SCHOOL DISTRICT OF THE
CITY OF HACKENSACK
COUNTY OF BERGEN, NEW JERSEY
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2011

School District
of

Hackensack

HACKENSACK BOARD OF EDUCATION
Hackensack, New Jersey

Comprehensive Annual Financial Report
Year Ended June 30, 2011

Comprehensive Annual Financial Report

of the

HACKENSACK BOARD OF EDUCATION
Hackensack, New Jersey

Year Ended June 30, 2011

Prepared by

Mark Kramer
Business Administrator/Board Secretary

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INTRODUCTORY SECTION

HACKENSACK PUBLIC SCHOOLS

191 Second Street, Hackensack, NJ 07601 • 201-646-8000
www.hackensackschools.org

October 19, 2011

Honorable President and
Members of the Board of Education
Hackensack School District
Hackensack, New Jersey 07601

Dear Board Members:

The comprehensive annual financial report of the Hackensack School District for the fiscal year ended June 30, 2011, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (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 District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The Comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the basic financial statements and schedules, required supplementary information, management's discussion and analysis as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the 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." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations are included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES:

Hackensack School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 14. All funds and account groups of the District are included in this report. The Hackensack Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-K through 12. These include regular, vocational as well as special education for handicapped youngsters. The District completed the 2010-2011 fiscal year with an average daily enrollment of 5,132 students, which is 99 students above the previous year's enrollment. The following details the changes in the student enrollment of the District over the last six years:

Fiscal Year	Average Daily Student Enrollment	Number Change	Percent Change
2005-06	4,852	- 77	-1.60%
2006-07	4,949	97	1.99%
2007-08	4,922	-27	-0.05%
2008-09	4,902	-20	-0.04%
2009-10	5,033	131	2.67%
2010-11	5,132	99	1.97%

2. Major Initiatives 2010 -2011

Educational programs, grades Pre-K-12

Many programs were initiated, maintained & developed:

- Expansion of Readers Workshop program into all District Elementary Schools.
- Expanding in-district services options for Special Education students.
- Expansion of school student tutoring for At-Risk students and in preparation for NJ Assessment of Skills & Knowledge grades 3-8 and High School Proficiency Assessment for grade 11.
- Cooperative Discipline and Conflict Resolution programs.
- Early Childhood programs including Pre-School.
- Continue phase-in of Smart Board Instructional Technology.
- Increase student access to state of the art technology across and throughout the curriculum.
- Maintaining current software and infra-structure including Technical support, Internet access and Software applications.
- Expand application of supplement educational software including Pearson Nova Net for the news HHS SAT review 5-credit course.
- Ongoing compliance with building safety initiatives in coordination with law enforcement.
- Additional opportunities for dual-credit (HS/College) programs.
- The new HHS Hackensack Academy for Second Success alternative HS program.
- Program review of K-12 Mathematics, Language Arts, Early Literacy, Social Studies, World Languages, Fine, Performing and Practical Arts, Vocational, Technical, and Career training and Health, Physical Education and Athletics, Business Education, the Sciences, Gifted & Talented programs, and ESL/Bilingual.
- Extracurricular programs and student support programs like nursing, guidance, tutoring and counseling.
- Providing diagnostic tools to assess student attainment (Benchmark Testing, Formative Assessment, and Data Driven Instruction).
- Review and expansion of HHS and HMS course offerings and increasing access to electives.
- Preparation for new NJ mandated High School redesign initiative that includes utilizing assessment tools to prepare for End of Course Assessments in Biology, Algebra 1 and grade 11 Language Arts (HHS).
- Maintenance of moderate elementary class sizes.
- Utilization of benchmark and formative assessments especially in grades 5-8

- Curriculum development revision utilizing the Understand by Design format and initiation of the curriculum mapping initiative.
- Providing instructional materials in preparation for State Mandated Testing.
- Expansion of Writers Workshop program into Middle School and 5/6 School.
- State's Anti-Bullying Initiative/Guidelines.

Professional Development for SY 2010 – 2011

Hackensack's teachers were required to launch writer's workshop in September by establishing the workshop structures (mini lesson, independent writing, sharing) and using its tools (mentor texts and student folders or notebooks). Teachers 'also implemented district developed monthly units of study following the pacing indicated on the district curricular calendar. Teachers monitored students during independent writing by making sure their students were on task as per the daily mini-lesson objective for a particular unit of study while taking notes on individual student progress. They would learn to use the information they gathered as a guide for planning future mini-lessons.

School Level Teams comprised of the principal, assistant principal and literacy coach or content area supervisor continued to meet on a monthly basis to monitor student progress. Teachers met with building principals, department supervisors, literacy coaches and/or math lead teachers on a regular basis to analyze student progress and identify grade level and individual student needs. Consultants, literacy coaches, math leads, and content area supervisors provided demonstration lessons in best instructional practices and intervention strategies for students who had not yet met grade level benchmarks. The district continued to focus on the use of data analysis to monitor student progress and inform instruction.

Teachers learned to use interactive read a-louds to provide models for good writing, build comprehension, and identify students for individual or small group work. Teachers in grades K-4 implemented district created units of study, while teachers in grades 5 & 6 worked on developing units of study for Writer's Workshop. Administrators and building principals in all schools designated specific days for professional development and created schedules for full day teacher trainings with substitute coverage provided for classroom teachers.

3. INTERNAL ACCOUNTING CONTROLS:

Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure the adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally 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 a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal and state financial assistance, the District 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 District management.

As part of the District'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 District has complied with applicable laws and regulations.

4. BUDGETARY CONTROLS:

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget

approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects 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 item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2011.

5. ACCOUNTING SYSTEM AND REPORTS:

The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements", Note 1.

6. FINANCIAL INFORMATION AT FISCAL YEAR-END:

The Board developed its 2010-11 budget under the state's recently new funding formula. An analysis of the expenditures in the financial section of this report will show that the Board was prudent in presenting the community with an accurate picture of educational needs.

7. CASH MANAGEMENT:

The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 2. The District has adopted a cash management plan, which 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. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

8. RISK MANAGEMENT:

The Board completed its thirteenth year as a member of the Northeast Bergen School Board Insurance Group which self insures workers' compensation and purchases general liability, auto and property insurance on a volume basis.

9. 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 & Cuva, and 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 Treasury Circular Letter 04-04 OMB. The auditor's report on the basic financial statements and specific required supplemental information is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

10. ACKNOWLEDGMENTS:

We would like to express our appreciation to the members of the Hackensack School Board 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. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

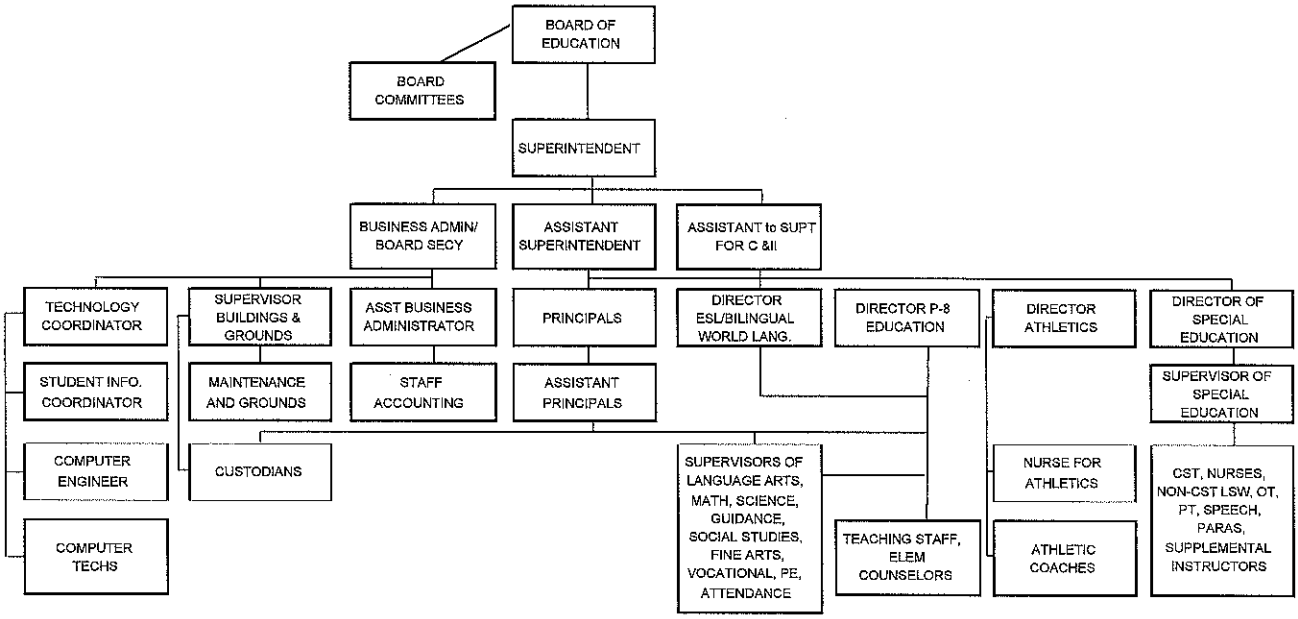
Respectfully submitted,

Dr. Raymond Gonzalez
Superintendent of Schools

Mark Kramer
School Business Administrator/
Board Secretary

HACKENSACK BOARD OF EDUCATION

ADMINISTRATIVE TABLE OF ORGANIZATION



HACKENSACK BOARD OF EDUCATION

ROSTER OF OFFICIALS

JUNE 30, 2011

Members of the Board of Education	Term Expires
Mark Stein, President	2012
Veronica Bolcik McKenna, Vice President	2014
Jeanne Dressler	2012
Philip Carroll	2011
Rhonda Williams Bembry	2014
Clarissa Gilliam Gardner	2012
Frank Albolino	2012
Carol Martinez	2012
Angel Carrion	2011
Gary Schultz, Maywood Representative	2012

Other Officials

Dr. Edward Kliszus, Superintendent

Raymond Gonzalez, Assistant Superintendent

Mark Kramer, School Business Administrator/Board Secretary

Tammy Zucca, Treasurer of School Monies

HACKENSACK BOARD OF EDUCATION

CONSULTANTS & ADVISORS

JUNE 30, 2011

Attorney

RICHARD E. SALKIN
Attorney
50 Main Street
Hackensack, New Jersey 07601

District Auditor

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

Official Depository

TD BANK
540 River Street
Hackensack, New Jersey

FINANCIAL SECTION

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

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

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

Newton Office
100B Main Street
Newton, N.J. 07860
973-579-3212
Fax 973-579-7128

INDEPENDENT AUDITOR'S REPORT

Honorable President and
Members of the Board of Education
City of Hackensack School District
County of Bergen, New Jersey
Hackensack, 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 City of Hackensack School District, in the County of Bergen, State of New Jersey, as of and for the fiscal year ended June 30, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Hackensack 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 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 City of Hackensack 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 City of Hackensack Board of Education, in the County of Bergen, State of New Jersey, as of June 30, 2011, 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.

