance<br>June 30, 2010 |
|----------------------------------------|-------------------------|-------------------------|-------------------------|--------------------------|
| Net Payroll                            | 201                     | 4,366,233               | 4,369,050               | (2,616)                  |
| Payroll Deductions<br>and Withholdings | <u>116,938</u>          | <u>2,691,179</u>        | <u>2,752,715</u>        | <u>55,402</u>            |
|                                        | <u><u>117,139</u></u>   | <u><u>7,057,412</u></u> | <u><u>7,121,765</u></u> | <u><u>52,786</u></u>     |

**LONG-TERM DEBT**

**TOWN OF GUTTENBERG BOARD OF EDUCATION**  
**General Long Term Debt Account Group**  
**Statement of Serial Bonds**  
**June 30, 2010**

| ISSUE                                                                                          | Date of Issue | Amount of Issue | Annual Maturities Date             | Annual Maturities Amount      | Interest Rate | Balance July 1, 2009 | Retired        | Balance June 30, 2010 |
|------------------------------------------------------------------------------------------------|---------------|-----------------|------------------------------------|-------------------------------|---------------|----------------------|----------------|-----------------------|
| School Improvement Bonds, Repair to Boiler and Removal of Asbestos at the Anna L. Klein School | 7/1/1994      | 3,399,000       | 7/1/10-12<br>7/1/13-14<br>7/1/2015 | 200,000<br>240,000<br>239,000 | 5.625%        | 1,499,000            | 180,000        | 1,319,000             |
|                                                                                                |               |                 |                                    |                               |               | <u>1,499,000</u>     | <u>180,000</u> | <u>1,319,000</u>      |

**TOWN OF GUTTENBERG BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**Debt Service Fund**  
**For the Fiscal Year Ended June 30, 2010**

|                                                                                    | Original Budget | Budget Transfers | Final Budget   | Actual         | Variance Positive (Negative) Final to Actual |
|------------------------------------------------------------------------------------|-----------------|------------------|----------------|----------------|----------------------------------------------|
| <b>REVENUES:</b>                                                                   |                 |                  |                |                |                                              |
| Local Sources:                                                                     |                 |                  |                |                |                                              |
| Local Tax Levy                                                                     | 239,544         |                  | 239,544        | 239,544        |                                              |
| State Sources:                                                                     |                 |                  |                |                |                                              |
| Debt Service Aid Type II                                                           | 19,713          |                  | 19,713         | 19,713         |                                              |
| Total - State Sources                                                              | 19,713          |                  | 19,713         | 19,713         |                                              |
| <b>Total Revenues</b>                                                              | <b>259,257</b>  |                  | <b>259,257</b> | <b>259,257</b> |                                              |
| <b>EXPENDITURES:</b>                                                               |                 |                  |                |                |                                              |
| Regular Debt Service:                                                              |                 |                  |                |                |                                              |
| Interest                                                                           | 79,257          |                  | 79,257         | 79,257         |                                              |
| Redemption of Principal                                                            | 180,000         |                  | 180,000        | 180,000        |                                              |
| Total Regular Debt Service                                                         | 259,257         |                  | 259,257        | 259,257        |                                              |
| <b>Total expenditures</b>                                                          | <b>259,257</b>  |                  | <b>259,257</b> | <b>259,257</b> |                                              |
| Excess (Deficiency) of Revenues Over (Under) Expenditures                          |                 |                  |                |                |                                              |
| Fund Balance, July 1                                                               | 1               |                  | 1              | 1              |                                              |
| Fund Balance, June 30                                                              | 1               |                  | 1              | 1              |                                              |
| <b>Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures</b> |                 |                  |                |                |                                              |
| Budgeted Fund Balance                                                              |                 |                  |                |                |                                              |

**STATISTICAL SECTION**

## STATISTICAL SECTION (UNAUDITED)

### Introduction to the Statistical Section

#### Financial Trends

- J-1 Net Assets by Component
- J-2 Changes in Net Assets
- J-3 Fund Balances - Governmental Funds
- J-4 Changes in Fund Balances - Governmental Funds
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#### Revenue Capacity

- J-6 Assessed Value and Estimated Actual Value of Taxable Property
- J-7 Direct and Overlapping Property Tax Rates
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#### Debt Capacity

- J-10 Ratios of Outstanding Debt by Type
- J-11 Ratios of General Bonded Debt Outstanding
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## STATISTICAL SECTION (UNAUDITED) - INTRODUCTION

### J SERIES

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|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|
| <b>Financial Trends</b><br>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   |
| <b>Revenue Capacity</b><br>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   |
| <b>Debt Capacity</b><br>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 |
| <b>Demographic and Economic Information</b><br>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 |
| <b>Operating Information</b><br>These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs. | J-16 to J-20 |

**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year. The district implemented GASB Statement 34 in the fiscal year ending June 30, 2003; schedules presenting district-wide information include information beginning in that year.

**Guttenberg Board of Education**  
**Net Assets by Component**  
**Last Ten Fiscal Years**  
*Guttenberg Board of Education*

|                                                  | 2004              | 2005                | 2006              | 2007                | 2008                | 2009                | 2010                |
|--------------------------------------------------|-------------------|---------------------|-------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Governmental activities</b>                   |                   |                     |                   |                     |                     |                     |                     |
| Invested in capital assets, net of related debt  | \$ 310,425        | \$ 369,644          | \$ 412,692        | \$ 669,146          | \$ 811,156          | \$ 1,766,011        | \$ 1,832,059        |
| Restricted                                       | 171,212           | 209,977             | 1,243,578         | 2,067,515           | 2,647,751           | 2,032,942           | 366,442             |
| Unrestricted                                     | (380,355)         | (691,986)           | (897,173)         | (872,488)           | (650,857)           | (1,209,549)         | (1,265,856)         |
| <b>Total governmental activities net assets</b>  | <b>\$ 101,282</b> | <b>\$ (112,365)</b> | <b>\$ 759,097</b> | <b>\$ 1,864,173</b> | <b>\$ 2,808,050</b> | <b>\$ 2,589,404</b> | <b>\$ 932,645</b>   |
| <b>Business-type activities</b>                  |                   |                     |                   |                     |                     |                     |                     |
| Invested in capital assets, net of related debt  |                   | \$ 8,788            | \$ 18,259         | \$ 15,150           | \$ 13,793           | \$ 48,541           | \$ 45,418           |
| Restricted                                       | 32,055            | 32,055              | 32,055            | 32,055              | 32,055              | 32,055              | 32,055              |
| Unrestricted                                     |                   | 297,123             | 96,898            | 123,246             | 149,915             | 182,632             | 178,068             |
| <b>Total business-type activities net assets</b> | <b>\$ 32,055</b>  | <b>\$ 337,966</b>   | <b>\$ 147,212</b> | <b>\$ 170,451</b>   | <b>\$ 195,763</b>   | <b>\$ 263,228</b>   | <b>\$ 255,541</b>   |
| <b>District-wide</b>                             |                   |                     |                   |                     |                     |                     |                     |
| Invested in capital assets, net of related debt  | \$ 310,425        | \$ 378,432          | \$ 430,951        | \$ 684,296          | \$ 824,949          | \$ 1,814,552        | \$ 1,877,477        |
| Restricted                                       | 203,267           | 242,032             | 1,275,633         | 2,099,570           | 2,679,806           | 2,064,997           | 398,497             |
| Unrestricted                                     | (380,355)         | (394,863)           | (800,275)         | (749,242)           | (500,942)           | (1,026,917)         | (1,087,788)         |
| <b>Total district net assets</b>                 | <b>\$ 133,337</b> | <b>\$ 225,601</b>   | <b>\$ 906,309</b> | <b>\$ 2,034,624</b> | <b>\$ 3,003,813</b> | <b>\$ 2,852,632</b> | <b>\$ 1,188,186</b> |

Source: CAFR Schedule A-1

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

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

|                                        | 2004         | 2005         | 2006         | 2007         | 2008         | 2009         | 2010         |
|----------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>Expenses</b>                        |              |              |              |              |              |              |              |
| Governmental activities                |              |              |              |              |              |              |              |
| Instruction                            | \$ 3,988,152 | \$ 3,949,708 | \$ 4,193,069 | \$ 3,337,367 | \$ 3,664,023 | \$ 5,657,989 | \$ 4,963,409 |
| Regular                                | 146,064      | 203,995      | 208,407      | 253,558      | 253,348      | 314,041      | 812,324      |
| Special education                      | 232,931      | 231,755      | 234,861      | 239,112      | 319,123      | 346,089      | 959,974      |
| Vocational                             |              |              |              |              |              |              |              |
| Other instruction                      | 60,748       | 35,101       | 900          |              |              |              |              |
| Support Services:                      |              |              |              |              |              |              |              |
| Tuition                                | 3,380,717    | 3,854,474    | 3,334,832    | 4,511,287    | 4,343,405    | 4,157,153    | 4,955,575    |
| Student & instruction related services | 1,141,947    | 1,149,447    | 1,401,793    | 1,366,602    | 1,443,084    | 2,025,191    | 1,999,616    |
| General administrative services        | 437,421      | 413,920      | 392,392      | 433,121      | 509,133      | 468,842      | 476,171      |
| School administrative services         | 438,961      | 365,054      | 359,521      | 378,524      | 420,927      | 428,315      | 393,283      |
| Central Administration                 |              | 253,896      | 239,808      | 255,022      | 306,517      | 293,891      | 276,933      |
| Business administrative services       | 257,182      |              | 12,612       | 24,083       |              |              |              |
| Administrative Information Technology  |              | 63,566       | 67,162       | 81,554       | 123,062      | 102,974      | 151,511      |
| Plant operations and maintenance       | 710,138      | 411,264      | 444,423      | 625,195      | 721,227      | 701,187      | 741,515      |
| Pupil transportation                   | 344,574      | 422,072      | 362,164      | 314,737      | 303,173      | 319,188      | 365,479      |
| Business and other support services    |              |              |              |              | 48,910       |              |              |
| Unallocated Benefits                   | 485,712      | 373,319      | 455,953      | 755,989      | 828,046      | 753,592      | 642,428      |
| Special Schools                        | 3,211        | 3,192        | 2,828        | 3,105        | 2,733        | 3,791        | 4,000        |
| Charter Schools                        | 36,017       | 1,962        |              | 37,079       |              |              |              |
| Debt Service:                          |              |              |              |              |              |              |              |
| Interest and other charges             | 206,353      | 124,818      | 114,694      | 104,568      | 94,444       | 84,318       | 74,195       |
| Unallocated depreciation               | 134,390      | 120,781      | 116,461      | 104,746      | 96,063       | 121,763      | 148,131      |
| Capital Outlay - nondepreciable        |              | 8,251        | 1,809        | 7,205        | 7,984        | 142,407      | 30,305       |
| Total governmental activities expenses | 12,004,518   | 11,986,575   | 11,943,689   | 12,832,854   | 13,485,202   | 15,920,731   | 16,994,849   |

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

|                                                         | 2004           | 2005           | 2006           | 2007            | 2008            | 2009            | 2010            |
|---------------------------------------------------------|----------------|----------------|----------------|-----------------|-----------------|-----------------|-----------------|
| <b>Business-type activities:</b>                        |                |                |                |                 |                 |                 |                 |
| Food service                                            | 187,400        | 427,322        | 455,909        | 213,181         | 241,264         | 290,486         | 372,780         |
| Child Care                                              | 46,743         | 46,467         | 47,026         | 49,584          | 50,633          | 40,803          | 15,535          |
| Total business-type activities expense                  | 234,143        | 473,789        | 502,935        | 262,765         | 291,897         | 331,289         | 388,315         |
| Total district expenses                                 | \$ 12,238,661  | \$ 12,460,364  | \$ 12,446,624  | \$ 13,095,619   | \$ 13,777,099   | \$ 16,252,020   | \$ 17,383,164   |
| <b>Program Revenues</b>                                 |                |                |                |                 |                 |                 |                 |
| Governmental activities:                                |                |                |                |                 |                 |                 |                 |
| Charges for services:                                   | \$ -           | \$ -           | \$ -           | \$ -            | \$ -            | \$ -            | \$ -            |
| Instruction (tuition)                                   | 72,271         | 67,261         | 60,042         | 9,036           | 543             | -               | -               |
| Plant operations and maintenance                        | -              | -              | -              | -               | -               | -               | -               |
| Business and other support services                     | -              | -              | -              | -               | -               | -               | -               |
| Operating grants and contributions                      | 2,292,827      | 2,142,826      | 2,238,361      | 2,185,420       | 2,149,863       | 1,904,460       | 1,799,823       |
| Capital grants and contributions                        | -              | -              | -              | -               | -               | -               | -               |
| Total governmental activities program revenues          | 2,365,098      | 2,210,087      | 2,298,403      | 2,194,456       | 2,150,406       | 1,904,460       | 1,799,823       |
| <b>Business-type activities:</b>                        |                |                |                |                 |                 |                 |                 |
| Charges for services                                    | 30,372         | 33,789         | 27,475         | 29,834          | 24,153          | 29,539          | 39,492          |
| Food service                                            | 45,843         | 52,257         | 46,817         | 36,290          | 38,759          | 27,700          | 9,235           |
| Child care                                              | 217,412        | 216,245        | 226,186        | 219,880         | 250,091         | 341,515         | 331,901         |
| Operating grants and contributions                      | -              | -              | -              | -               | -               | -               | -               |
| Capital grants and contributions                        | 293,627        | 302,291        | 300,478        | 286,004         | 313,003         | 398,754         | 380,628         |
| Total business type activities program revenues         | 2,658,725      | 2,512,378      | 2,598,881      | 2,480,460       | 2,463,409       | 2,303,214       | 2,140,451       |
| Total district program revenues                         | \$ (9,639,420) | \$ (9,776,488) | \$ (9,645,286) | \$ (10,638,398) | \$ (11,334,796) | \$ (14,016,271) | \$ (15,235,026) |
| <b>Net (Expense)/Revenue</b>                            | \$ 9,484       | \$ (171,498)   | \$ (202,457)   | \$ 23,239       | \$ 21,106       | \$ 67,465       | \$ (7,687)      |
| Governmental activities                                 | \$ (9,579,936) | \$ (9,947,986) | \$ (9,847,743) | \$ (10,615,159) | \$ (11,313,690) | \$ (13,948,806) | \$ (15,242,713) |
| Business-type activities                                |                |                |                |                 |                 |                 |                 |
| Total district-wide net expense                         |                |                |                |                 |                 |                 |                 |
| <b>General Revenues and Other Changes in Net Assets</b> |                |                |                |                 |                 |                 |                 |
| Governmental activities:                                |                |                |                |                 |                 |                 |                 |
| Property taxes levied for general purposes, net         | \$ 6,083,639   | \$ 6,428,245   | \$ 7,320,154   | \$ 8,191,499    | \$ 8,519,159    | \$ 8,519,159    | \$ 8,702,159    |
| Taxes levied for debt service                           | 257,676        | 286,318        | 276,963        | 267,607         | 258,252         | 248,899         | 239,544         |
| Unrestricted grants and contributions                   | 2,530,788      | 2,803,914      | 2,878,017      | 3,151,124       | 3,361,901       | 4,939,293       | 4,616,634       |
| Investment earnings                                     | 46             | 86             | 4,360          | 6,765           | 4,022           | 2,268           | 232             |
| Miscellaneous income                                    | 40,472         | 44,278         | 57,745         | 126,479         | 135,339         | 88,006          | 19,698          |
| Total governmental activities                           | 8,912,621      | 9,562,841      | 10,537,239     | 11,743,474      | 12,278,673      | 13,797,625      | 13,578,267      |

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

|                                  | 2004         | 2005         | 2006          | 2007          | 2008          | 2009          | 2010           |
|----------------------------------|--------------|--------------|---------------|---------------|---------------|---------------|----------------|
| <b>Business-type activities:</b> |              |              |               |               |               |               |                |
| Investment earnings              | -            | -            | -             | -             | 4,206         | -             | -              |
| Miscellaneous Income             | -            | -            | -             | -             | -             | -             | -              |
| Transfers                        | -            | -            | -             | -             | 4,206         | -             | -              |
| Total business-type activities   | \$ 8,912,621 | \$ 9,562,841 | \$ 10,537,239 | \$ 11,743,474 | \$ 12,282,879 | \$ 13,797,625 | \$ 13,578,267  |
| Total district-wide              |              |              |               |               |               |               |                |
| <b>Change in Net Assets</b>      |              |              |               |               |               |               |                |
| Governmental activities          | \$ (726,799) | \$ (213,647) | \$ 891,953    | \$ 1,105,076  | \$ 943,877    | \$ (218,646)  | \$ (1,656,759) |
| Business-type activities         | 59,484       | (171,498)    | (202,457)     | 23,239        | 25,312        | 67,465        | (7,687)        |
| Total district                   | \$ (667,315) | \$ (385,145) | \$ 689,496    | \$ 1,128,315  | \$ 969,189    | \$ (151,181)  | \$ (1,664,446) |

Source: CAFR Schedule A-2

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

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

|                                           | 2004              | 2005              | 2006                | 2007                | 2008                | 2009                | 2010             |
|-------------------------------------------|-------------------|-------------------|---------------------|---------------------|---------------------|---------------------|------------------|
| <b>General Fund</b>                       |                   |                   |                     |                     |                     |                     |                  |
| Reserved                                  | \$ 110,085        | \$ 105,683        | \$ 1,092,072        | \$ 1,919,325        | \$ 2,647,751        | \$ 1,937,973        | \$ 224,666       |
| Unreserved                                | 706,674           | 363,854           | 143,365             | 179,615             | 205,499             | (115,896)           | (151,653)        |
| <b>Total general fund</b>                 | <u>\$ 816,759</u> | <u>\$ 469,537</u> | <u>\$ 1,235,437</u> | <u>\$ 2,098,940</u> | <u>\$ 2,853,250</u> | <u>\$ 1,822,077</u> | <u>\$ 73,013</u> |
| <b>All Other Governmental Funds</b>       |                   |                   |                     |                     |                     |                     |                  |
| Reserved                                  |                   |                   |                     |                     |                     |                     |                  |
| Unreserved, reported in:                  |                   |                   | (2,342)             |                     |                     |                     |                  |
| Special revenue fund                      | (1,998)           |                   |                     |                     |                     |                     |                  |
| Capital projects fund                     |                   |                   |                     |                     |                     |                     |                  |
| Debt service fund                         | 2                 | 2                 | 2                   | 1                   |                     |                     | 1                |
| Permanent fund                            |                   |                   |                     |                     |                     |                     |                  |
| <b>Total all other governmental funds</b> | <u>\$ (1,996)</u> | <u>\$ 2</u>       | <u>\$ (2,340)</u>   | <u>\$ 1</u>         | <u>\$ -</u>         | <u>\$ -</u>         | <u>\$ 1</u>      |

Source: CAFR Schedule B-1

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

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

|                                                                  | 2001         | 2002         | 2003         | 2004         | 2005         | 2006         | 2007         | 2008         | 2009         | 2010         |
|------------------------------------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>Revenues</b>                                                  |              |              |              |              |              |              |              |              |              |              |
| Tax levy                                                         | \$ 4,502,121 | \$ 6,079,308 | \$ 6,486,038 | \$ 6,341,315 | \$ 6,714,563 | \$ 7,597,117 | \$ 8,459,106 | \$ 8,777,411 | \$ 8,768,058 | \$ 8,941,703 |
| Tuition                                                          | 117,411      | 34,881       | 8,660        | 5,750        | 10,255       | 57,745       | 126,479      | 135,339      | 89,671       | 19,698       |
| Interest earnings                                                | 10,339       | 37,058       | 51,089       | 34,722       | 34,023       | 4,065,477    | 4,334,335    | 4,786,899    | 5,370,519    | 4,136,944    |
| Miscellaneous                                                    | 3,911,814    | 3,417,987    | 3,620,342    | 3,761,708    | 3,928,123    | 1,050,901    | 1,002,209    | 724,865      | 1,473,234    | 2,239,513    |
| State sources                                                    | 498,419      | 709,005      | 872,068      | 1,061,907    | 1,018,617    | 12,771,240   | 13,922,129   | 14,424,514   | 15,701,482   | 15,337,858   |
| Federal sources                                                  | 9,040,104    | 10,278,239   | 11,038,197   | 11,205,402   | 11,705,581   |              |              |              |              |              |
| <b>Total revenue</b>                                             |              |              |              |              |              |              |              |              |              |              |
| <b>Expenditures</b>                                              |              |              |              |              |              |              |              |              |              |              |
| Instruction                                                      |              |              |              |              |              |              |              |              |              |              |
| Regular instruction                                              | 2,781,849    | 3,029,384    | 3,143,334    | 4,009,191    | 3,970,747    | 4,213,458    | 3,337,367    | 3,705,254    | 5,657,989    | 4,963,409    |
| Special education instruction                                    | 112,834      | 171,574      | 209,798      | 146,064      | 203,995      | 208,407      | 253,558      | 253,348      | 314,041      | 812,324      |
| Other special instruction                                        | 157,817      | 206,655      | 244,089      | 232,931      | 231,755      | 234,861      | 239,112      | 319,123      | 346,089      | 959,974      |
| Vocational education                                             |              |              |              |              |              |              |              |              |              |              |
| Other instruction                                                | 52,573       | 62,137       | 72,497       | 60,748       | 35,101       | 900          |              |              |              |              |
| <b>Support Services:</b>                                         |              |              |              |              |              |              |              |              |              |              |
| Tuition                                                          | 2,521,481    | 2,758,790    | 3,038,978    | 3,380,717    | 3,854,474    | 3,334,832    | 4,511,287    | 4,343,405    | 4,157,153    | 4,955,575    |
| Health Services                                                  |              | 32,863       | 43,289       |              |              |              |              |              |              |              |
| Student & instruction related services                           | 645,934      | 756,162      | 899,765      | 1,145,232    | 1,149,447    | 1,401,793    | 1,366,602    | 1,443,084    | 2,025,191    | 1,999,616    |
| General administrative services                                  | 454,113      | 371,597      | 359,629      | 438,564      | 413,920      | 392,392      | 433,121      | 509,133      | 468,842      | 476,171      |
| School Administrative services                                   | 253,072      | 280,421      | 301,003      | 438,961      | 365,054      | 359,521      | 378,524      | 420,927      | 428,315      | 393,283      |
| Business and other support services                              | 149,886      | 149,699      | 183,229      | 260,182      |              | 12,612       | 24,083       | 48,910       | 20,389       | 276,933      |
| Central administrative services                                  |              |              |              |              | 253,896      | 239,808      | 255,022      | 306,517      | 293,891      | 276,933      |
| Administrative Information Technology                            |              |              |              |              | 63,566       | 67,162       | 81,554       | 123,062      | 102,974      | 151,511      |
| Plant operations and maintenance                                 | 495,095      | 474,602      | 515,469      | 656,613      | 387,084      | 427,233      | 606,079      | 717,927      | 692,799      | 741,389      |
| Pupil transportation                                             | 184,089      | 262,808      | 355,501      | 344,574      | 422,072      | 362,164      | 314,737      | 303,173      | 319,188      | 365,479      |
| Unallocated employee benefits                                    |              |              |              |              |              |              |              |              |              |              |
| Allocated Benefits                                               | 767,405      | 698,824      | 930,216      |              |              |              |              |              |              |              |
| On-behalf contributions                                          | 289,455      | 246,032      | 336,300      | 357,445      | 376,408      | 448,146      | 737,019      | 828,046      | 593,597      | 663,516      |
| Special Schools                                                  | 7,430        | 6,548        | 10,085       | 3,211        | 3,192        | 2,828        | 3,105        | 2,733        | 3,791        | 4,000        |
| Charter Schools                                                  | 3,903        | 4,011        | 4,420        | 36,017       | 1,962        |              | 37,079       |              |              |              |
| Capital outlay                                                   | 1,045,646    | 76,126       | 31,964       | 5,011        | 8,251        | 1,809        | 188,405      | 66,057       | 1,039,025    | 64,484       |
| Debt service:                                                    |              |              |              |              |              |              |              |              |              |              |
| Principal                                                        | 120,000      | 120,000      | 140,000      | 140,000      | 180,000      | 180,000      | 180,000      | 180,000      | 180,000      | 180,000      |
| Interest and other charges                                       | 160,819      | 154,069      | 146,756      | 138,881      | 129,881      | 119,756      | 109,631      | 99,506       | 89,381       | 79,257       |
| <b>Total expenditures</b>                                        | 10,203,401   | 9,862,302    | 10,943,322   | 11,794,342   | 12,050,805   | 12,007,682   | 13,056,285   | 13,670,205   | 16,732,655   | 17,086,921   |
| <b>Excess (Deficiency) of revenues over (under) expenditures</b> | (1,163,297)  | 415,937      | 94,875       | (588,940)    | (345,224)    | 763,558      | 865,844      | 754,309      | (1,031,173)  | (1,749,063)  |