FWCC

In accordance with *Government Auditing Standards*, we have also issued our report dated October 20, 2011 on our consideration of the City of Hackensack 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 11 through 21 and 54 through 60 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 City of Hackensack 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. Wielkotz, C.P.A.
Licensed Public School Accountant
No. 816

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

October 20, 2011

FWCC

REQUIRED SUPPLEMENTARY INFORMATION - PART I

CITY OF HACKENSACK SCHOOL DISTRICT
HACKENSACK, NJ

MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
UNAUDITED

As management of the City of Hackensack School District (the "School District"), we offer readers of the School District's financial statements this narrative overview and analysis of the financial activities of the City of Hackensack School District for the fiscal year ended June 30, 2011.

The management's discussion and analysis is provided at the beginning of the audit to provide an overall review of the past and current position of the School District's financial condition. This summary should not be taken as a replacement for the audit which consists of the financial statements and other supplemental information that presents all the School District's revenues and expenditures by program for the General Fund, Special Revenue Fund, Capital Projects Fund, Debt Service Fund and Enterprise Fund.

FINANCIAL HIGHLIGHTS

- In total, net assets decreased $418,543. Net assets of governmental activities decreased $468,882 while net assets of business-type activity increased by $50,339.

- General revenues accounted for $89,289,431 in revenue or 94 percent of all district revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for $6,107,834 or 6 percent of total revenues of $95,397,265.

- The School District had $93,719,958 in expenses related to governmental activities; only $3,961,723 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily grants, entitlements and property taxes) of $89,289,431 were adequate to provide for these programs.

USING THIS ANNUAL REPORT

This discussion and analysis are intended to serve as an introduction to the City of Hackensack School District's basic financial statements. The City of Hackensack School District's basic financial statements are comprised of three components: 1) district-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

USING THIS ANNUAL REPORT, (continued)

District-Wide Financial Statements

The *district-wide financial statements* are designed to provide readers with a broad overview of the City of Hackensack School District's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the City of Hackensack School District's assets and liabilities using the accrual basis of accounting, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City of Hackensack School District is improvement or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the district-wide financial statements distinguish functions of the City of Hackensack School District 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*). The governmental activities of the City of Hackensack School District include instruction, support services and special schools. The business-type activities of the City of Hackensack School District include the food service program.

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 City of Hackensack School District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of these funds of the City of Hackensack School District can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

USING THIS ANNUAL REPORT, (continued)

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the district-wide financial statements. However, unlike the district-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflow of spendable resources,* as well as on balances of *spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a District's near-term financing requirements.

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 district-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.*

The City of Hackensack School District maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, special revenue fund, capital projects fund, and debt service fund which are all considered to be major funds.

The City of Hackensack School District adopts annual appropriated budgets for its governmental funds except for the capital projects fund. 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

The City of Hackensack School District maintains one proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the district-wide financial statements. The City of Hackensack School District uses enterprise funds to account for its food service program.

Proprietary funds provide the same type of information as the district-wide financial statements, only in more detail. The proprietary fund financial statements provide information for the local district services operations.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the District. Fiduciary funds are *not* reflected in the district-wide financial statements because the resources of those funds are *not* available to support the City of Hackensack School District's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

USING THIS ANNUAL REPORT, (continued)

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the district-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.

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.

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

The School District's net assets were $18,146,996 at June 30, 2011 and $18,565,539 at June 30, 2010. 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 2011 compared to 2010 (Table 1) and change in net assets (Table 2) of the School District.

Table 1

Net Assets
June 30,

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Assets						
Current and Other Assets	6,943,959	7,876,627	652,506	614,875	7,596,465	8,491,502
Capital Assets	19,644,814	19,764,269	156,752	143,633	19,801,566	19,907,902
Total Assets	26,588,773	27,640,896	809,258	758,508	27,398,031	28,399,404
Liabilities						
Current Liabilities	394,945	924,684	411		395,356	924,684
Noncurrent Liabilities	8,855,679	8,909,181			8,855,679	8,909,181
Total Liabilities	9,250,624	9,833,865			9,251,035	9,833,865
Net Assets						
Invested in Capital Assets-						
Net of Related Debt	12,853,991	13,384,709	156,752	143,633	13,010,743	13,528,342
Restricted	4,985,228	5,742,198			4,985,228	5,742,198
Unrestricted	(501,070)	(1,319,876)	652,095	614,875	151,025	(705,001)
Total Net Assets	17,338,149	17,807,031	808,847	758,508	18,146,996	18,565,539

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

Table 2 below shows the changes in net assets for fiscal year 2011 compared to 2010.

Table 2
Changes in Net Assets
Year Ended June 30,

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Revenues						
Program Revenues:						
Charges for Services and Sales			420,974	447,814	420,974	447,814
Operating Grants and Contributions	3,961,723	5,716,280	1,725,137	1,710,133	5,686,860	7,426,413
Capital Grants and Contributions	106,337	305,552			106,337	305,552
General Revenues:						
Taxes:						
Property taxes	64,779,306	62,031,694			64,779,306	62,031,694
Federal and State Aid not Restricted	17,246,250	17,217,310			17,246,250	17,217,310
Tuition Received	6,944,414	6,281,947			6,944,414	6,281,947
Miscellaneous Income	154,399	312,863			154,399	312,863
Investment Income	58,647	95,646	78		58,725	95,646
Total Revenues and Transfers	93,251,076	91,961,292	2,146,189	2,157,947	95,397,265	94,119,239

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Functions/Program Expenses						
Instruction:						
Regular	34,070,608	37,187,411			34,070,608	37,187,411
Special Education	7,904,628	7,028,221			7,904,628	7,028,221
Other Special Instruction	2,035,260	2,127,599			2,035,260	2,127,599
Other Instruction	1,224,741	1,434,801			1,224,741	1,434,801
Support Services:						
Tuition	6,533,987	6,469,010			6,533,987	6,469,010
Student & Instruction Related Services	12,042,453	10,646,432			12,042,453	10,646,432
School Administrative Services	4,554,281	4,169,690			4,554,281	4,169,690
General Administrative Services	1,131,062	1,189,885			1,131,062	1,189,885
Central Services and Admin. Info. Tech.	1,518,228	1,374,370			1,518,228	1,374,370
Plant Operations and Maintenance	6,949,843	6,802,338			6,949,843	6,802,338
Pupil Transportation	1,609,196	1,819,573			1,609,196	1,819,573
Unallocated Benefits	5,511,656	6,543,098			5,511,656	6,543,098
Allocated Benefits	5,932,855	5,785,254			5,932,855	5,785,254
Charter Schools	663,317	691,043			663,317	691,043
Capital Outlay- Non-depreciable	76,830	258,309			76,830	258,309
Interest on Long-Term Debt	233,263	174,538			233,263	174,538
Unallocated depreciation	686,487	644,696			686,487	644,696
Capital Lease Obligations and Amortization	1,041,263	471,560			1,041,263	471,560
Food Service			2,095,850	1,928,573	2,095,850	1,928,573
Total Expenses and Transfers	93,719,958	94,817,828	2,095,850	1,928,573	95,815,808	96,746,401
Increase or (Decrease) in Net Assets	(468,882)	(2,856,536)	50,339	229,374	(418,543)	(2,627,162)

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

Governmental and Business-Type Activities

As reported in the Statement of Activities the cost of all of our governmental and business-type activities this year was $95,815,808. However, the amount that our taxpayers ultimately financed for these activities through School District taxes was only $64,779,306 because some of the cost was paid by those who benefitted from the programs $420,974, by other governments and organizations who subsidized certain programs with grants and contributions $5,686,938, unrestricted federal and state aid $17,246,250, federal and state aid capital outlay $106,337, tuition received $6,944,414, investment income $58,725, and by miscellaneous sources $154,399.

The following schedules present a summary of governmental fund revenues and expenditures for the fiscal year ended June 30, 2011, and the amount and percentage of increases/(decreases) relative to the prior year.

Revenue	Amount	Percent of Total	Increase/ (Decrease) from 2010	Percent of Increase/ (Decrease)
Local Source	$71,944,977	77.2%	$3,214,616	4.68%
State Source	18,424,074	19.8	1,758,484	10.55
Federal Source	2,882,025	3.0	(3,683,316)	(56.10)
Total	$93,251,076	100.0	$1,289,784	1.40 %

Expenditures	Amount	Percent of Total	Increase/ (Decrease) from 2010	Percent of Increase/ (Decrease)
Current Expenditures:				
Instruction	$40,935,433	43.7%	($3,225,602)	(7.30) %
Undistributed	51,211,447	54.7	2,698,699	5.56
Debt Service	867,988	(0.9)	(30,285)	(3.37)
Capital Outlay	643,862	0.7	(1,850,493)	(74.19)
Total	$93,658,730	100.0%	($2,407,681)	(2.51)%

Changes in expenditures were the result of varying factors. Current expense undistributed increased due to significant health insurance cost increases combined with increased student special education enrollment.

MAJOR GOVERNMENTAL FUNDS BUDGETING AND OPERATING HIGHLIGHTS

The School District's budgets are prepared according to New Jersey law. The most significant budgeted funds are the general fund, the special revenue fund and the debt service fund. The capital projects fund is funded by the bond proceeds and state aid. Therefore no budget is presented.

During the fiscal year ended June 30, 2011, the School District amended the special revenue fund by $2,573,309 for increases in federal and state grants.

General Fund

The general fund actual revenue was $87,800,614. That amount is $7,023,901 above the final amended budget of $80,776,713. The variance between the actual revenues and final budget was the result of non-budgeted on-behalf payments of $5,976,421 for TPAF pension and social security reimbursements, a $1,132,229 excess in miscellaneous anticipated revenues, a $47,377 deficit in state aid and a $37,372 deficit in federal aid.

The actual expenditures of the general fund were $89,988,128 including transfers which is $4,867,195 above the final amended budget of $85,120,933. The variance between the actual expenditures and final budget was due to non-budget on-behalf payments of $5,976,421 for TPAF pension and social security reimbursements, $1,338,250 non-budgeted capital leases, and $2,447,476 of unexpended budgeted funds.

General fund had total revenues and other financing sources of $87,800,614 and total expenditures of $89,988,128 with an ending fund balance of $6,328,919 on the budgetary basis of accounting.

Special Revenue Fund

The special revenue fund actual revenue was $4,240,700. That amount is $1,515,669 below the final amended budget of $5,756,369. The variance between the actual revenues and the final budget was state and federal grant revenue that was anticipated to be spent by fiscal year end. The state and federal grant revenue will be received/realized in the next fiscal year.