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

|                                                         | 2001           | 2002       | 2003      | 2004         | 2005         | 2006       | 2007       | 2008       | 2009           | 2010           |
|---------------------------------------------------------|----------------|------------|-----------|--------------|--------------|------------|------------|------------|----------------|----------------|
| Guttenberg Board of Education                           |                |            |           |              |              |            |            |            |                |                |
| <b>Other Financing sources (uses)</b>                   |                |            |           |              |              |            |            |            |                |                |
| Transfers out                                           | -              | -          | -         | -            | -            | -          | -          | -          | -              | -              |
| Total other financing sources (uses)                    | -              | -          | -         | -            | -            | -          | -          | -          | -              | -              |
| Net change in fund balances                             | \$ (1,163,297) | \$ 415,937 | \$ 94,875 | \$ (588,940) | \$ (345,224) | \$ 763,558 | \$ 865,844 | \$ 754,309 | \$ (1,031,173) | \$ (1,749,063) |
| Debt service as a percentage of noncapital expenditures | 3.1%           | 2.8%       | 2.6%      | 2.4%         | 2.6%         | 2.5%       | 2.3%       | 2.1%       | 1.7%           | 1.5%           |

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

Source: CAFR Schedule B-2

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

| Fiscal Year<br>Ended June 30, | Interest on<br>Investments | Tuition<br>Refunds | Insurance<br>Dividends | Refunds | Reimbursement | P/Y Payables              |             | Misc.  | Total   |
|-------------------------------|----------------------------|--------------------|------------------------|---------|---------------|---------------------------|-------------|--------|---------|
|                               |                            |                    |                        |         |               | Cancelled/<br>Void Checks | Void Checks |        |         |
| 2001                          | 117,411                    |                    |                        | 4,032   |               |                           |             | 6,307  | 127,750 |
| 2002                          | 34,881                     | 10,508             |                        |         | 12,085        |                           |             | 14,465 | 71,939  |
| 2003                          | 8,660                      | 3,121              |                        | 4,266   |               |                           |             | 43,702 | 59,749  |
| 2004                          | 5,750                      | 9,112              |                        |         | 21,079        |                           |             | 2,585  | 40,472  |
| 2005                          | 10,255                     | 9,216              | 1,946                  | 6,418   | 483           |                           | 13,089      | 4,817  | 44,278  |
| 2006                          | 37,989                     | 7,095              |                        |         |               |                           | 2,484       | 10,177 | 57,745  |
| 2007                          | 57,484                     | 21,516             |                        | 7,681   | 4,167         |                           |             | 21,665 | 126,479 |
| 2008                          | 80,299                     |                    |                        |         | 11,414        |                           | 33,328      | 10,298 | 135,339 |
| 2009                          | 1,665                      |                    |                        |         |               |                           | 60,555      | 27,451 | 89,671  |
| 2010                          |                            |                    |                        |         |               |                           |             | 8,446  | 19,698  |

Source: District Records

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

Guttenberg Board of Education

| Year Ended Dec. 31, | Assessed Value |                |       |               |               |               |                      |            |            |           | Less: Tax-Exempt Property | Public Utilities <sup>a</sup> | Net Valuation Taxable | Total Direct School Tax Rate <sup>b</sup> | Estimated Actual (County Equalized Value) | Assessed to Estimated Full Cash Valuation |
|---------------------|----------------|----------------|-------|---------------|---------------|---------------|----------------------|------------|------------|-----------|---------------------------|-------------------------------|-----------------------|-------------------------------------------|-------------------------------------------|-------------------------------------------|
|                     | Vacant Land    | Residential    | Qfarm | Commercial    | Industrial    | Apartment     | Total Assessed Value | Industrial | Commercial | Apartment |                           |                               |                       |                                           |                                           |                                           |
| 2000                | \$ 4,946,700   | \$ 267,620,000 |       | \$ 59,836,700 | \$ 17,902,400 | \$ 34,429,800 | \$ 384,735,600       |            |            |           | \$ 22,177,000             | \$ 325,844                    | \$ 362,884,444        | 1.350                                     | \$ 479,014,252                            | 75.769%                                   |
| 2001                | \$ 3,257,300   | \$ 285,056,200 |       | \$ 59,877,600 | \$ 17,494,400 | \$ 34,840,800 | \$ 400,526,300       |            |            |           | \$ 22,177,000             | \$ 301,841                    | \$ 378,651,141        | 1.450                                     | \$ 561,984,293                            | 67.388%                                   |
| 2002                | \$ 1,313,700   | \$ 311,418,900 |       | \$ 59,554,400 | \$ 16,892,500 | \$ 34,718,800 | \$ 423,898,300       |            |            |           | \$ 22,177,000             | \$ 278,207                    | \$ 401,999,507        | 1.560                                     | \$ 649,262,537                            | 61.92%                                    |
| 2003                | \$ 1,638,700   | \$ 312,420,100 |       | \$ 59,490,600 | \$ 16,428,000 | \$ 34,458,800 | \$ 424,436,200       |            |            |           | \$ 22,437,000             | \$ 266,650                    | \$ 402,265,850        | 1.600                                     | \$ 716,204,673                            | 56.17%                                    |
| 2004                | \$ 1,610,100   | \$ 314,446,100 |       | \$ 59,503,600 | \$ 15,750,500 | \$ 34,708,400 | \$ 426,018,700       |            |            |           | \$ 22,437,000             | \$ 231,803                    | \$ 403,813,503        | 1.620                                     | \$ 767,351,552                            | 52.62%                                    |
| 2005                | \$ 1,703,600   | \$ 316,786,500 |       | \$ 59,048,100 | \$ 15,033,500 | \$ 34,558,400 | \$ 427,130,100       |            |            |           | \$ 22,064,900             | \$ 204,584                    | \$ 405,269,784        | 1.760                                     | \$ 869,256,719                            | 46.62%                                    |
| 2006                | \$ 1,908,100   | \$ 317,730,700 |       | \$ 59,357,100 | \$ 13,844,800 | \$ 34,747,700 | \$ 427,588,400       |            |            |           | \$ 22,069,900             | \$ 165,175                    | \$ 405,683,675        | 1.980                                     | \$ 1,061,731,929                          | 38.21%                                    |
| 2007                | \$ 3,218,800   | \$ 319,510,000 |       | \$ 37,033,600 | \$ 13,082,300 | \$ 34,747,700 | \$ 407,592,400       |            |            |           | \$ 22,430,100             | \$ 135,014                    | \$ 385,297,314        | 2.114                                     | \$ 1,149,766,996                          | 33.51%                                    |
| 2008                | \$ 3,772,700   | \$ 315,777,100 |       | \$ 35,359,800 | \$ 12,337,300 | \$ 34,667,700 | \$ 401,914,600       |            |            |           | \$ 22,088,400             | \$ 129,833                    | \$ 379,956,033        | 2.142                                     | \$ 1,148,280,253                          | 33.09%                                    |
| 2009                | \$ 3,607,400   | \$ 316,015,400 |       | \$ 35,711,800 | \$ 11,886,500 | \$ 34,617,700 | \$ 401,838,800       |            |            |           | \$ 22,343,400             | \$ 134,945                    | \$ 379,630,345        | 2.307                                     | \$ 1,122,174,533                          | 33.83%                                    |

Source: Municipal Tax Assessor

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

Reassessment occurs when ordered by the County Board of Taxation

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

b Tax rates are per \$100

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

| Fiscal Year Ended June 30, | Guttenberg Board of Education |                                              |              | Overlapping Rates  |               |                | Total Direct and Overlapping Tax Rate |
|----------------------------|-------------------------------|----------------------------------------------|--------------|--------------------|---------------|----------------|---------------------------------------|
|                            | Basic Rate <sup>a</sup>       | General Obligation Debt Service <sup>b</sup> | Total Direct | Town of Guttenberg | Hudson County | REAP Deduction |                                       |
| 2001                       | 0.402                         | 0.048                                        | 0.450        | 1.520              | 1.020         | (0.220)        | 2.770                                 |
| 2002                       | 1.519                         | 0.041                                        | 1.560        | 1.780              | 1.040         | (0.220)        | 4.160                                 |
| 2003                       | 1.559                         | 0.041                                        | 1.600        | 1.600              | 1.070         | (0.220)        | 4.050                                 |
| 2004                       | 1.578                         | 0.042                                        | 1.620        | 1.830              | 1.080         | (0.250)        | 4.280                                 |
| 2005                       | 1.721                         | 0.039                                        | 1.760        | 1.920              | 0.990         | (0.250)        | 4.420                                 |
| 2006                       | 1.946                         | 0.034                                        | 1.980        | 2.120              | 1.000         | (0.250)        | 4.850                                 |
| 2007                       | 1.949                         | 0.032                                        | 1.981        | 2.124              | 0.996         | (0.250)        | 4.851                                 |
| 2008                       | 2.049                         | 0.065                                        | 2.114        | 2.197              | 1.083         | (0.183)        | 5.211                                 |
| 2009                       | 2.078                         | 0.064                                        | 2.142        | 2.570              | 1.088         | (0.133)        | 5.667                                 |
| 2010                       | 2.245                         | 0.062                                        | 2.307        | 2.703              | 1.142         | 0.000          | 6.152                                 |

Source: District Records and Municipal Tax Collector

**Note:** NJSIA 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 calcu

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

<sup>b</sup> 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                    | 2010                   |                 |                                        | 2001                   |                 |                                        |
|-----------------------------|------------------------|-----------------|----------------------------------------|------------------------|-----------------|----------------------------------------|
|                             | Taxable Assessed Value | Rank [Optional] | % of Total District Net Assessed Value | Taxable Assessed Value | Rank [Optional] | % of Total District Net Assessed Value |
| Summit House                | \$ 10,968,900          | 1               | 2.71%                                  | \$ 10,968,900          | 1               | 3.04%                                  |
| The Mall at the Galaxy      |                        |                 |                                        | 7,473,900              | 2               | 2.07%                                  |
| Palisades Operations LLC    | 2,866,200              | 2               | 0.71%                                  | 2,866,200              | 3               |                                        |
| 6803 Bulevard East LLC      | 1,668,800              | 3               | 0.41%                                  |                        |                 |                                        |
| Guttenberg Savings and Loan | 1,087,500              | 4               | 0.27%                                  | 1,087,500              | 6               | 0.30%                                  |
| 422-430 68th Street, LLC    | 990,000                | 5               | 0.24%                                  |                        |                 | 0.00%                                  |
| 6909 Blvd E. Inc.           | 979,100                | 6               | 0.24%                                  | 1,029,100              | 7               |                                        |
| Kinkella, John & N          | 863,400                | 7               | 0.21%                                  |                        |                 |                                        |
| 63-67 69th St. Assoc. LLC   | 850,000                | 8               | 0.21%                                  |                        |                 |                                        |
| Lagattuta Partners, L.P.    | 752,000                | 9               | 0.19%                                  |                        |                 |                                        |
| Transcdl Gas Pipe Line Corp | 733,100                | 10              | 0.18%                                  |                        |                 |                                        |
| Starbare Hudson River LLP   |                        |                 |                                        | 2,166,500              | 4               | 0.60%                                  |
| Martirana and Rosa          |                        |                 |                                        | 1,568,800              | 5               | 0.43%                                  |
| Janet Reduce                |                        |                 |                                        | 904,400                | 8               | 0.25%                                  |
| M and D LaGattuta           |                        |                 |                                        | 899,200                | 9               | 0.25%                                  |
| J and N Kinkella            |                        |                 |                                        | 863,400                | 10              | 0.24%                                  |
| Total                       | \$ 21,759,000          |                 | 5.37%                                  | \$ 29,827,900          |                 | 7.19%                                  |

Net Assessed Valuation: 405,345,833 360,906,396

Source: Municipal Tax Assessor.

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

| Year<br>Ended<br>June 30, | Taxes Levied<br>for the Fiscal<br>Year | Collected within the Fiscal Year of<br>the Levy |                       | Collections in<br>Subsequent<br>Years |
|---------------------------|----------------------------------------|-------------------------------------------------|-----------------------|---------------------------------------|
|                           |                                        | Amount                                          | Percentage<br>of Levy |                                       |
| 2001                      | \$4,493,748                            | \$ 4,411,748                                    | 98.18%                | \$ 82,000                             |
| 2002                      | \$6,079,308                            | \$ 5,997,308                                    | 98.65%                | \$ 82,000                             |
| 2003                      | \$6,486,038                            | \$ 6,486,038                                    | 100.00%               |                                       |
| 2004                      | \$6,341,315                            | \$ 6,341,315                                    | 100.00%               |                                       |
| 2005                      | \$6,714,563                            | \$ 6,714,563                                    | 100.00%               |                                       |
| 2006                      | \$7,597,117                            | \$ 7,597,117                                    | 100.00%               |                                       |
| 2007                      | \$8,459,106                            | \$ 8,459,106                                    | 100.00%               |                                       |
| 2008                      | \$8,777,411                            | \$ 8,777,411                                    | 100.00%               |                                       |
| 2009                      | \$8,768,058                            | \$ 8,768,058                                    | 100.00%               |                                       |
| 2010                      | \$9,272,354                            | \$ 9,190,207                                    | 99.11%                | \$ 82,147                             |

Source: Municipal Tax Collector

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

| Fiscal Year Ended June 30, | Governmental Activities               |                |                                | Business-Type Activities |                | Total District | Percentage of Personal Income <sup>a</sup> | Per Capita <sup>a</sup> |
|----------------------------|---------------------------------------|----------------|--------------------------------|--------------------------|----------------|----------------|--------------------------------------------|-------------------------|
|                            | General Obligation Bonds <sup>b</sup> | Capital Leases | Bond Anticipation Notes (BANs) | Capital Leases           | Total District |                |                                            |                         |
|                            |                                       |                |                                |                          |                |                |                                            |                         |
| 2001                       | 3,198,741                             | -              | -                              | -                        | 3,198,741      | 0.97%          | 288                                        |                         |
| 2002                       | 3,057,702                             | -              | -                              | -                        | 3,057,702      | 0.91%          | 276                                        |                         |
| 2003                       | 2,896,663                             | -              | -                              | -                        | 2,896,663      | 0.85%          | 262                                        |                         |
| 2004                       | 2,735,624                             | -              | -                              | -                        | 2,735,624      | 0.77%          | 249                                        |                         |
| 2005                       | 2,534,585                             | -              | -                              | -                        | 2,534,585      | 0.68%          | 233                                        |                         |
| 2006                       | 2,334,196                             | -              | -                              | -                        | 2,334,196      | 0.59%          | 218                                        |                         |
| 2007                       | 2,133,807                             | -              | -                              | -                        | 2,133,807      | 0.51%          | 201                                        |                         |
| 2008                       | 1,933,418                             | -              | -                              | -                        | 1,933,418      | Not Available  | 182                                        |                         |
| 2009                       | 1,733,029                             | -              | -                              | -                        | 1,733,029      | Not Available  | 165                                        |                         |
| 2010                       | 1,553,029                             | -              | -                              | -                        | 1,553,029      | Not Available  | 148                                        |                         |

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

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

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

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

Exhibit J-11

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

| Fiscal Year Ended June 30, | General Bonded Debt Outstanding |            |                                     | Percentage of Actual Taxable Value <sup>a</sup> of Property | Per Capita <sup>b</sup> |
|----------------------------|---------------------------------|------------|-------------------------------------|-------------------------------------------------------------|-------------------------|
|                            | General Obligation Bonds        | Deductions | Net General Bonded Debt Outstanding |                                                             |                         |
| 2001                       | 2,859,000                       | -          | \$ 2,859,000                        | 0.79%                                                       | 288                     |
| 2002                       | 2,729,000                       | -          | \$ 2,729,000                        | 0.72%                                                       | 276                     |
| 2003                       | 2,579,000                       | -          | \$ 2,579,000                        | 0.64%                                                       | 262                     |
| 2004                       | 2,429,000                       | -          | \$ 2,429,000                        | 0.60%                                                       | 249                     |
| 2005                       | 2,239,000                       | -          | \$ 2,239,000                        | 0.55%                                                       | 233                     |
| 2006                       | 2,039,000                       | -          | \$ 2,039,000                        | 0.50%                                                       | 218                     |
| 2007                       | 1,859,000                       | -          | \$ 1,859,000                        | 0.46%                                                       | 201                     |
| 2008                       | 1,679,000                       | -          | \$ 1,679,000                        | 0.44%                                                       | 182                     |
| 2009                       | 1,499,000                       | -          | \$ 1,499,000                        | 0.39%                                                       | 165                     |
| 2010                       | 1,319,000                       | -          | \$ 1,319,000                        | 0.35%                                                       | 148                     |

**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.

Exhibit J-12

Guttenberg Board of Education  
 Ratios of Overlapping Governmental Activities Debt  
 As of June 30, 2010

| <u>Governmental Unit</u>                           | <u>Debt Outstanding</u> | <u>Estimated Share<br/>of Overlapping<br/>Debt</u> |
|----------------------------------------------------|-------------------------|----------------------------------------------------|
| Direct Debt of School District as of June 30, 2010 |                         | \$ 1,319,000                                       |
| Net overlapping debt of School District:           |                         |                                                    |
| Guttenberg Town                                    | \$ 5,151,375            |                                                    |
| County of Hudson (1.830% of net debt)              | \$ 4,770,454            |                                                    |
| Subtotal, overlapping debt                         | <u>\$ 9,921,829</u>     |                                                    |
| Total direct and overlapping debt                  |                         | <u>\$ 11,240,829</u>                               |

**Sources:** Town of Guttenberg Administrator / Hudson County Treasurer's Office

**Note:** Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Guttenberg. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the district's boundaries and dividing it by each unit's total taxable value.