The actual expenditures of the special revenue fund were $4,240,700, which is $1,515,669 below the final amended budget of $5,756,369. The variance between the actual expenditures and the final budget was due to the anticipation of fully expending state and federal grant programs. Expenditures will be incurred in the next fiscal year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2011 the School District had $43,966,457 invested in sites, buildings, equipment and construction in progress. Of this amount $24,164,891 in depreciation has been taken over the years. We currently have a net book value of $19,801,566. Total additions for the year were $594,283, the majority of which was for various technology and office equipment, transportation equipment, food service equipment and improvements to the District's facilities. Table 3 shows fiscal year 2011 balances compared to 2010.

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

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Land	68,800	68,800			68,800	68,800
Buildings and Improvements	17,758,043	16,774,737			17,758,043	16,774,737
Furniture, Equipment and Vehicles	1,003,076	1,041,326	149,691	143,633	1,152,767	1,184,959
Construction in Progress	814,895	1,879,406	7,061		821,956	1,879,406
	19,644,814	19,764,269	156,752	143,633	19,801,566	19,907,902

For more detailed information, please refer to the Notes to Basic Financial Statements.

Debt Administration

At June 30, 2011, the District had $8,855,679 of long-term debt. Of this amount, $2,064,856 is for compensated absences; $5,715,604 of serial bonds for school construction; and $1,075,219 for obligations under capital leases.

Table 4
Outstanding Serial Bonds at June 30,

	2011	2010
2001 School Improvement Bonds		600,000
2009 Refunding School Improvement Bonds	5,410,000	5,440,000
	5,410,000	6,040,000

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 2011-2012 school year that is slightly higher than the level of the 2010-2011 school year.

These factors were considered in preparing the City of Hackensack School District's budgets for the 2011-2012 fiscal year.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of Hackensack School District'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:

Mark Kramer
School Business Administrator
City of Hackensack School District
191 Second Street
Hackensack, NJ 07601

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

Exhibit A-1

HACKENSACK BOARD OF EDUCATION
Statement of Net Assets
June 30, 2011

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	2,328,078	499,369	2,827,447
Receivables, net	4,111,945	140,319	4,252,264
Inventory		12,818	12,818
Restricted assets:			
Capital reserve account - cash	503,936		503,936
Capital assets, net: land and construction in progress	883,695	7,061	890,756
Capital assets, net :	18,761,119	149,691	18,910,810
Total Assets	26,588,773	809,258	27,398,031
LIABILITIES			
Accounts payable and accrued liabilities	156,585	411	156,996
Payable to federal government	5,038		5,038
Payable to state government	63,579		63,579
Deferred revenue	169,743		169,743
Noncurrent liabilities:			
Due within one year	921,852		921,852
Due beyond one year	7,933,827		7,933,827
Total liabilities	9,250,624	411	9,251,035
NET ASSETS			
Invested in capital assets, net of related debt	12,853,991	156,752	13,010,743
Restricted for:			
Debt service	273,111		273,111
Capital projects	1,687,379		1,687,379
Other purposes	3,024,738		3,024,738
Unrestricted (Deficit)	(501,070)	652,095	151,025
Total net assets	17,338,149	808,847	18,146,996

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

HACKENSACK BOARD OF EDUCATION
Statement of Activities
Fiscal Year Ended June 30, 2011

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Governmental Activities	Net (Expense) Revenue and Changes in Net Assets: Business-type Activities	Net (Expense) Revenue and Changes in Net Assets: Total
Governmental activities:								
Instruction:								
Regular	30,903,308	3,167,300		2,681,982		(31,388,626)		(31,388,626)
Special education	7,077,148	827,480				(7,904,628)		(7,904,628)
Other special instruction	1,823,109	212,151				(2,035,260)		(2,035,260)
Other instruction	1,131,868	92,873				(1,224,741)		(1,224,741)
Support services:								
Tuition	6,533,987					(6,533,987)		(6,533,987)
Student & instruction related services	11,056,544	985,909		1,279,741		(10,762,712)		(10,762,712)
School administrative services	4,082,427	471,854				(4,554,281)		(4,554,281)
General administrative services	1,065,655	65,407				(1,131,062)		(1,131,062)
Central services and administrative information technology	1,381,949	136,279				(1,518,228)		(1,518,228)
Plant operations and maintenance	6,529,339	420,504				(6,949,843)		(6,949,843)
Pupil transportation	1,608,981	215				(1,609,196)		(1,609,196)
Allocated benefits	5,932,855					(5,932,855)		(5,932,855)
Unallocated benefits	5,511,656					(5,511,656)		(5,511,656)
Charter schools	663,317					(663,317)		(663,317)
Capital outlay - non-depreciable	76,830					(76,830)		(76,830)
Interest on long-term debt	233,263					(233,263)		(233,263)
Unallocated depreciation	686,487					(686,487)		(686,487)
Capital lease obligations and amortization	1,041,263					(1,041,263)		(1,041,263)
Total governmental activities	87,339,986	6,379,972	-	3,961,723	-	(89,758,235)	-	(89,758,235)
Business-type activities:								
Food Service	2,095,850		420,974	1,725,137	-		50,261	50,261
Total business-type activities	2,095,850		420,974	1,725,137	-		50,261	50,261
Total primary government	89,435,836		420,974	5,686,860	-	(89,758,235)	50,261	(89,707,974)
General revenues:								
Taxes:								
Levied for general purposes						63,715,174		63,715,174
Taxes levied for debt service						1,064,132		1,064,132
Federal and State aid not restricted						17,246,250		17,246,250
Federal and State aid - Capital Outlay						106,337		106,337
Tuition received						6,944,414		6,944,414
Investment Earnings						58,647	78	58,725
Miscellaneous Income						154,399		154,399
Total general revenues, special items, extraordinary items and transfers						89,289,353	78	89,289,431
Change in Net Assets						(468,882)	50,339	(418,543)
Net Assets—beginning						17,807,031	758,508	18,565,539
Net Assets—ending						17,338,149	808,847	18,146,996

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

FUND FINANCIAL STATEMENTS

Exhibit B-1

HACKENSACK BOARD OF EDUCATION
Balance Sheet
Governmental Funds
June 30, 2011

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents					
Checking	1,524,013		1,154,052	196,145	2,874,210
Accounts Receivable -					
Interfunds	659,471		44,720	539,821	1,244,012
Intergovernmental - Federal	38,856	929,750			968,606
Intergovernmental - State	1,156,993		74,801		1,231,794
Other receivables	1,865,776	45,769			1,911,545
Restricted cash and cash equivalents					
Capital reserve	503,936				503,936
Total assets	5,749,045	975,519	1,273,573	735,966	8,734,103
LIABILITIES AND FUND BALANCES					
Liabilities:					
Deficit in cash		546,132			546,132
Accounts payable	121,645				121,645
Intergovernmental accounts payable - State		63,579			63,579
Intergovernmental accounts payable - Federal		5,038			5,038
Interfund payables		191,027	590,130	462,855	1,244,012
Deferred revenue		169,743			169,743
Total liabilities	121,645	975,519	590,130	462,855	2,150,149
Fund Balances:					
Restricted for:					
Excess Surplus - current year	1,363,063				1,363,063
Excess Surplus - prior year - designated for subsequent year's expenditures	261,646				261,646
Capital reserve account	1,003,936				1,003,936
Committed to:					
Year-end Encumbrances	510,533				510,533
Assigned to:					
Designated by the BOE for subsequent year's expenditures	889,496				889,496
Capital projects fund			683,443		683,443
Debt service fund				273,111	273,111
Unassigned:					-
General fund	1,598,726				1,598,726
Total Fund balances	5,627,400	-	683,443	273,111	6,583,954
Total liabilities and fund balances	5,749,045	975,519	1,273,573	735,966	

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 $43,629,647 and the accumulated depreciation is $23,984,833.	19,644,814
Accrued liability for interest on long-term debt is not due and payable in the current period and is not reported as a liability in the funds	(34,940)
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilties in the funds (see Note 7)	(8,855,679)
Net assets of governmental activities	17,338,149

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

Exhibit B-2

HACKENSACK BOARD OF EDUCATION
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Fiscal Year Ended June 30, 2011

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local sources:					
Municipal tax levy	63,715,174			1,064,132	64,779,306
Tuition charges	6,944,414				6,944,414
Interest Earned on Capital Reserve Funds	50				50
Miscellaneous	212,228	8,211	768		221,207
Total - Local Sources	70,871,866	8,211	768	1,064,132	71,944,977
State sources	17,175,061	1,249,013			18,424,074
Federal sources	71,189	2,810,836			2,882,025
Total revenues	88,118,116	4,068,060	768	1,064,132	93,251,076
EXPENDITURES					
Current:					
Regular instruction	28,221,326	2,681,982			30,903,308
Special education instruction	7,077,148				7,077,148
Other special instruction	1,823,109				1,823,109
School sponsored/other instructional	1,131,868				1,131,868
Support services and undistributed costs:					
Tuition	6,533,987				6,533,987
Attendance and social work services	180,928				180,928
Health services	913,268				913,268
Student & instruction related services	8,682,607	1,279,741			9,962,348
School administrative services	4,082,427				4,082,427
General administrative services	1,065,655				1,065,655
Central services & administrative information technology	1,381,949				1,381,949
Plant operations and maintenance	6,529,339				6,529,339
Pupil transportation	1,608,981				1,608,981
Allocated benefits	5,932,855				5,932,855
Unallocated benefits	6,379,972				6,379,972
On-behalf contributions	5,976,421				5,976,421
Transfer to charter school	663,317				663,317
Debt service:					
Principal				630,000	630,000
Interest and other charges				237,988	237,988
Capital outlay	1,802,971	106,337	72,804		1,982,112
Total expenditures	89,988,128	4,068,060	72,804	867,988	94,996,980
Excess (Deficiency) of revenues	(1,870,012)	-	(72,036)	196,144	(1,745,904)
OTHER FINANCING SOURCES (USES)					
Transfers in				768	768
Transfers out			(768)		(768)
Capital Leases (non-budgeted)	1,338,250				1,338,250
Total other financing sources and uses	1,338,250	-	(768)	768	1,338,250
Net change in fund balances	(531,762)	-	(72,804)	196,912	(407,654)
Fund balance—July 1	6,159,162	-	756,247	76,199	6,991,608
Fund balance—June 30	5,627,400	-	683,443	273,111	6,583,954

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

Exhibit B-3

HACKENSACK BOARD OF EDUCATION
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
Fiscal Year Ended June 30, 2011