Guttenberg Board of Education  
 Legal Debt Margin Information  
 Last Ten Fiscal Years

Legal Debt Margin Calculation for Fiscal Year 2009

|                                                                         | 2001          | 2002          | 2003          | 2004          | 2005          | 2006          | 2007          | 2008          | 2009          | 2010          |
|-------------------------------------------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Debt limit                                                              | \$ 13,154,584 | \$ 14,702,380 | \$ 16,893,552 | \$ 19,266,048 | \$ 21,322,739 | \$ 23,528,129 | \$ 23,523,175 | \$ 30,803,859 | \$ 33,596,140 | \$ 34,202,218 |
| Total net debt applicable to limit                                      | 2,799,000     | 2,679,000     | 2,539,000     | 2,399,000     | 2,219,000     | 2,039,000     | 1,859,000     | 1,679,000     | 1,499,000     | 1,319,000     |
| Legal debt margin                                                       | \$ 10,355,584 | \$ 12,023,380 | \$ 14,354,552 | \$ 16,867,048 | \$ 19,103,739 | \$ 21,489,129 | \$ 21,664,175 | \$ 29,124,859 | \$ 32,097,140 | \$ 32,883,218 |
| Total net debt applicable to the limit<br>as a percentage of debt limit | 21.28%        | 18.22%        | 15.03%        | 12.45%        | 10.41%        | 8.67%         | 7.90%         | 5.45%         | 4.46%         | 3.86%         |

| Equalized valuation basis |                         |
|---------------------------|-------------------------|
| 2009                      | \$ 1,122,174,533        |
| 2008                      | 1,148,280,253           |
| 2007                      | 1,149,766,996           |
| [A]                       | \$ 3,420,221,782        |
| [A/3]                     | \$ 1,140,073,927        |
| [B]                       | 34,202,218 <sup>a</sup> |
| [C]                       | 1,319,000               |
| [B-C]                     | \$ 32,883,218           |

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

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

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

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

| Year | Population <sup>a</sup> | Personal Income<br>(thousands of dollars) | Per Capita Personal Income <sup>c</sup> | Unemployment Rate <sup>d</sup> |
|------|-------------------------|-------------------------------------------|-----------------------------------------|--------------------------------|
| 2001 | 11,068                  | 338,846,820                               | 30,615                                  | 3.30%                          |
| 2002 | 11,009                  | 343,062,458                               | 31,162                                  | 4.30%                          |
| 2003 | 10,962                  | 349,654,914                               | 31,897                                  | 4.20%                          |
| 2004 | 10,889                  | 362,865,036                               | 33,324                                  | 3.10%                          |
| 2005 | 10,750                  | 381,657,250                               | 35,503                                  | 4.20%                          |
| 2006 | 10,551                  | 404,915,727                               | 38,377                                  | 4.60%                          |
| 2007 | 10,440                  | 431,422,560                               | 41,324                                  | 4.00%                          |
| 2008 | 10,464                  | 454,618,944                               | 43,446                                  | 5.40%                          |
| 2009 | 10,600                  | Not Available                             | Not Available                           | 9.70%                          |
| 2010 | 10,807                  | Not Available                             | Not Available                           | Not Available                  |

**Source:**

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

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

| Employer | 2010      |                                      | 2001      |                    | Percentage of<br>Total<br>Employment | Rank<br>(Optional) | Percentage of<br>Total<br>Employment |
|----------|-----------|--------------------------------------|-----------|--------------------|--------------------------------------|--------------------|--------------------------------------|
|          | Employees | Percentage of<br>Total<br>Employment | Employees | Rank<br>(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>2001</u> | <u>2002</u> | <u>2003</u> | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u>  |
|----------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|
| Instruction                            |             |             |             |             |             |             |             |             |             |              |
| Regular                                | 27.0        | 26.0        | 28.0        | 28.0        | 34.0        | 34.0        | 34.0        | 35.0        | 35.0        | 53.0         |
| Special education                      | 5.0         | 6.0         | 6.0         | 7.0         | 8.0         | 8.0         | 8.0         | 8.0         | 8.0         | 10.0         |
| Other special education                |             |             |             |             |             |             |             |             |             |              |
| Vocational                             |             |             |             |             |             |             |             |             |             |              |
| Other instruction                      | 6.0         | 6.0         | 4.0         | 5.0         | 2.0         | 2.0         | 2.0         | 2.0         | 6.0         | 9.0          |
| Nonpublic school programs              |             |             |             |             |             |             |             |             |             |              |
| Adult/continuing education programs    |             |             |             |             |             |             |             |             |             |              |
| Support Services:                      |             |             |             |             |             |             |             |             |             |              |
| Tuition                                | 6.5         | 6.5         | 6.5         | 6.5         | 6.5         | 6.5         | 6.5         | 7.0         | 8.5         | 12.0         |
| Student & instruction related services | 2.0         | 2.0         | 2.0         | 2.0         | 2.0         | 1.5         | 1.5         | 2.0         | 2.0         | 3.0          |
| General administrative services        | 3.5         | 4.0         | 4.0         | 4.0         | 4.0         | 3.5         | 3.5         | 4.0         | 3.5         | 4.0          |
| School administrative services         | 3.0         | 3.0         | 3.0         | 3.0         | 3.0         | 3.0         | 3.0         | 3.0         | 3.0         | 5.0          |
| Business administrative services       | 5.0         | 5.0         | 5.0         | 5.0         | 5.0         | 5.0         | 5.0         | 6.0         | 6.0         | 6.0          |
| Plant operations and maintenance       |             |             |             |             |             |             |             |             |             |              |
| Pupil transportation                   |             |             |             |             |             |             |             |             |             |              |
| Special Schools                        |             |             |             |             |             |             |             |             |             |              |
| Food Service                           |             |             |             |             |             |             |             |             |             |              |
| Child Care                             |             |             |             |             |             |             |             |             |             |              |
| <b>Total</b>                           | <b>58.0</b> | <b>58.5</b> | <b>58.5</b> | <b>60.5</b> | <b>64.5</b> | <b>63.5</b> | <b>63.5</b> | <b>67.0</b> | <b>72.0</b> | <b>102.0</b> |

\* Information Not Available

Source: District Personnel Records

Guttenberg Board of Education  
Operating Statistics  
Last Ten Fiscal Years

Pupil/Teacher Ratio

| Fiscal Year | Enrollment | Operating Expenditures | Cost Per Pupil | Percentage Change | Teaching Staff <sup>b</sup> | Pupil/Teacher Ratio |               |             | Average Daily Enrollment (ADE) <sup>c</sup> | Average Daily Attendance (ADA) <sup>c</sup> | % Change in Average Daily Enrollment | Student Attendance Percentage |
|-------------|------------|------------------------|----------------|-------------------|-----------------------------|---------------------|---------------|-------------|---------------------------------------------|---------------------------------------------|--------------------------------------|-------------------------------|
|             |            |                        |                |                   |                             | Elementary          | Middle School | High School |                                             |                                             |                                      |                               |
| 2001        | 938.0      | 8,876,936              | 9,464          | 5.98%             | 72                          | 1:13                |               | 899         | 855                                         | 1.70%                                       | 95.11%                               |                               |
| 2002        | 958.0      | 9,512,107              | 9,929          | 4.92%             | 78                          | 1:13                |               | 926         | 883                                         | 3.00%                                       | 95.36%                               |                               |
| 2003        | 904.0      | 10,656,566             | 11,788         | 18.72%            | 76                          | 1:11                |               | 904         | 855                                         | -2.38%                                      | 94.58%                               |                               |
| 2004        | 950.0      | 11,510,450             | 12,116         | 2.78%             | 76                          | 1:13                |               | 972         | 923                                         | 7.52%                                       | 94.96%                               |                               |
| 2005        | 937.0      | 11,732,673             | 12,522         | 3.34%             | 76                          | 1:10                |               | 937         | 877                                         | -3.60%                                      | 93.60%                               |                               |
| 2006        | 927.0      | 11,706,117             | 12,628         | 0.85%             | 76                          | 1:10                |               | 924         | 870                                         | -1.39%                                      | 94.16%                               |                               |
| 2007        | 942.0      | 12,578,249             | 13,353         | 5.74%             | 76                          | 1:10                |               | 937         | 891                                         | 1.41%                                       | 95.09%                               |                               |
| 2008        | 959.0      | 13,333,215             | 13,903         | 4.12%             | 73                          | 1:13                |               | 955         | 910                                         | 1.92%                                       | 95.29%                               |                               |
| 2009        | 909.0      | 15,424,249             | 16,968         | 22.05%            | 73                          | 1:12                |               | 984         | 925                                         | 3.04%                                       | 94.00%                               |                               |
| 2010        | 980.0      | 16,763,180             | 17,105         | 0.81%             | 75                          | 1:13                |               | 1022.5      | 965.5                                       | 3.91%                                       | 94.43%                               |                               |

Sources: District records, ASSA and Schedules J-12, J-14

- 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

|                           | 2001   | 2002   | 2003   | 2004   | 2005   | 2006   | 2007   | 2008   | 2009   | 2010   |
|---------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| <u>District Buildings</u> |        |        |        |        |        |        |        |        |        |        |
| <u>Elementary</u>         |        |        |        |        |        |        |        |        |        |        |
| Anna L. Klein School      | 86,087 | 86,087 | 86,087 | 86,087 | 86,087 | 86,087 | 86,087 | 86,087 | 90,087 | 90,487 |
| Square Feet               | 772    | 772    | 772    | 772    | 772    | 772    | 772    | 772    | 872    | 872    |
| Capacity (students)       | 958    | 904    | 950    | 937    | 927    | 942    | 942    | 959    | 945    | 982    |
| Enrollment                |        |        |        |        |        |        |        |        |        |        |

Number of Schools at June 30, 2009

Elementary = 1

Source: District records, ASSA

Note: Enrollment is based on students' enrolled within the District -- out of district students have not been included

Guttenberg Board of Education  
 General Fund  
 Last Ten Fiscal Years  
 Unaudited

UNDISTRIBUTED EXPENDITURES - REQUIRED MAINTENANCE FOR SCHOOL FACILITIES  
 11-000-261-XXX

| School Facilities       | Project # (s) | 2010       | 2009       | 2008       | 2007       | 2006      | 2005      | 2004       | 2003       | 2002       | 2001       |
|-------------------------|---------------|------------|------------|------------|------------|-----------|-----------|------------|------------|------------|------------|
| Anna L. Klein School    | N/A           | 133,114    | 140,003    | 156,886    | 136,310    | 95,016    | 66,784    | 150,629    | 141,285    | 115,022    | 133,120    |
| Total School Facilities |               | 133,114    | 140,003    | 156,886    | 136,310    | 95,016    | 66,784    | 150,629    | 141,285    | 115,022    | 133,120    |
| Other Facilities        |               |            |            |            |            |           |           |            |            |            |            |
| Grand Total             |               | \$ 133,114 | \$ 140,003 | \$ 156,886 | \$ 136,310 | \$ 95,016 | \$ 66,784 | \$ 150,629 | \$ 141,285 | \$ 115,022 | \$ 133,120 |

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, 2010**

| <u>Type of Coverage</u>                | <u>Coverage</u> | <u>Deductible</u> |
|----------------------------------------|-----------------|-------------------|
| School Package Policy (1)              |                 |                   |
| Building and Contents (All Locations)  | 150,000,000     | \$ 1,000          |
| General Automobile Liability           | 5,000,000       |                   |
| School Board Legal Liability           | 5,000,000       | 5,000             |
| Employers Liability                    | 5,000,000       |                   |
| Workers' Compensation                  | 5,000,000       |                   |
| Student Accident Insurance (2)         | 1,000,000       |                   |
| Surety Bonds (3)                       |                 |                   |
| Treasurer                              | 200,000         | N/A               |
| Board Secretary/Business Administrator | 35,000          | N/A               |

- (1) School Alliance Insurance Fund
- (2) Bollinger
- (3) Western Insurance Company

**SINGLE AUDIT SECTION**

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

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## 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 the 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 as of and for the fiscal year ended June 30, 2010 which collectively comprise the basic financial statements of the Board of Education of the Town of Guttenberg School District in the County of Hudson, and have issued our report thereon dated November 16, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Division of 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.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Town of Guttenberg School District Board of Education's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Guttenberg School District Board of Education's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town of Guttenberg School District Board of Education's internal control over financial reporting.