Total net change in fund balances - governmental funds (from B-2)		(407,654)
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	(686,487)	
Depreciable Capital outlays	567,032	
		(119,455)
Repayment of long-term debt is reported as an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities. In the current year , these amounts consist of:		
General Bond Obligations - Principal	630,000	
Capital Lease Obligations - Principal	263,031	
		893,031
Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net assets.		
Amortization Expense - Premium	42,157	
Amortization Expense - Cost of Issuance	(8,201)	
		33,956
Capital lease proceeds		(1,338,250)
In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation. (+)		
General Bond Obligations - Prior Year	39,665	
General Bond Obligations	(34,940)	
		4,725
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).		
Decrease in compensated absences payable		464,765
Change in net assets of governmental activities		(468,882)

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

Exhibit B-4

HACKENSACK BOARD OF EDUCATION
Statement of Net Assets
Proprietary Funds
June 30, 2011

	Business-type Activities - Enterprise Fund
	Food Service Program
ASSETS	
Current assets:	
Cash and cash equivalents	499,369
Accounts receivable:	
State	5,616
Federal	132,892
Other	1,811
Inventories	12,818
Total current assets	652,506
Noncurrent assets:	
Capital assets:	
Construction in Progress	7,061
Equipment	329,749
Less accumulated depreciation	(180,058)
Total capital assets (net of accumulated depreciation)	156,752
Total assets	809,258
Current Liabilities:	
Accounts Payable	411
Total Liabilities	411
NET ASSETS	
Invested in capital assets net of related debt	156,752
Unrestricted	652,095
Total net assets	808,847

Exhibit B-5

HACKENSACK BOARD OF EDUCATION
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
Fiscal Year Ended June 30, 2011

	Business-type Activities - Enterprise Fund
	Food Service Program
Operating revenues:	
Charges for services:	
Daily sales - reimbursable programs	266,971
Daily sales - non-reimbursable programs	154,003
Total operating revenues	420,974
Operating expenses:	
Cost of sales	937,578
Salaries	553,766
Supplies and materials	70,680
Employee benefits	194,907
Depreciation expense	14,132
Repairs and other expenses	110,614
Purchased services	213,768
CCD Fees	405
Total Operating Expenses	2,095,850
Operating income (loss)	(1,674,876)
Nonoperating revenues (expenses):	
State sources:	
School lunch program	23,007
Snack program	38,099
Federal sources:	
National school lunch program	982,647
Breakfast program	607,316
U.S.D.A. Commodities	74,068
Interest Income	78
Total nonoperating revenues (expenses)	1,725,215
Income (loss) before contributions & transfers	50,339
Total net assets—beginning	758,508
Total net assets—ending	808,847

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

Exhibit B-6

HACKENSACK BOARD OF EDUCATION
Statement of Cash Flows
Proprietary Funds
Fiscal Year Ended June 30, 2011

	Business-type Activities - Enterprise Fund
	Food Service Program
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	420,974
Payments to suppliers	(2,003,324)
Net cash provided by (used for) operating activities	(1,582,350)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State Sources	65,827
Federal Sources	1,579,422
Interest Income	78
Net cash provided by (used for) non-capital financing activities	1,645,327
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Construction in Progress	(7,061)
Acquisition of capital assets	(20,190)
Net cash provided by (used for) capital and related financing activities	(27,251)
Net increase (decrease) in cash and cash equivalents	35,726
Balances—beginning of year	463,643
Balances—end of year	499,369
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	(1,674,876)
Adjustments to reconcile operating income (loss) to net cash provided by	
Depreciation and net amortization	14,132
Food Distribution Program	74,068
(Increase) decrease in accounts receivable, net	1,496
(Increase) decrease in inventories	2,419
Increase (decrease) in accounts payable	411
Total adjustments	92,526
Net cash provided by (used for) operating activities	(1,582,350)

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

Exhibit B-7

HACKENSACK BOARD OF EDUCATION
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2011

	Unemployment Compensation Trust Fund	Scholarship and Memorial Funds	Agency Fund
ASSETS			
Cash and cash equivalents	55,409	158,114	646,649
Deficit in reserve for unemployment claims	41,056		
Total assets	96,465	158,114	646,649
LIABILITIES			
Payable to student groups			179,734
Due to State of NJ - Unemployment	96,465		
Payroll deductions and withholdings			466,915
Total liabilities	96,465	-	646,649
NET ASSETS			
Reserved for scholarships		158,114	
	96,465	158,114	

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

Exhibit B-8

HACKENSACK BOARD OF EDUCATION
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
Fiscal Year Ended June 30, 2011

	Unemployment Compensation Trust Fund	Scholarship and Memorial Funds
ADDITIONS		
Contributions:		
Donations		9,246
Payroll withholdings	71,618	
Budget contributions	178,159	
Total Contributions	249,777	9,246
Investment earnings:		
Interest	280	1,319
Net investment earnings	280	1,319
Total additions	250,057	10,565
DEDUCTIONS		
Unemployment claims	301,577	
Scholarships awarded		19,576
Total deductions	301,577	19,576
Change in net assets	(51,520)	(9,011)
OTHER CHANGES TO FIDUCIARY NET ASSETS		
Net changes to deficit in reserve for scholarships		(12,808)
Total changes to fiduciary net assets	-	(12,808)
Change in net assets	(51,520)	(21,819)
Net assets—beginning of the year	10,464	177,933
Net assets—end of the year	(41,056)	156,114

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

NOTES TO THE FINANCIAL STATEMENTS

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

The Board of Education ("Board") of the City of Hackensack School District ("District") is an instrumentality of the State of New Jersey, established to function as an educational institution. The City of Hackensack School District is a Type II district located in the County of Bergen, 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 and a Borough of Maywood Representative, all elected to three-year terms. The purpose of the District is to educate students in grades K-12. 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 City of Hackensack 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.

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

GOVERNMENTAL FUNDS

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

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

GOVERNMENTAL FUNDS: (continued)

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.

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 Board has no internal service funds. The following is a description of the Proprietary Funds of the Board:

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

PROPRIETARY FUNDS: (continued)

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 Fund.

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 Memorial Funds, Student Activities Fund 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.

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.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

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.

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.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

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.

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 payments 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.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

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.

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 Revenues/Receivable:

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

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.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

I. Prepaid Items:

Payments made to vendors for services that will benefit periods beyond June 30, 2011, 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.

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 fo 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:

Description	Governmental Activities Estimated Lives	Business-Type Activity Estimated Lives
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

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

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.

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 Balances:

Fund balance is divided into five classifications based primarily on the extent to which the Board is bound to observe constraints imposed upon the resources in the governmental funds. The classifications are as follows:

- **Nonspendable** fund balance includes amounts that are not in a spendable form (inventory, for example) or are required to be maintained intact (the principal of an endowment fund, for example).

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

O. Fund Balances: (continued)

- **Restricted** fund balance includes amounts that can be spent only for the specific purposes stipulated by external resource providers (for example, grant providers), constitutionally, or through enabling legislation (that is, legislation that creates a new revenue source and restricts its use). Effectively, restrictions may be changed or lifted only with the consent of resource providers.

- **Committed** fund balance includes amounts that can be used only for the specific purposes determined by a formal action of the Board's highest level of decision-making authority. Commitments may be changed or lifted only by the government taking the same formal action that imposed the constraint originally.

- **Assigned** fund balance comprises amounts *intended* to be used by the Board for specific purposes. Intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.

- **Unassigned** fund balance is the residual classification for the general fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose. If another governmental fund has a fund balance deficit, then it will be reported as a negative amount in the unassigned classification in that fund. Positive unassigned amounts will be reported only in the general fund.

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.

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. 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 not allocated. 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, 2011, $-0- of the District's bank balance of $6,518,287 was exposed to custodial credit risk.

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, 2011, consisted of accounts receivable and intergovernmental. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	Governmental Fund Financial Statements	Enterprise Fund	District Wide Financial Statements
Interfunds	$1,244,012		$
State Aid	1,231,794	$5,616	1,237,410
Federal Aid	968,606	132,892	1,101,498
Other	1,911,545	1,811	1,913,356
Gross Receivables	5,355,957	140,319	4,252,264
Less: Allowance for Uncollectibles			
Total Receivables, Net	$5,355,957	$140,319	$4,252,264

NOTE 5. INTERFUND BALANCE AND ACTIVITY:

Balances due to/from other funds at June 30, 2011 consist of the following:

$95,836	Due to the General Fund from the Debt Service Fund to cover debt payment for FY10.
97,812	Due to the General Fund from the Debt Service Fund to cover debt payment for FY09.
239,186	Due to the General Fund from the Debt Service Fund to cover debt payment for FY08.
30,021	Due to the General Fund from the Debt Service Fund to correct posting of FY07 tax levy.
65,684	Due to the General Fund from the Special Revenue Fund as a result of grant expenditure reimbursements.
80,623	Due to the General Fund from the Special Revenue Fund for benefit expenditure reimbursement.
44,720	Due to the Capital Projects Fund from the Special Revenue Fund for reimbursement of expenditures for Jackson Avenue Soundproofing Project.
50,309	Due to the General Fund from the Capital Projects Fund for reimbursement of grant expenditures paid.
97,811	Due to the Debt Service Fund from the Capital Projects Fund for interest earnings FY06.
269,209	Due to the Debt Service Fund from the Capital Projects Fund as a result of interest earned to cover debt payments FY07.
61,070	Due to the Debt Service Fund from the Capital Projects Fund for interest earnings FY07.
66,894	Due to the Debt Service Fund from the Capital Projects Fund for interest earnings FY08.
41,005	Due to the Debt Service Fund from the Capital Projects Fund for interest earnings FY09.
3,065	Due to the Debt Service Fund from the Capital Projects Fund for interest earnings FY10.
767	Due to the Debt Service Fund from the Capital Projects Fund for interest earnings FY11.
$1,244,012	

Interfund transfers for the year ended June 30, 2011 consisted of the following:

$767	from the Capital Projects Fund to the Debt Service Fund for interest earnings.