*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 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.



Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Guttenberg School District 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* and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

We noted certain matters that we reported to the Town of Guttenberg School District Board of Education's in a separate report entitled, Auditor's Management Report on Administrative Findings - Financial Compliance and Performance dated November 16, 2010.

This report is intended solely for the information of management, the Town of Guttenberg School District Board of Education, New Jersey State Department of Education and other state and federal awarding agencies and is not intended to be, and should not be, used by anyone other than these specified parties.



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



FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.  
Certified Public Accountants

November 16, 2010

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

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Page 1 of 3

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE  
TO EACH MAJOR FEDERAL AND STATE PROGRAM AND  
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH  
OMB CIRCULAR A-133 AND N.J. OMB CIRCULAR 04-04**

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

## Compliance

We have audited the compliance of the Board of Education of the Town of Guttenberg School District in the County of Hudson with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the *New Jersey State Office of Management and Budget's State Aid/Grant Compliance Supplement* that are applicable to each of its major federal and state programs for the fiscal year ended June 30, 2010. Town of Guttenberg School District 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. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the Town of Guttenberg School District Board of Education's management. Our responsibility is to express an opinion on the Town of Guttenberg School District Board of Education's compliance based on our audit.

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; the audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey; OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations"; and the provisions the New Jersey State Treasury Circular Letter 04-04 "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." Those standards, and OMB Circular A-133 and N.J. OMB Circular 04-04, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about the Town of Guttenberg School District Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Town of Guttenberg School District Board of Education's compliance with those requirements.



In our opinion, the Town of Guttenberg School District Board of Education complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal and state programs for the fiscal year ended June 30, 2010.

Internal Control Over Compliance

The management of the Town of Guttenberg School District Board of Education is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered the Town of Guttenberg School District Board of Education's internal control over compliance with requirements that could have a direct and material effect on a major federal or state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town of Guttenberg School District Board of Education's internal control over compliance.

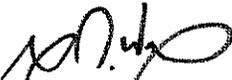
*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement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

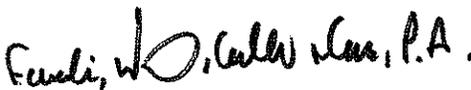
Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. The Town of Guttenberg School District Board of Education's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the Town of Guttenberg School District Board of Education's response and, accordingly, we express no opinion on it.

Honorable President and  
Members of the Board of Education

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This report is intended solely for the information of the management, the Town of Guttenberg Board of Education, the New Jersey State Department of Education, other state and federal awarding agencies and pass-through entities and is not intended to be, and should not be, used by anyone other than these specified parties.

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

  
FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.  
Certified Public Accountants

November 16, 2010

TOWN OF GUTTENBERG  
BOARD OF EDUCATION

Schedule of Expenditures of Federal Awards

Year ended June 30, 2010

| Federal Grantor/Pass-through Grantor/Program Title             | Federal CFDA Number | Grant or State Project Number | Grant Period   | Award Amount | Balance at June 30, 2009 | Carryover/(Walkover) Amount | Cash Received | Budgetary Expenditures | (Accounts Receivable) at June 30, 2010 | Deferred Revenue at June 30, 2010 | Due to Grantor at June 30, 2010 |
|----------------------------------------------------------------|---------------------|-------------------------------|----------------|--------------|--------------------------|-----------------------------|---------------|------------------------|----------------------------------------|-----------------------------------|---------------------------------|
| <b>U.S. Department of Agriculture</b>                          |                     |                               |                |              |                          |                             |               |                        |                                        |                                   |                                 |
| Passed-through State Department of Education:                  |                     |                               |                |              |                          |                             |               |                        |                                        |                                   |                                 |
| Enterprise Fund:                                               |                     |                               |                |              |                          |                             |               |                        |                                        |                                   |                                 |
| USDA Commodities Program                                       | 10.550              |                               | 7/1/09-6/30/10 | \$ 19,278    |                          |                             | 19,278        | 19,278                 |                                        |                                   |                                 |
| National School Lunch Program                                  | 10.555              |                               | 7/1/09-6/30/10 | 290,602      |                          |                             | 261,409       | 290,602                | (29,193)                               |                                   |                                 |
| National School Lunch Program                                  | 10.555              |                               | 7/1/08-6/30/09 | 281,530      | (16,375)                 |                             | 16,375        |                        |                                        |                                   |                                 |
| National School Breakfast Program                              | 10.553              |                               | 7/1/09-6/30/10 | 9,990        |                          |                             | 8,759         | 9,990                  | (1,231)                                |                                   |                                 |
| National School Breakfast Program                              | 10.553              |                               | 7/1/08-6/30/09 | 12,429       | (686)                    |                             | 686           |                        |                                        |                                   |                                 |
| Equipment Assistance Grant (ARRA)                              | 10.579              |                               | 7/1/07-6/30/08 | 20,500       | (20,500)                 |                             | 20,500        |                        |                                        |                                   |                                 |
| Total Enterprise Fund                                          |                     |                               |                | 327,007      | (37,561)                 |                             | 327,007       | 319,870                | (30,424)                               |                                   |                                 |
| <b>U.S. Department of Education</b>                            |                     |                               |                |              |                          |                             |               |                        |                                        |                                   |                                 |
| General Fund:                                                  |                     |                               |                |              |                          |                             |               |                        |                                        |                                   |                                 |
| ARRA - SFSF - ESF (Educ. State Grants)                         | 84.394              |                               | 7/1/09-6/30/10 | 625,999      |                          |                             | 349,432       | 625,999                | (276,567)                              |                                   |                                 |
| ARRA - SFSF - GSF (Government Services)                        | 84.397              |                               | 7/1/09-6/30/10 | 24,233       |                          |                             | 13,531        | 24,233                 | (10,702)                               |                                   |                                 |
|                                                                |                     |                               |                |              |                          |                             | 362,963       | 650,232                | (287,269)                              |                                   |                                 |
| <b>U.S. Department of Health and Human Services</b>            |                     |                               |                |              |                          |                             |               |                        |                                        |                                   |                                 |
| General Fund:                                                  |                     |                               |                |              |                          |                             |               |                        |                                        |                                   |                                 |
| Medical Assistance Program (SEMI)                              | 93.778              |                               | 7/1/09-6/30/10 | 26,489       |                          |                             |               | 26,489                 | (26,489)                               |                                   |                                 |
| Total General Fund                                             |                     |                               |                |              |                          |                             | 362,963       | 676,721                | (313,758)                              |                                   |                                 |
| <b>U.S. Department of Education</b>                            |                     |                               |                |              |                          |                             |               |                        |                                        |                                   |                                 |
| Passed-through State Department of Education:                  |                     |                               |                |              |                          |                             |               |                        |                                        |                                   |                                 |
| Special Revenue Fund:                                          |                     |                               |                |              |                          |                             |               |                        |                                        |                                   |                                 |
| Title I, Improving Basic Programs                              | 84.010A             | NCLB185010                    | 9/1/09-8/31/10 | 832,326      |                          | 1,278                       | 250,881       | 658,134                | (405,975)                              |                                   |                                 |
| Title I, Improving Basic Programs                              | 84.010A             | NCLB185009                    | 9/1/08-8/31/09 | 726,673      | (132,244)                |                             | 165,889       | 33,645                 |                                        |                                   |                                 |
| Title I, Improving Basic Programs                              | 84.010A             | NCLB185008                    | 9/1/07-8/31/08 | 598,666      | 1,278                    | (1,278)                     |               |                        |                                        |                                   |                                 |
| ARRA - Title I, Part A                                         | 84.389              | ARRA185010                    | 9/1/09-8/31/10 | 543,112      |                          |                             | 178,766       | 231,460                | (52,694)                               |                                   |                                 |
| Title I, SIA, Part A - School Improvement Accountability       | 84.010A             | NCLB185009                    | 9/1/08-8/31/09 | 45,580       | (25,663)                 |                             |               | 19,917                 | (45,580)                               |                                   |                                 |
| ARRA - Title I, SIA Part A - School Improvement Accountability | 84.389              | ARRA185010                    | 9/1/09-8/31/10 | 39,580       |                          |                             | 15,990        | 20,792                 | (4,802)                                |                                   |                                 |
| Title II, Part A - Teacher/Principal Training and Recruiting   | 84.367              | NCLB185010                    | 9/1/09-8/31/10 | 88,018       |                          | 392                         | 4,992         | 68,138                 | (62,754)                               |                                   |                                 |
| Title II, Part A - Teacher/Principal Training and Recruiting   | 84.367              | NCLB185009                    | 9/1/08-8/31/09 | 88,269       | (3,545)                  | (2)                         | 35,106        | 31,559                 |                                        |                                   |                                 |