NOTE 6. CAPITAL ASSETS:

Capital asset activity for the fiscal year ended June 30, 2011 was as follows:

	Balance 6/30/2010	Additions	Deletions	Balance 6/30/2011
Governmental Activities				
Capital assets that are not being depreciated:				
Land	$68,800	$	$	$68,800
Construction in progress	1,879,406	274,997	(1,339,508)	814,895
Total capital assets not being depreciated	1,948,206	274,997	(1,339,508)	883,695
Building and building improvements	37,875,415	127,481	1,339,508	39,342,404
Machinery and equipment	3,238,994	164,554		3,403,548
Totals at historical cost	41,114,409	292,035	1,339,508	42,745,952
Less accumulated depreciation for:				
Buildings and improvements	(21,100,678)	(483,683)		(21,584,361)
Equipment	(2,197,668)	(202,804)		(2,400,472)
Total accumulated depreciation	(23,298,346)	(686,487)		(23,984,833)
Total capital assets being depreciated, net of accumulated depreciation	17,816,063	(394,452)	1,339,508	18,761,119
Governmental activities capital assets, net	$19,764,269	($119,455)	$	$19,644,814
Business-type activities:				
Capital assets that are not being depreciated:				
Construction in progress		7,061		7,061
Total capital assets not being depreciated		7,061		7,061
Equipment	309,559	20,190		329,749
Less accumulated depreciation for:				
Equipment	(165,926)	(14,132)		(180,058)
Business-type activities capital assets, net	$143,633	$13,119	$	$156,752

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

NOTE 7. LONG-TERM OBLIGATION ACTIVITY:

Advance and Current Refundings of Debt

On September 9, 2009, the District issued $5,550,000 in School District Refunding Bonds having an interest rate of 2.00% to 5.00%. These bonds were issued in order to advance refund certain principal maturities and certain interest payments of various School District Bonds of the District. The total bond principal defeased was $5,418,000 and the total interest payments defeased was $529,800. The net proceeds of $5,889,561 (after payment of underwriting fees, insurance and other insurance costs) were used to purchase U.S. Government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments. As a result, the advance of refunding met the requirements of an in-substance debt defeasance and the refunded bond liability has been removed from the governmental activities column of the statement of net assets. The reacquisition price exceeded the net carrying amount of the old debt by $82,005. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is shorter than the life of the new debt issued.

Changes in long-term obligations for the fiscal year ended June 30, 2011 were as follows:

	Balance June 30, 2010	Issued	Retired	Balance June 30, 2011	Amount Due Within One Year
Governmental Activities:					
Bonds Payable	$6,040,000	$	($630,000)	$5,410,000	$630,000
Add:					
Unamortized Premium	421,565		(42,157)	379,408	42,157
Less:					
Unamortized Amount on Refunding	(82,005)		8,201	(73,804)	(8,201)
	6,379,560		(663,956)	5,715,604	663,956
Other Liabilities:					
Obligations Under Capital Lease		1,338,250	(263,031)	1,075,219	257,896
Compensated Absences Payable	2,529,621	79,836	(544,601)	2,064,856	
Total	2,529,621	1,418,086	(807,632)	3,140,075	257,896
	$8,909,181	$1,418,086	($1,471,588)	$8,855,679	$921,852

A. Bonds and Loans 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 obligations bonds.

NOTE 7. LONG-TERM OBLIGATION ACTIVITY: (continued)

Outstanding bonds payable at June 30, 2011, consisted of the following:

Issue	Issue Date	Interest Rate	Date of Maturity	Principal Balance June 30, 2011
School Improvement Bonds 2009	09/09/2009	2.00%-5.00%	05/01/2020	$5,410,000

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

Year	Total	Principal	Interest
2012	$839,638	$630,000	$209,638
2013	810,100	620,000	190,100
2014	783,863	615,000	168,863
2015	758,025	610,000	148,025
2016	725,525	595,000	130,525
2017-2020	2,620,550	2,340,000	280,550
	$6,537,701	$5,410,000	$1,127,701

B. Capital Leases Payable:

The District is leasing various equipment including a roof replacement, science lab renovations, lab equipment, furniture, fixtures and flooring, security cameras and digital video recorders and smart boards and computers under capital leases. All capital leases are for terms of five years. The following is a schedule of the future minimum lease payments under this capital lease, and the present value of the net minimum lease payments at June 30, 2011:

Year	Principal	Interest	Total
2012	$257,897	$27,801	$285,698
2013	265,036	20,663	285,699
2014	272,373	13,325	285,698
2015	279,913	5,785	285,698
	$1,075,219	$67,574	$1,142,793

Total minimum lease payments	$1,142,793
Less: Amount representing interest	(67,574)
Present value of lease payments	$1,075,219

NOTE 8. OPERATING LEASES:

The District has commitments to lease certain office equipment under operating leases that expire in 2012. Total operating lease payments made during the year ended June 30, 2011 were $279,164. Future minimum lease payments are as follows:

Year Ending June 30,	Amount
2012	$273,500
2013	267,286
2014	230,445
2015	127,163
2016	10,597
	$908,991

NOTE 9. 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.

NOTE 9. PENSION PLANS: (continued)

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 5.5% for PERS and 5.5% for TPAF of the employee's annual compensation. 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, 2011 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.

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

Year Ending	
6/30/11	$992,447
6/30/10	744,104
6/30/09	618,662

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

Year Ending	Pension Contributions	Post-Retirement Medical Contributions	NCGI Premium
6/30/11	$	$2,720,836	$128,099
6/30/10		2,594,634	138,149
6/30/09		2,437,695	127,779

NOTE 9. PENSION PLANS: (continued)

During the year ended June 30, 2011, the State of New Jersey contributed $2,848,935 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 $3,127,486 during the year ended June 30, 2011 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 10. 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, 2010, there were 87,288 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 2010, the State paid $126.3 million toward Chapter 126 benefits for 14,050 eligible retired members.

NOTE 11. 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:

Equitable	The Travelers
Plan Compliance Group	Valic
American United Life	Met Life
Phoenix Home Life	Great West
Safeco Life Insurance Co.	TIAA - CREF

NOTE 12. 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 "Benefit Reimbursement Method". Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. 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:

Fiscal Year	Interest Earnings/ District Contributions	Employee Contributions	Amount Reimbursed	Ending Balance
2010-2011	$178,439	$71,618	$301,577	($41,056)
2009-2010	442	74,225	140,014	10,464
2008-2009	1,080	66,241	84,139	75,811

NOTE 13. CAPITAL RESERVE ACCOUNT:

A capital reserve account was established by the City of Hackensack Board of Education by inclusion of $1,100,125 on October 12, 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. There existed a balance of $1,003,886 in the capital reserve account at June 30, 2011.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). 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 amount 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.

NOTE 13. CAPITAL RESERVE ACCOUNT: (continued)

The activity of the capital reserve for the July 1, 2010 to June 30, 2011 fiscal year is as follows:

Beginning balance, July 1, 2010	$503,886
Deposits:	
Board Resolution - June 7, 2011	500,000
Interest Earnings	50
Ending balance, June 30, 2011	$1,003,936

NOTE 14. FUND BALANCE APPROPRIATED:

General Fund [Exhibit B-1] - Of the $5,627,400 General Fund fund balance at June 30, 2011, $510,533 is reserved for encumbrances; $1,624,709 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7; $261,646 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2012); $1,003,936 has been reserved in the Capital Reserve Account; $889,496 of unreserved and undesignated has been appropriated and included as anticipated revenue for the year ending June 30, 2012; and $1,598,726 is unreserved and undesignated.

Debt Service Fund - The Debt Service Fund balance at June 30, 2011 of $273,111 is unreserved and undesignated.

NOTE 15. CALCULATION OF EXCESS SURPLUS:

In accordance with N.J.S.A. 18A:7F-7, 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, 2011 is $1,624,709 of which $1,363,063 is the result of current year operations.

NOTE 16. INVENTORY:

Inventory in the Food Service Fund at June 30, 2011 consisted of the following:

Food	$6,976
Supplies	5,842
	$12,818

NOTE 16. INVENTORY: (continued)

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 17. CONTINGENT LIABILITIES:

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

Exhibit C-1

HACKENSACK BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
REVENUES:					
General Fund:					
Revenues from Local Sources:					
Local Tax Levy	63,715,174		63,715,174	63,715,174	
Tuition	6,141,260		6,141,260	6,944,414	803,154
Interest Earned on Capital Reserve Funds	9,989		9,989	50	(9,939)
Unrestricted Miscellaneous Revenues	519,990		519,990	212,228	(307,762)
Total - Local Sources	70,386,413		70,386,413	70,871,866	485,453
Revenues from State Sources:					
Categorical Special Education Aid	146,954		146,954	2,582,040	2,435,086
Equalization Aid	9,784,785		9,784,785	7,302,322	(2,482,463)
Extraordinary Aid	350,000		350,000	996,776	646,776
On-behalf TPAF Pension and Post Retirement					
Medical Contributions (non-budgeted)				2,720,836	2,720,836
On-behalf TPAF Pension NCGI Premium				128,099	128,099
Reimbursed TPAF Social Security Contributions (non-budgeted)				3,127,486	3,127,486
Total - State Sources	10,281,739		10,281,739	16,857,559	6,575,820
Revenues from Federal Sources:					
Special Education Medicaid Initiative	108,561		108,561	71,189	(37,372)
Total - Federal Sources	108,561		108,561	71,189	(37,372)
TOTAL REVENUES	80,776,713		80,776,713	87,800,614	7,023,901
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
Preschool/Kindergarten - Salaries of Teachers	1,224,825	(280,500)	944,325	942,860	1,465
Grades 1-5 - Salaries of Teachers	8,912,616	488,298	9,400,914	9,398,646	2,268
Grades 6-8 - Salaries of Teachers	6,206,670	(183,065)	6,023,605	6,022,461	1,144
Grades 9-12 - Salaries of Teachers	10,204,578	(1,104,366)	9,100,212	9,091,160	9,052
Regular Programs - Home Instruction:					
Salaries of Teachers	350,000	65,100	415,100	413,766	1,334
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	442,465	561,574	1,004,039	1,003,965	74
Purchased Professional - Educational Services	40,000	(40,000)			
Purchased Technical Services		51,481	51,481	47,565	3,916
Other Purchased Services (400-500 series)	351,000	103,668	454,668	323,197	131,471
General Supplies	778,956	168,155	947,111	783,163	163,948
Textbooks	175,184	29,807	204,991	183,030	21,961
Other Objects	16,000	(1,339)	14,661	11,513	3,148
TOTAL REGULAR PROGRAMS - INSTRUCTION	28,702,294	(141,187)	28,561,107	28,221,326	339,781
SPECIAL EDUCATION - INSTRUCTION					
Learning and/or Language Disabilities					
Salaries of Teachers	432,220	(53,000)	379,220	378,836	384
Other Salaries for Instruction	233,530	7,000	240,530	240,529	1
General Supplies	1,500		1,500	306	1,194
Textbooks	500		500		500
Total Learning and/or Language Disabilities	667,750	(46,000)	621,750	619,671	2,079
Multiple Disabilities					
Salaries of Teachers	430,830	(174,830)	256,000	255,906	94
Other Salaries for Instruction	542,680	(125,900)	416,780	416,706	74
General Supplies	7,000		7,000	2,191	4,809
Textbooks	5,000		5,000		5,000
Total Multiple Disabilities	985,510	(300,730)	684,780	674,803	9,977
Resource Room/Resource Center:					
Salaries of Teachers	4,405,086	(397,886)	4,007,200	4,007,189	11
Other Salaries for Instruction	738,675	53,507	792,182	767,717	24,465
General Supplies	20,000	16,950	36,950	29,863	7,087
Textbooks	16,000	2,550	18,550	14,053	4,497
Total Resource Room/Resource Center	5,179,761	(324,879)	4,854,882	4,818,822	36,060
Preschool Disabilities - Part-Time:					
Salaries of Teachers	448,725	29,200	477,925	477,844	81
Other Salaries for Instruction	274,030	(18,600)	255,430	255,420	10
Other Purchased Services (400-500 Series)	7,000		7,000	6,830	170
General Supplies	4,000		4,000	2,678	1,322
Total Preschool Disabilities - Part Time	733,755	10,600	744,355	742,772	1,583