TOWN OF GUTTENBERG  
BOARD OF EDUCATION

Schedule of Expenditures of Federal Awards

Year ended June 30, 2010

| Federal Grantor/Pass-through Grantor/Program Title                | Federal CFDA Number | Grant or State Project Number | Grant Period   | Award Amount | Balance at June 30, 2009 | Carryover/ (Walkover) Amount | Cash Received | Budgetary Expenditures | (Accounts Receivable) at June 30, 2010 | Deferred Revenue at June 30, 2010 | Due to Grantor at June 30, 2010 |
|-------------------------------------------------------------------|---------------------|-------------------------------|----------------|--------------|--------------------------|------------------------------|---------------|------------------------|----------------------------------------|-----------------------------------|---------------------------------|
| Title II, Part A - Teacher/Principal Training and Recruiting      | 84.367              | NCLB185008                    | 9/1/07-8/31/08 | 78,473       | 390                      | (390)                        |               |                        |                                        |                                   |                                 |
| Title II, Part D - Enhancing Education Through Education          | 84.318              | NCLB185010                    | 9/1/09-8/31/10 | 8,461        |                          | (515)                        |               | 8,211                  | (8,726)                                |                                   |                                 |
| Title II, Part D - Enhancing Education Through Education          | 84.318              | NCLB185009                    | 9/1/08-8/31/09 | 6,035        | (1,035)                  | 515                          | 2,697         | 2,177                  |                                        |                                   |                                 |
| Title III - English Language Acquisition and Language Enhancement | 84.365              | NCLB185010                    | 9/1/09-8/31/10 | 34,395       |                          | (13,686)                     |               | 8,783                  | (22,469)                               |                                   |                                 |
| Title III - English Language Acquisition and Language Enhancement | 84.365              | NCLB185009                    | 9/1/08-8/31/09 | 38,972       | (24,338)                 | 14,134                       | 24,838        | 14,634                 |                                        |                                   |                                 |
| Title III - Immigrant                                             | 84.365              | NCLB185008                    | 9/1/07-8/31/08 | 33,194       | 448                      | (448)                        |               |                        |                                        |                                   |                                 |
| Title III - Immigrant                                             | 84.365              | NCLB185009                    | 9/1/08-8/31/09 | 13,190       | (3,278)                  | 753                          | 3,408         | 9,512                  | (8,629)                                |                                   |                                 |
| Title IV - Safe and Drug Free Schools                             | 84.186              | NCLB185008                    | 9/1/07-8/31/08 | 14,860       | 753                      | (753)                        |               |                        |                                        |                                   |                                 |
| Title IV - Safe and Drug Free Schools                             | 84.186              | NCLB185010                    | 9/1/09-8/31/10 | 11,156       |                          | 268                          | 460           | 9,200                  | (8,472)                                |                                   |                                 |
| Title IV - Safe and Drug Free Schools                             | 84.186              | NCLB185007                    | 9/1/06-8/31/07 |              | 3,497                    |                              |               |                        |                                        |                                   | 3,497                           |
| Title IV - Safe and Drug Free Schools                             | 84.186              | NCLB185009                    | 9/1/08-8/31/09 | 10,140       | (2,115)                  | 268                          | 6,990         | 4,875                  |                                        | 14                                |                                 |
| Title IV - Safe and Drug Free Schools                             | 84.186              | NCLB185008                    | 9/1/07-8/31/08 | 13,032       |                          |                              |               |                        |                                        |                                   |                                 |
| Title V - Innovative Programs                                     | 84.027A             | IDEA185010                    | 9/1/07-8/31/08 | 2,689        | 14                       |                              |               |                        |                                        |                                   |                                 |
| I.D.E.A. Part B, Basic Regular                                    | 84.027A             | IDEA185009                    | 9/1/08-8/31/09 | 265,226      | (257,598)                | 14                           | 149,563       | 263,629                | (114,052)                              |                                   |                                 |
| I.D.E.A. Part B, Basic Regular                                    | 84.027A             | IDEA185007                    | 9/1/06-8/31/07 | 257,767      |                          |                              | 257,767       | 169                    |                                        |                                   |                                 |
| ARRA - I.D.E.A. Part B, Basic Regular                             | 84.391              | ARRA185010                    | 9/1/09-8/31/10 | 241,189      |                          |                              |               |                        |                                        |                                   |                                 |
| I.D.E.A. Part B, Preschool                                        | 84.173              | IDEA185010                    | 9/1/06-8/31/10 | 347,882      | 14                       |                              | 116,665       | 167,593                | (50,928)                               |                                   |                                 |
| I.D.E.A. Part B, Preschool                                        | 84.173              | IDEA185009                    | 9/1/09-8/31/10 | 9,352        | (9,254)                  |                              | 9,352         | 9,352                  |                                        |                                   |                                 |
| ARRA - I.D.E.A. Part B, Preschool                                 | 84.392              | ARRA185010                    | 9/1/09-8/31/10 | 9,254        |                          |                              | 9,254         |                        |                                        |                                   |                                 |
| Total Special Revenue Fund                                        |                     |                               |                | 12,505       | (452,408)                |                              | 1,233,352     | 1,562,792              | (785,359)                              | 14                                | 3,497                           |
| Total Federal Financial Assistance                                |                     |                               |                |              | (489,969)                |                              | 1,923,322     | 2,559,383              | (1,129,541)                            | 14                                | 3,497                           |

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, 2010

| State Grantor/Program Title                             | Balance June 30, 2009          |                |                         |                                        |                | Balance at June 30, 2010    |               |                        |                       |                  | MEMO |                |                      |
|---------------------------------------------------------|--------------------------------|----------------|-------------------------|----------------------------------------|----------------|-----------------------------|---------------|------------------------|-----------------------|------------------|------|----------------|----------------------|
|                                                         | Grant or State Project Numbers | Grant Period   | Program or Award Amount | Deferred Revenue (Accounts Receivable) | Due to Grantor | Carryover/(Walkover) Amount | Cash Received | Budgetary Expenditures | (Accounts Receivable) | Deferred Revenue |      | Due to Grantor | Budgetary Receivable |
| <b>State Department of Education:</b>                   |                                |                |                         |                                        |                |                             |               |                        |                       |                  |      |                |                      |
| <b>General Fund:</b>                                    |                                |                |                         |                                        |                |                             |               |                        |                       |                  |      |                |                      |
| Equalization Aid                                        | 10-495-034-5120-078            | 7/1/09-6/30/10 | 2,278,526 \$            |                                        |                | 1,974,261                   | 2,278,526     |                        |                       |                  |      | (304,265)      | 2,278,526            |
| Transportation Aid                                      | 10-495-034-5120-014            | 7/1/09-6/30/10 | 31,904                  |                                        |                | 27,644                      | 31,904        |                        |                       |                  |      | (4,260)        | 31,904               |
| Special Education Categorical Aid                       | 10-495-034-5120-089            | 7/1/09-6/30/10 | 717,882                 |                                        |                | 622,019                     | 717,882       |                        |                       |                  |      | (95,863)       | 717,882              |
| Security Aid                                            | 10-495-034-5120-084            | 7/1/09-6/30/10 | 267,921                 |                                        |                | 232,144                     | 267,921       |                        |                       |                  |      | (35,777)       | 267,921              |
| Extraordinary Aid                                       | 09-100-034-5120-473            | 7/1/08-6/30/09 | 153,050                 | (153,050)                              |                | 153,050                     |               |                        |                       |                  |      |                | 153,050              |
| TPAF - Post Retirement Medical Contribution             | 10-495-034-5095-001            | 7/1/09-6/30/10 | 274,378                 |                                        |                | 274,378                     | 274,378       |                        |                       |                  |      |                | 274,378              |
| TPAF - Non-contributory Insurance                       | 10-495-034-5095-007            | 7/1/09-6/30/10 | 14,609                  |                                        |                | 14,609                      | 14,609        |                        |                       |                  |      |                | 14,609               |
| TPAF Social Security                                    | 10-495-034-5095-002            | 7/1/09-6/30/10 | 374,529                 |                                        |                | 355,668                     | 374,529       | (18,861)               |                       |                  |      | (18,861)       | 374,529              |
| Total General Fund                                      |                                |                |                         | (153,050)                              |                | 3,653,773                   | 3,959,749     | (18,861)               |                       |                  |      | (440,165)      | 4,112,799            |
| <b>Special Revenue Fund:</b>                            |                                |                |                         |                                        |                |                             |               |                        |                       |                  |      |                |                      |
| Preschool Education Aid                                 | 10-495-034-5120-086            | 7/1/09-6/30/10 | 187,425                 |                                        | 17,016         | 168,681                     | 175,764       |                        | 9,933                 |                  |      | (18,743)       | 175,764              |
| Preschool Education Aid                                 | 09-495-034-5120-086            | 7/1/08-6/30/09 | 185,696                 |                                        | (17,016)       | 18,570                      | 175,764       |                        | 9,933                 |                  |      | (18,743)       | 185,696              |
| Total Special Revenue Fund                              |                                |                |                         |                                        |                | 187,251                     | 175,764       |                        | 9,933                 |                  |      |                | 361,460              |
| <b>Debt Service Fund:</b>                               |                                |                |                         |                                        |                |                             |               |                        |                       |                  |      |                |                      |
| Debt Service Aid Type II                                | 10-495-034-5120-017            | 7/1/09-6/30/10 | 19,713                  |                                        |                | 19,713                      | 19,713        |                        |                       |                  |      |                | 19,713               |
| <b>State Department of Agriculture Enterprise Fund:</b> |                                |                |                         |                                        |                |                             |               |                        |                       |                  |      |                |                      |
| <b>State Share:</b>                                     |                                |                |                         |                                        |                |                             |               |                        |                       |                  |      |                |                      |
| National School Lunch Program                           | 10-100-010-3350-023            | 7/1/09-6/30/10 | 11,424                  |                                        |                | 10,271                      | 11,424        | (1,153)                |                       |                  |      |                | 9,107                |
| National School Lunch Program                           | 09-100-010-3350-023            | 7/1/08-6/30/09 | 11,479                  | (666)                                  |                | 666                         | 607           | (73)                   |                       |                  |      |                | 8,477                |
| National School Breakfast Program                       | 10-100-010-3350-021            | 7/1/09-6/30/10 | 607                     | (46)                                   |                | 534                         | 607           | (73)                   |                       |                  |      |                | 721                  |
| National School Breakfast Program                       | 09-100-010-3350-021            | 7/1/08-6/30/09 | 721                     | (712)                                  |                | 46                          | 12,031        | (1,226)                |                       |                  |      |                | 710                  |
| Total State Financial Assistance                        |                                |                | \$                      | (155,316)                              |                | 3,852,541                   | 4,167,257     | (20,087)               | 9,933                 |                  |      | (458,908)      | 4,493,274            |

D - This is not a receivable, but a deficit due to expenditures exceeding last state aid payment.

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

**NOTE 1. GENERAL**

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance include the activity of all federal and state award programs of the Board of Education, Town of Guttenberg School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal and state awards passed through other government agencies is included on the Schedules of Expenditures of Federal Awards and State Financial Assistance.

**NOTE 2. BASIS OF ACCOUNTING**

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes 2(C) and 2(D) to the Board's basic financial statements. The information in these schedules is presented in accordance with the requirements of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." Therefore, some amounts presented in this schedule may differ in amounts presented in or used in the preparation of the basic financial statements.

**NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

The basic financial statements present the general fund and the special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes, that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid payment in the current budget year, consistent with N.J.S.A. 18A:22-44.2.

**NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS, (continued)**

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(19,836) for the general fund and \$1,554 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               | \$676,721          | \$3,939,913        | \$4,616,634        |
| Special Revenue Fund       | 1,562,792          | 177,318            | 1,740,110          |
| Debt Service Fund          |                    | 19,713             | 19,713             |
| Food Service Fund          | <u>319,870</u>     | <u>12,031</u>      | <u>331,901</u>     |
| Total Awards and Financial | <u>\$2,559,383</u> | <u>\$4,148,975</u> | <u>\$6,708,358</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, 2010. 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, 2010.

The District received a monitoring visit from the State Department of Education with respect to the District's use of ARRA funds and the related program plans, where applicable, to determine whether the District's programs are meeting the intended purposes and objectives, as specified in the current year applications and authorizing statutes, and to determine whether the funds were spent in accordance with the program requirements, federal and state laws, and applicable regulations. The on-site visit included staff interviews and documentation reviews related to the requirements of the following programs: State Fiscal Stabilization Funds (SFSF) including the Education Stabilization Aid (ESF) and Government Services Fund (GSF); Title I, Title I SIA, ARRA Title I, ARRA Title I-SIA, IDEA Basic, IDEA Preschool, ARRA IDEA Basic and ARRA IDEA Preschool for the period July 1, 2009 through December 31, 2009.

Various findings and recommendations concerning these programs were discovered during the monitoring visit and are reflected in the accompanying schedule of findings and questioned costs under Findings 2010-1, 2010-3, and 2010-4 through 2010-7. The District's responsive corrective action plan submitted to the State Department of Education was approved and subsequently implemented.