Exhibit C-1

HACKENSACK BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
Preschool Disabilities- Full-Time:					
Salaries of Teachers	106,620	(106,620)			
Other Salaries for Instruction	169,510	51,090	220,600	220,584	16
General Supplies	4,000		4,000	496	3,504
Other Objects	495		495		495
Total Preschool Disabilities - Full-Time	280,625	(55,530)	225,095	221,080	4,015
TOTAL SPECIAL EDUCATION - INSTRUCTION	7,847,401	(716,539)	7,130,862	7,077,148	53,714
Bilingual Education - Instruction					
Salaries of Teachers	1,864,008	(64,000)	1,800,008	1,799,987	21
General Supplies	20,029	748	20,777	11,892	8,885
Textbooks	15,000	(500)	14,500	11,230	3,270
Total Bilingual Education - Instruction	1,899,037	(63,752)	1,835,285	1,823,109	12,176
School-Sponsored Cocurricular Activities - Instruction					
Salaries	81,815	17,100	98,915	98,888	27
Purchased Services (300-500 series)	11,250	(4,354)	6,896	4,888	2,008
Supplies and Materials	39,159	7,113	46,272	11,072	35,200
Other Objects	8,446	(1,159)	7,287	525	6,762
Total School-Sponsored Cocurricular Activities - Instruction	140,670	18,700	159,370	115,373	43,997
School-Sponsored Athletics - Instruction					
Salaries	603,316	86,055	689,371	689,092	279
Purchased Services (300-500 series)	229,718		229,718	219,848	9,870
Supplies and Materials	100,100		100,100	92,675	7,425
Other Objects	17,000		17,000	14,880	2,120
Total School-Sponsored Athletics - Instruction	950,134	86,055	1,036,189	1,016,495	19,694
TOTAL INSTRUCTION	39,539,536	(816,723)	38,722,813	38,253,451	469,362
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State - Regular		18,000	18,000	15,519	2,481
Tuition to Other LEAs Within the State - Special	839,364	(336,000)	503,364	479,864	23,500
Tuition to County Voc. School Dist. - Regular	492,900	(38,000)	454,900	416,071	38,829
Tuition to County Voc. School Dist. - Special		375,000	375,000	371,400	3,600
Tuition to CSSD & Regional Day Schools	4,067,541	(752,060)	3,315,481	3,151,398	164,083
Tuition to Private Schools for the Handicapped - Within State	2,132,204	(36,000)	2,096,204	1,978,801	117,403
Tuition - State Facilities	120,935		120,935	120,934	1
Total Undistributed Expenditures - Instruction:	7,652,944	(769,060)	6,883,884	6,533,987	349,897
Undistributed Expend. - Attend. & Social Work					
Salaries	296,755	(145,515)	151,240	151,239	1
Purchased Professional and Technical Services	30,000		30,000	29,689	311
Total Undistributed Expend. - Attend. & Social Work	326,755	(145,515)	181,240	180,928	312
Undist. Expend. - Health Services					
Salaries	911,786	(7,000)	904,786	904,766	20
Purchased Professional and Technical Services	1,600		1,600		1,600
Other Purchased Services (400-500 series)	1,200		1,200		1,200
Supplies and Materials	12,000		12,000	8,502	3,498
Total Undistributed Expenditures - Health Services	926,586	(7,000)	919,586	913,268	6,318
Undist. Expend. - Speech, OT, PT & Related Svcs.					
Salaries	1,192,939	(115,039)	1,077,900	1,077,801	99
Purchased Prof. Services-Educational Services	5,000	560,000	565,000	503,471	61,529
Supplies and Materials	4,100		4,100	1,083	3,017
Total Undist. Expend. - Speech, OT, PT, & Related Svcs	1,202,039	444,961	1,647,000	1,582,355	64,645
Undist. Expend. - Other Supp. Serv. Students-Extra Serv.					
Salaries	585,751	251,699	837,450	837,416	34
Purchased Prof. Services-Educational Services	10,000	465,206	475,206	399,670	75,536
Supplies and Materials	5,000		5,000	1,674	3,326
Total Undist. Expend. - Other Supp. Serv. Students-Extra Svcs.	600,751	716,905	1,317,656	1,238,760	78,896
Undist. Expend. - Guidance					
Salaries of Other Professional Staff	903,263	(98,263)	805,000	803,940	1,060
Salaries of Secretarial and Clerical Assistants	90,705	(21,800)	68,905	68,898	7
Supplies and Materials	35,000	(21,000)	14,000	9,727	4,273
Other Objects	6,000		6,000	3,151	2,849
Total Undist. Expend. - Guidance	1,034,968	(141,063)	893,905	885,716	8,189
Undist. Expend. - Other Supp. Serv. Students-Special					
Salaries of Other Professional Staff	2,286,926	268,724	2,555,650	2,555,631	19
Salaries of Secretarial and Clerical Assistants	251,612	2,650	254,262	254,255	7
Purchased Prof. Services-Educational Services	500,000	(500,000)			
Other Purchased Professional and Technical Services	138,015	150,405	288,420	266,468	21,952
Misc. Pur Services (400-500 Series)	5,700		5,700	4,474	1,226
Supplies and Materials	40,000		40,000	37,613	2,387
Other Objects	2,100		2,100	1,553	547
Total Undist. Expend. - Other Supp. Serv. Students-Special	3,224,353	(78,221)	3,146,132	3,119,994	26,138

Exhibit C-1

HACKENSACK BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Improvement of Instructional Services					
Salaries of Supervisors of Instruction	263,554	(166,500)	97,054	96,880	174
Salaries of Other Professional Staff		132,150	132,150	132,145	5
Salaries of Secretarial and Clerical Assistants	95,138	7,850	102,988	102,951	37
Purchased Prof-Ed Services	6,120		6,120	3,175	2,945
Other Purch Services (400-500)	2,475	(1,748)	727	727	
Supplies and Materials	43,788		43,788	43,479	309
Other Objects	7,000		7,000	3,315	3,685
Total Undist. Expend. - Improvement of Inst. Services	418,075	(28,248)	389,827	382,672	7,155
Undist. Expend. - Educational Media Serv./Sch. Library					
Salaries	618,125	51,825	669,950	669,370	580
Supplies and Materials	70,269		70,269	57,160	13,109
Total Undist. Expend. - Educational Media Serv./Sch. Library	688,394	51,825	740,219	726,530	13,689
Undist. Expend. - Instructional Staff Training Serv.					
Salaries of Supervisors of Instruction		3,000	3,000	2,554	446
Salaries-Other Prof. Staff	83,040	576,641	659,681	659,657	24
Other Salaries		50,000	50,000	49,965	35
Purchased Professional - Educational Servic	23,500	(11,900)	11,600	11,429	171
Other Purchased Services (400-500 series)	12,180		12,180	6,038	6,142
Supplies and Materials	27,355		27,355	15,828	11,527
Other Objects	15,000	(13,000)	2,000	1,109	891
Total Undist. Expend. - Instructional Staff Training Serv.	161,075	604,741	765,816	746,580	19,236
Undist. Expend. - Supp. Serv. - General Administration					
Salaries	568,369	(14,500)	553,869	553,538	331
Salaries of Attorneys		1,405	1,405	1,403	2
Legal Services	80,000	46,815	126,815	123,533	3,282
Audit Fees	46,000		46,000	45,500	500
Other Purchased Professional Services	50,000	(29,800)	20,200	14,866	5,334
Purchased Technical Services		39,500	39,500	34,925	4,575
Communications/Telephone	255,000	(20,170)	234,830	213,090	21,740
BOE Other Purchased Services	7,000	(4,500)	2,500	133	2,367
Other Purch Services (400-500 Series)	10,000	16,000	26,000	23,860	2,140
General Supplies	15,000	(3,500)	11,500	10,149	1,351
BOE In-House Training/Meeting Supplies	15,000	(11,200)	3,800	600	3,200
Misc. Expenditures	16,534	5,500	22,034	14,245	7,789
BOE Membership Dues and Fees	30,000		30,000	29,813	187
Total Undist. Expend. - Supp. Serv. - General Administration	1,092,903	25,550	1,118,453	1,065,655	52,798
Undist. Expend. - Support Serv. - School Administration					
Salaries of Principals/Assistant Principals	2,699,095	272,367	2,971,462	2,971,462	
Salaries of Secretarial and Clerical Assistants	1,009,309	22,665	1,031,974	1,031,972	2
Other Purchased Services (400-500 series)	29,100	(2,000)	27,100	3,526	23,574
Supplies and Materials	110,234	(1,110)	109,124	71,516	37,608
Other Objects	25,000		25,000	3,951	21,049
Total Undist. Expend. - Support Serv. - School Administration	3,872,738	291,922	4,164,660	4,082,427	82,233
Undist. Expend. - Support Serv. - Central Services					
Salaries	701,105	24,305	725,410	724,933	477
Purchased Professional Services	20,000	(12,100)	7,900	4,552	3,348
Purchased Technical Services	75,000	(50,700)	24,300	21,000	3,300
Misc. Pur Services (400-500 Series)	5,000	11,000	16,000	14,693	1,307
Supplies and Materials	25,000		25,000	21,745	3,255
Interest on Lease Purchase Agreement	25,000	(1,482)	23,518	23,417	101
Misc. Expenditures	40,000	(38,500)	1,500	649	851
Total Undist. Expend. - Support Serv. - Central Services	891,105	(67,477)	823,628	810,989	12,639

Exhibit C-1

HACKENSACK BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Admin Info. Technology					
Information Technology					
Salaries	313,293	118,032	431,325	431,325	
Purchased Technical Services	72,000	39,700	111,700	110,128	1,572
Supplies and Materials	30,000		30,000	29,066	934
Other Objects	500		500	441	59
Total Undist. Expend. - Support Serv. - Administrative Information Technology	415,793	157,732	573,525	570,960	2,565
Undist. Expend. - Required Maint. for School Facilities (261)					
Salaries	308,833	(55,000)	253,833	248,094	5,739
Cleaning, Repair and Maintenance Services	642,678	(40,982)	601,696	545,809	55,887
General Supplies	100,380	14,620	115,000	98,543	16,457
Undist. Expend. - Required Maint. for School Facilities	1,051,891	(81,362)	970,529	892,446	78,083
Undist. Expend. - Oth. Oper. & Maint. of Plant (262)					
Salaries	3,064,859	(25,000)	3,039,859	3,029,488	10,371
Salaries of Non-Instructional Aides		248,660	248,660	248,651	9
Purchased Prof. And Tech. Services	125,000	(53,500)	71,500	71,082	418
Cleaning, Repair and Maintenance Services	225,094	(149,162)	75,932	48,048	27,884
Other Purchased Property Services	95,000	(500)	94,500	55,617	38,883
Insurance	525,000	153,229	678,229	455,724	222,505
Miscellaneous Purchased Services	100,000	(88,140)	11,860	6,563	5,297
General Supplies	275,271	(53,380)	221,891	196,268	25,623
Energy (Energy and Electricity)	1,800,000	(567,374)	1,232,626	1,101,351	131,275
Energy (Natural Gas)		419,000	419,000	285,415	133,585
Total Undist. Expend. - Other Oper. & Maint. Of Plant	6,210,224	(116,167)	6,094,057	5,498,207	595,850
Undist. Expend. - Care & Upkeep of Grounds (263)					
Salaries	70,000	(70,000)			
Cleaning, Repair and Maintenance Services	25,000	48,000	73,000	57,705	15,295
General Supplies	25,000	16,652	41,652	34,518	7,134
Total Undist. Expend. - Care & Upkeep of Grounds	120,000	(5,348)	114,652	92,223	22,429
Undist. Expend. - Security					
Salaries	40,000	1,520	41,520	41,520	
Cleaning, Repair and Maintenance Services		5,000	5,000	4,943	57
Total Undist. Expend. - Security	40,000	6,520	46,520	46,463	57
Undist. Expend. - Student Transportation Services (270)					
Salaries for Pupil Trans (Other than Bet. Home & Sch.)	10,000	(8,001)	1,999	1,823	176
Management fee- ECS&CTSA Trans.	100,000	(19,285)	80,715	80,715	
Cleaning, Repair and Maintenance Services	10,000	(5,000)	5,000	1,017	3,983
Contract Services (Between Home & School)-Vendors	55,500	(20,000)	35,500	19,457	16,043
Contract Services (Other than Between Home & School)-Vendors	194,000	(15,300)	178,700	156,959	21,741
Contract Services (Sp. Ed. Students)-Vendors	489,338	9,082	498,420	483,803	14,617
Contract Services (Sp. Ed. Students)-Joint Agreements		3,000	3,000	2,499	501
Contract Services (Spl. Ed. Students)-ESCs&CTSAs	1,350,000	(500,055)	849,945	848,240	1,705
Contract Services - Aid in lieu Pymts - Charter School	2,000	(2,000)			
General Supplies	10,000	5,000	15,000	14,468	532
Total Undist. Expend. - Student Transportation Services	2,220,838	(552,559)	1,668,279	1,608,981	59,298
Regular Programs-Instruction-Employee Benefits					
Health Benefits	6,140,869	(201,222)	5,939,647	5,932,855	6,792
TOTAL ALLOCATED BENEFITS	6,140,869	(201,222)	5,939,647	5,932,855	6,792
UNALLOCATED BENEFITS					
Social Security Contributions	1,015,830	73,781	1,089,611	1,089,609	2
Other Retirement Contributions-PERS	775,000	708,377	1,483,377	1,482,657	720
Unemployment Compensation	300,000	34,538	334,538	179,740	154,798
Workmen's Compensation	650,000	(89,208)	560,792	560,575	217
Health Benefits	3,163,478	(43,941)	3,119,537	3,054,818	64,719
Other Employee Benefits	100,000	(85,500)	14,500	12,573	1,927
TOTAL UNALLOCATED BENEFITS	6,004,308	598,047	6,602,355	6,379,972	222,383
On-behalf TPAF pension Contributions (non-budgeted)				2,720,836	(2,720,836)
On-behalf TPAF NCGI Premium (non-budgeted)				128,099	(128,099)
Reimbursed TPAF Social Security Contributions (non-budgeted)				3,127,486	(3,127,486)
TOTAL ON-BEHALF CONTRIBUTIONS				5,976,421	(5,976,421)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	12,145,177	396,825	12,542,002	18,289,248	(5,747,246)
TOTAL UNDISTRIBUTED EXPENDITURES	44,296,609	704,961	45,001,570	49,268,389	(4,266,819)
TOTAL GENERAL CURRENT EXPENSE	83,836,145	(111,762)	83,724,383	87,521,840	(3,797,457)

Exhibit C-1

HACKENSACK BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
CAPITAL OUTLAY					
Interest Deposit to Capital Reserve	9,989		9,989		9,989
Total	9,989		9,989		9,989
Equipment					
Regular Programs - Instruction:					
Grades 1-5		12,150	12,150	11,405	745
Grades 6-8	15,000	1,348	16,348	16,307	41
Grades 9-12	15,000	201,237	216,237	58,541	157,696
Undist. Expend - Admin. Info. Tech.		9,000	9,000	1,417	7,583
Total Equipment	30,000	223,735	253,735	87,670	166,065
Facilities Acquisition and Construction Services					
Architectural/Engineering Services					
Construction Services	30,844	8,900	39,744	29,699	10,045
Principal- Lease Purchase	212,634	87,342	299,976	299,975	1
Other Objects	47,377		47,377	47,377	
Total Facilities Acquisition and Construction Services	290,855	96,242	387,097	377,051	10,046
Assets Acquired Under Capital Leases (non-budgeted)					
Various Equipment				1,338,250	(1,338,250)
Total Assets Acquired Under Capital Leases (non-budgeted)				1,338,250	(1,338,250)
TOTAL CAPITAL OUTLAY	330,844	319,977	650,821	1,802,971	(1,152,150)
Transfer of Funds to Charter Schools	953,944	(208,215)	745,729	663,317	82,412
TOTAL EXPENDITURES	85,120,933		85,120,933	89,988,128	(4,867,195)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,344,220)		(4,344,220)	(2,187,514)	2,156,706
Other Financing Sources/(Uses):					
Capital Leases (non-budgeted)				1,338,250	(1,338,250)
Total Other Financing Sources/(Uses):				1,338,250	(1,338,250)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(4,344,220)		(4,344,220)	(849,264)	818,456
Fund Balance, July 1	7,178,183		7,178,183	7,178,183	
Fund Balance, June 30	2,833,963		2,833,963	6,328,919	818,456
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Adjustment for Prior Year Encumbrances	(244,361)		(244,361)	(244,361)	
Increase in Capital Reserve:					
Interest Deposit to Capital Reserve	9,989		9,989	50	9,939
Withdrawal from Capital Reserve					
Budgeted Fund Balance	(4,109,848)		(4,109,848)	(604,953)	808,517
	(4,344,220)		(4,344,220)	(849,264)	818,456

Recapitulation:	
Restricted Fund Balance:	
Excess Surplus - Current Year	1,363,063
Excess Surplus - Designated for Subsequent Year's Expenditures	261,646
Capital Reserve	1,003,936
Committed Fund Balance:	
Year-end Encumbrances	510,533
Assigned Fund Balance:	
Designated for Subsequent Year's Expenditures	889,496
Unassigned Fund Balance	2,300,245
	6,328,919
Recapitulation to Governmental Fund Statement (GAAP):	
Less: Last State Aid Payment not Recognized GAAP Basis	701,519
Total Fund Balance per Governmental Funds (GAAP)	5,627,400

Exhibit C-2

HACKENSACK BOARD OF EDUCATION
Budgetary Comparison Schedule
Special Revenue Fund
Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources		13,221	13,221	13,211	(10)
State Sources	958,060	474,772	1,432,832	1,259,285	(173,547)
Federal Sources	2,225,000	2,085,316	4,310,316	2,968,204	(1,342,112)
Total Revenues	**3,183,060**	**2,573,309**	**5,756,369**	**4,240,700**	**(1,515,669)**
EXPENDITURES:					
Instruction:					
Salaries of Teachers	942,342	748,402	1,690,744	1,131,166	559,578
Other Salaries for Instruction	147,820	65,447	213,267	205,079	8,188
Purchased Professional and Technical Services	383,996	144,517	528,513	358,078	170,435
Other Purchased Services (400-500 series)	1,246,000	(392,996)	853,004	811,524	41,480
General Supplies	166,027	387,173	553,200	334,785	218,415
Textbooks	28,000	(12,766)	15,234	11,240	3,994
Other Objects		2,750	2,750	2,750	-
Total instruction	2,914,185	942,527	3,856,712	2,854,622	1,002,090
Support services:					
Salaries of Program Directors		519,457	519,457	435,479	83,978
Other Salaries		4,030	4,030	2,430	1,600
Personal Services - Employee Benefits	154,589	450,508	605,097	405,230	199,867
Other Purchased Professional Services	78,200	325,743	403,943	283,853	120,090
Travel	1,000	27,715	28,715	2,317	26,398
Other Purchased Services (400-500 series)	3,000	102,223	105,223	65,361	39,862
Supplies & Materials	32,086	94,525	126,611	85,071	41,540
Total support services	268,875	1,524,201	1,793,076	1,279,741	513,335
Facilities acquisition and const. serv.:					
Buildings		1,551	1,551	1,551	-
Instructional Equipment		105,030	105,030	104,786	244
Total facilities acquisition and const. serv.	-	106,581	106,581	106,337	244
Total Expenditures	3,183,060	2,573,309	5,756,369	4,240,700	1,515,669
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-

HACKENSACK BOARD OF EDUCATION
Required Supplementary Information
Budgetary Comparison Schedule
Note to Required Supplementary Information
Fiscal Year Ended June 30, 2011

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

		General Fund	Special Revenue Fund
Sources/inflows of resources			
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	**[C-1]&[C-2]**	87,800,614	4,240,700
Difference - budget to GAAP:			
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.			(172,640)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		1,019,021	75,706
The last state aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the state recognizes the related expense (GASB 33).		(701,519)	(75,706)
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	**[B-2]**	88,118,116	4,068,060
Uses/outflows of resources			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	**[C-1]&[C-2]**	88,649,878	4,240,700
Differences - budget to GAAP			
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for *budgetary* purposes, but in the year the supplies are received for *financial reporting* purposes.			(172,640)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	**[B-2]**	88,649,878	4,068,060

SPECIAL REVENUE FUND

Exhibit E-1

HACKENSACK BOARD OF EDUCATION
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
Fiscal Year Ended June 30, 2011