**TOWN OF GUTTENBERG SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

*Section I - Summary of Auditor's Results*

**Financial Statements**

Type of auditor's report issued: unqualified

Internal control over financial reporting:

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

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

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

**Federal Awards**

Internal Control over major programs:

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

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

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

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

Identification of major programs:

| <u>CFDA Number(s)</u>                 | <u>Name of Federal Program or Cluster</u>                                                                                                                            |
|---------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <u>84.010, 84.389</u>                 | <u>N.C.L.B. Title I - Improving Basic Programs/ARRA - N.C.L.B. Title I/N.C.L.B. Title I - School Improvement Accountability/ARRA - N.C.L.B. Title I, SIA, Part A</u> |
| <u>84.394, 84.397</u>                 | <u>ARRA - Education Stabilization Fund<br/>ARRA - Government Services Fund</u>                                                                                       |
| <u>84.027, 84.391, 84.173, 84.392</u> | <u>IDEA, Part B - Basic/IDEA, Part B - Preschool/ARRA - IDEA, Part B - Basic/ARRA - IDEA, Part B - Preschool</u>                                                     |
| <u>10.555, 10.553</u>                 | <u>National School Lunch Program</u>                                                                                                                                 |

Dollar threshold used to distinguish between type A and type B programs: \$300,000

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



**TOWN OF GUTTENBERG SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(continued)**

*Section II - Financial Statement Findings*

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance related to the financial statements that are required to be reported in accordance with paragraphs 5.18 through 5.20 of Government Auditing Standards.

None

**TOWN OF GUTTENBERG SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

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

This section identifies audit findings required to be reported by section .510(a) of Circular A-133 and NJOMB Circular 04-04.

**Finding 2010-1:** The Adequate Yearly Progress letter (AYP) that was used did not provide all of the required information for parents.

**Information on the Federal program:** 84.010, Title I, Part A of the ESEA, 84.389, Title I, Part A - ARRA

**Criteria or specific requirement:** The Adequate Yearly Progress Letter (AYP) failed to include an explanation of what the identification means, and how the school compares in terms of academic achievement to other elementary schools or secondary schools served by the local educational agency and the state educational agency involved.

**Condition:** The Adequate Yearly Progress Letter failed to meet requirements as stipulated in the No Child Left Behind Act, Section 1116(b)(6)(a-f).

**Questioned Costs:** None

**Context:** N/A

**Effect:** The district's Adequate Yearly Progress letter contained insufficient information according to Section 1116(b)(6)(a-f) of the No Child Left Behind Act.

**Cause:** The District abbreviated some of the requirements from the standard template in an effort to simply the information provided to parents.

**Recommendation:** The District should use the template provided for reporting the AYP Status to parents.

**Views of responsible officials and planned corrective actions:** The Adequate Yearly Progress letter to parents will be revised as per the template.

**TOWN OF GUTTENBERG SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

*Section III – Federal Awards and State Financial Assistance Findings and Questioned Costs,  
(cont.)*

**Finding 2010-2:** The District supplanted existing out-of-district tuition costs for two students and failed to request maintenance of effort reduction in accordance with the Generally Accepted Accounting Practices Budget Category Guidelines.

**Information on the federal program:** 84.027, IDEA, Part B, 84.391, IDEA Part B - ARRA

**Criteria or specific requirement:** The District violated provisions of 34 CFR 300.204-300.205 *Adjustments to Local Fiscal Efforts in Certain Fiscal Years* and the *Uniform Minimum Chart of Accounts (Handbook 2R2), Issued 1992*.

**Condition:** Out-of-district tuition costs for two students were supplanted with Federal Funds.

**Questioned Costs:** None

**Context:** IDEA funds received by an LEA cannot be used, except under certain limited circumstances, to reduce the level of expenditures for the education of children with disabilities made by the LEA from local funds, or a combination of State and Local funds, below the level of those expenditures for the preceding fiscal year.

**Effect:** The District violated provisions of 34 CFR 300.204-300.205 and did not amend its ARRA IDEA application to correctly document the maintenance of effort reduction of local funds supporting special education costs.

**Cause:** Out-of-district special education student tuition costs were reallocated to Federal funding without proper application amendments.

**Recommendation:** An amendment to the ARRA IDEA application be made to correctly document the maintenance of effort reduction of local funds supporting special education costs, in addition to completing the appropriate maintenance of effort tabs to account for the freed up funds and budgeted ARRA funds.

**Views of responsible officials and planned corrective action:** The Child Study Team Coordinator will correctly document maintenance of effort and ensure that the district does not supplant.

TOWN OF GUTTENBERG SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

*Section III – Federal Awards and State Financial Assistance Findings and Questioned Costs,  
(cont.)*

**Finding 2010-3:** There were instances in which the district failed to issue a purchase order prior to services being rendered.

**Information on the federal program:** 84.010, Title I, Part A of the ESEA, 84.389, Title I, Part A – ARRA, 84.027, IDEA, Part B, 84.391, IDEA Part B - ARRA

**Criteria or specific requirement:** EDGAR, Part 80-*Uniform Administrative Requirements for grants and cooperative agreements to state and local governments*, Sec. 20, Standards for financial management systems. N.J.S.A. 18A:8A(2)(v) *Public School Contract Law*.

**Condition:** On several occasions the district failed to issue a purchase order prior to services being rendered (confirming order). District policy and state regulations require that a properly executed purchase order be issued prior to services being rendered.

**Questioned Costs:** None

**Context:** N/A

**Effect:** The district violated provisions of its established purchasing policy as well as provisions of EDGAR (Education Department General Administrative Regulations).

**Cause:** Goods and/or services are being ordered or purchased prior to an approved and executed purchase order is issued.

**Recommendation:** Purchase orders should be issued to all vendors prior to goods or services being provided.

**Views of responsible officials and planned corrective action:** Requisitions to purchase must be completed and purchase orders generated upon Board approval prior to goods or services provided.

TOWN OF GUTTENBERG SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

*Section III – Federal Awards and State Financial Assistance Findings and Questioned Costs,  
(cont.)*

**Finding 2010-4:** There were instances in which the District issued payments to certain professional development providers without a supporting invoice from the vendor.

**Information on the federal program:** 84.010, Title I, Part A of the ESEA, 84.389, Title I, Part A – ARRA, 84.027, IDEA, Part B, 84.391, IDEA Part B - ARRA

**Criteria or specific requirement:** EDGAR, Part 80-Uniform Administrative Requirements for grants and cooperative agreements to state and local governments, Sec. 20, Standards for financial management systems. N.J.S.A. 18A:19-4 *Expenditure of Funds; Audit and Payment of Claims.*

**Condition:** The District issued payments to certain professional development providers without a supporting invoice from the vendor. District policy and state regulations require that a detailed invoice or other supporting documentation be presented prior to payment for goods and services.

**Questioned Costs:** None

**Context:** N/A

**Effect:** The district violated provisions of its established purchasing policy as well as provisions of EDGAR (Education Department General Administrative Regulations), and N.J.S.A. 18A:19-4.

**Cause:** Payments are being made for professional development in the absence of supporting documentation.

**Recommendation:** Payments for goods and services must be supported by a vendor invoice.

**Views of responsible officials and planned corrective action:** Time sheets signed by department coordinators must be accomplished by invoices prior to payment.

TOWN OF GUTTENBERG SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

*Section III – Federal Awards and State Financial Assistance Findings and Questioned Costs,  
(cont.)*

**Finding 2010-5:** The District does not reappoint grant staff annually in the board minutes.

**Information on the federal program:** 84.010, Title I, Part A of the ESEA, 84.389, Title I, Part A – ARRA, 84.027, IDEA, Part B, 84.391, IDEA Part B - ARRA

**Criteria or specific requirement:** EDGAR, Part 80-*Uniform Administrative Requirements for grants and cooperative agreements to state and local governments*, Sec. 20, Standards for financial management systems.

**Condition:** The district did not reappoint grant staff annually in the board minutes. Only new staff assignments are noted in the minutes.

**Questioned Costs:** None

**Context:** N/A

**Effect:** The district violated provisions of EDGAR, Part 80-*Uniform Administrative Requirements for grants and cooperative agreements to state and local governments*, Sec. 20, Standards for financial management systems.

**Cause:** District personnel failed to familiarize themselves with the requirements stipulated in EDGAR, Part 80-*Uniform Administrative Requirements for grants and cooperative agreements to state and local governments*, Sec. 20, Standards for financial management systems.

**Recommendation:** All staff charged against grants should be reappointed annually by board resolution.

**Views of responsible officials and planned corrective action:** Upon commencement of every fiscal year, all employees will be approved via board resolution.

TOWN OF GUTTENBERG SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

*Section III – Federal Awards and State Financial Assistance Findings and Questioned Costs,  
(cont.)*

**Finding 2010-6:** The District does not have formal written policies for requesting reimbursement from the EWEG (State Electronic Web-Enabled Grant system).

**Information on the federal program:** 84.010, Title I, Part A of the ESEA, 84.389, Title I, Part A – ARRA, 84.027, IDEA, Part B, 84.391, IDEA Part B - ARRA

**Criteria or specific requirement:** EDGAR, Part 80-*Uniform Administrative Requirements for grants and cooperative agreements to state and local governments*, Sec. 20, Standards for financial management systems.

**Condition:** The district does not have a formal written policy with respect to obtaining reimbursement for state and federal funds through the EWEG system.

**Questioned Costs:** None

**Context:** N/A

**Effect:** The district violated provisions of EDGAR, Part 80-*Uniform Administrative Requirements for grants and cooperative agreements to state and local governments*, Sec. 20, Standards for financial management systems.

**Cause:** District personnel failed to realize and/or familiarize themselves with the provisions of EDGAR which require written policies for requesting reimbursement of federal and state aid.

**Recommendation:** The District must have a formal board policy concerning the reimbursement of grant funds and should submit this to the New Jersey Department of Education for review.

**Views of responsible officials and planned corrective action:** Policy updates will be drafted to ensure internal controls.

**TOWN OF GUTTENBERG SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

*Section III – Federal Awards and State Financial Assistance Findings and Questioned Costs,  
(cont.)*

**Finding 2010-7:** The District is not maximizing its efforts under the Special Education Medicaid Initiative (SEMI) program for obtaining federal funding for education services.

**Information on the state program:**

- Equalization Aid – 10-495-034-5120-078
- Special Education Categorical Aid – 10-495-034-5120-089
- Security Aid – 10-495-034-5120-084

**Criteria or specific requirement:** N.J.S.A. 18A:55-3 requires Districts to maximize their participation in the Special Education Medicaid Initiative program (SEMI).

**Condition:** All school districts shall recognize as revenue in its annual budget no less than 90% of SEMI projections provided by the department, unless the district has received a waiver or submitted alternative SEMI revenue projections.

**Questioned Costs:** \$26,489

**Context:** School Districts are required to maximize their participation in the Special Education Medicaid Initiative (SEMI).

**Effect:** The District has failed to realize any revenue that may be obtained from the filing of claims for allowable special education services under the federal Special Education Medicaid Initiative Program (SEMI).

**Cause:** The District failed to implement policies and procedures or assign staff to file claims for eligible services under the SEMI program.

**Recommendation:** The District should establish procedures to ensure that it maximizes its efforts under SEMI for obtaining federal reimbursement for allowable special education services.

**Views of responsible officials and planned corrective action:**

**TOWN OF GUTTENBERG SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

**Status of Prior Year Findings**

There were no prior year audit findings.