	Total Brought Forward (Ex. E-1a)	Reading is Fundamental	MSG Grant	Laura Bush Foundation Grant	ARRA - IDEA Part - B	IDEA Part - B	ARRA - IDEA Part - B Preschool	Totals 2011
REVENUES								
Local Sources	-	5,211	3,000	5,000				13,211
State Sources	1,259,285							1,259,285
Federal Sources	1,651,457				120,112	1,152,051	44,584	2,968,204
Total Revenues	**2,910,742**	**5,211**	**3,000**	**5,000**	**120,112**	**1,152,051**	**44,584**	**4,240,700**
EXPENDITURES:								
Instruction:								
Salaries of Teachers	868,141		3,000			260,025		1,131,166
Other Salaries for Instruction	205,079							205,079
Purchased Professional and Technical Services	358,078							358,078
Other Purchased Services (400-500 series)	-				24,510	756,742	30,272	811,524
General Supplies	242,083	5,211		5,000	49,540	18,639	14,312	334,785
Textbooks	11,240							11,240
Other Objects	2,750							2,750
Total instruction	1,687,371	5,211	3,000	5,000	74,050	1,035,406	44,584	2,854,622
Support services:								
Salaries of Program Directors	434,119					1,360		435,479
Other Salaries	2,430							2,430
Personal Services - Employee Benefits	383,778					21,452		405,230
Other Purchased Professional Services	222,499					61,354		283,853
Travel	2,317							2,317
Other Purchased Services (400-500 series)	65,361							65,361
Supplies & Materials	85,071							85,071
Total support services	1,195,575	-	-	-	-	84,166	-	1,279,741
Facilities acquisition and const. serv.:								
Buildings	-				1,551			1,551
Instructional Equipment	27,796				44,511	32,479		104,786
Total facilities acquisition and const. serv.	27,796	-	-	-	46,062	32,479	-	106,337
Total Expenditures	**2,910,742**	**5,211**	**3,000**	**5,000**	**120,112**	**1,152,051**	**44,584**	**4,240,700**
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-	-	-	-

Exhibit E-1a

HACKENSACK BOARD OF EDUCATION
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
Fiscal Year Ended June 30, 2011

	Total Brought Forward (Ex. E-1b)	IDEA Part - B Preschool	ARRA - NCLB Title I	NCLB Title I	ARRA - NCLB Title I SIA	NCLB Title I SIA	Title II, Part A Training & Recruiting	Total Carried Forward
REVENUES								
Local Sources	-							-
State Sources	1,259,285							1,259,285
Federal Sources	421,131	4,303	188,491	704,560	30,078	35,320	267,574	1,651,457
Total Revenues	**1,680,416**	**4,303**	**188,491**	**704,560**	**30,078**	**35,320**	**267,574**	**2,910,742**
EXPENDITURES:								
Instruction:								
Salaries of Teachers	532,545		73,322	226,224		35,320	730	868,141
Other Salaries for Instruction	205,079							205,079
Purchased Professional and Technical Services	140,582			217,496				358,078
Other Purchased Services (400-500 series)	-							-
General Supplies	103,071	4,303	14,455	94,676	25,578			242,083
Textbooks	11,240							11,240
Other Objects	2,750							2,750
Total instruction	995,267	4,303	87,777	538,396	25,578	35,320	730	1,687,371
Support services:								
Salaries of Program Directors	322,842			318			110,959	434,119
Other Salaries	2,430							2,430
Personal Services - Employee Benefits	200,361		76,829	92,659			13,929	383,778
Other Purchased Professional Services	77,934		7,625	54,150	4,500		78,290	222,499
Travel	2,317							2,317
Other Purchased Services (400-500 series)	35,524			1,782			28,055	65,361
Supplies & Materials	15,945		16,260	17,255			35,611	85,071
Total support services	657,353	-	100,714	166,164	4,500	-	266,844	1,195,575
Facilities acquisition and const. serv.:								
Buildings	-							-
Instructional Equipment	27,796							27,796
Total facilities acquisition and const. serv.	27,796	-	-	-	-	-	-	27,796
Total Expenditures	**1,680,416**	**4,303**	**188,491**	**704,560**	**30,078**	**35,320**	**267,574**	**2,910,742**
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-	-	-	-

Exhibit E-1b

HACKENSACK BOARD OF EDUCATION
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
Fiscal Year Ended June 30, 2011

	Total Brought Forward (Ex. E-1c)	Title II, Part D Enhanced Education	NCLB Title III	NCLB Title III Immigrant	Title IV Drug Free Schools	Workforce Year Round Youth Program - Drop-in	Reading First	Total Carried Forward
REVENUES								
Local Sources	-							-
State Sources	1,259,285							1,259,285
Federal Sources	61,520	7,117	112,162	57,766	14,858	37,308	130,400	421,131
Total Revenues	**1,320,805**	**7,117**	**112,162**	**57,766**	**14,858**	**37,308**	**130,400**	**1,680,416**
EXPENDITURES:								
Instruction:								
Salaries of Teachers	407,154		19,343	3,193	9,473	32,480	60,902	532,545
Other Salaries for Instruction	140,309		64,770					205,079
Purchased Professional and Technical Services	140,582							140,582
Other Purchased Services (400-500 series)	-							-
General Supplies	44,043	7,117	6,738	42,209			2,964	103,071
Textbooks	11,240							11,240
Other Objects	-			2,750				2,750
Total instruction	743,328	7,117	90,851	48,152	9,473	32,480	63,866	995,267
Support services:								
Salaries of Program Directors	322,087		755					322,842
Other Salaries	-					2,430		2,430
Personal Services - Employee Benefits	125,099		6,444			2,284	66,534	200,361
Other Purchased Professional Services	77,934							77,934
Travel	2,317							2,317
Other Purchased Services (400-500 series)	28,090			2,934	4,500			35,524
Supplies & Materials	2,970		9,912	2,064	885	114		15,945
Total support services	558,497	-	17,111	4,998	5,385	4,828	66,534	657,353
Facilities acquisition and const. serv.:								
Buildings	-							-
Instructional Equipment	18,980		4,200	4,616				27,796
Total facilities acquisition and const. serv.	18,980	-	4,200	4,616	-	-	-	27,796
Total Expenditures	**1,320,805**	**7,117**	**112,162**	**57,766**	**14,858**	**37,308**	**130,400**	**1,680,416**
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-	-	-	-

Exhibit E-1c

HACKENSACK BOARD OF EDUCATION
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
Fiscal Year Ended June 30, 2011

	Total Brought Forward (Ex. E-1d)	Perkins - Vocational Education	Project Aces	Nonpublic Nursing	CHIPRA Outreach Grant	School Based Youth Service Program	Family Friendly	Total Carried Forward
REVENUES								
Local Sources	-							-
State Sources	868,292			18,050	42,098	293,834	37,011	1,259,285
Federal Sources	-	43,242	18,278					61,520
Total Revenues	**868,292**	**43,242**	**18,278**	**18,050**	**42,098**	**293,834**	**37,011**	**1,320,805**
EXPENDITURES:								
Instruction:								
Salaries of Teachers	376,542						30,612	407,154
Other Salaries for Instruction	133,910						6,399	140,309
Purchased Professional and Technical Services	128,515	5,130		6,937				140,582
Other Purchased Services (400-500 series)	-							-
General Supplies	28,700	15,343						44,043
Textbooks	11,240							11,240
Other Objects	-							-
Total instruction	678,907	20,473	-	6,937	-	-	37,011	743,328
Support services:								
Salaries of Program Directors	-		17,179		28,924	275,984		322,087
Other Salaries	-							-
Personal Services - Employee Benefits	124,000		1,099					125,099
Other Purchased Professional Services	65,385			11,113		1,436		77,934
Travel	-	1,899			47	371		2,317
Other Purchased Services (400-500 series)	-	1,890			12,553	13,647		28,090
Supplies & Materials	-				574	2,396		2,970
Total support services	189,385	3,789	18,278	11,113	42,098	293,834	-	558,497
Facilities acquisition and const. serv.:								
Buildings	-							-
Instructional Equipment	-	18,980						18,980
Total facilities acquisition and const. serv.	-	18,980	-	-	-	-	-	18,980
Total Expenditures	**868,292**	**43,242**	**18,278**	**18,050**	**42,098**	**293,834**	**37,011**	**1,320,805**
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-	-	-	-

Exhibit E-1d

HACKENSACK BOARD OF EDUCATION
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
Fiscal Year Ended June 30, 2011

	Total Brought Forward (Ex. E-1e)	Chapter 194 Nonpublic Textbook	Chapter 192 Compesatory Education	Chapter 192 ESL	Chapter 193 Supplemental Instruction	Chapter 193 Exam & Classification	Chapter 193 Corrective Speech	Total Carried Forward
REVENUES								
Local Sources	-							-
State Sources	695,552	11,240	93,439	15,283	13,688	19,297	19,793	868,292
Federal Sources	-							-
Total Revenues	**695,552**	**11,240**	**93,439**	**15,283**	**13,688**	**19,297**	**19,793**	**868,292**
EXPENDITURES:								
Instruction:								
Salaries of Teachers	376,542							376,542
Other Salaries for Instruction	133,910							133,910
Purchased Professional and Technical Services	-		93,439	15,283			19,793	128,515
Other Purchased Services (400-500 series)	-							-
General Supplies	28,700							28,700
Textbooks	-	11,240						11,240
Other Objects	-							-
Total instruction	539,152	11,240	93,439	15,283	-	-	19,793	678,907
Support services:								
Salaries of Program Directors	-							-
Other Salaries	-							-
Personal Services - Employee Benefits	124,000							124,000
Other Purchased Professional Services	32,400				13,688	19,297		65,385
Travel	-							-
Other Purchased Services (400-500 series)	-							-
Supplies & Materials	-							-
Total support services	156,400	-	-	-	13,688	19,297	-	189,385
Facilities acquisition and const. serv.:								
Buildings	-							-
Instructional Equipment	-							-
Total facilities acquisition and const. serv.	-	-	-	-	-	-	-	-
Total Expenditures	**695,552**	**11,240**	**93,439**	**15,283**	**13,688**	**19,297**	**19,793**	**868,292**
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-	-	-	-

Exhibit E-1e

HACKENSACK BOARD OF EDUCATION
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
Fiscal Year Ended June 30, 2011

	Preschool Education Aid	Total Carried Forward
REVENUES		
Local Sources		-
State Sources	695,552	695,552
Federal Sources		-
Total Revenues	**695,552**	**695,552**
EXPENDITURES:		
Instruction:		
Salaries of Teachers	376,542	376,542
Other Salaries for Instruction	133,910	133,910
Purchased Professional and Technical Services		-
Other Purchased Services (400-500 series)		-
General Supplies	28,700	28,700
Textbooks		-
Other Objects		-
Total instruction	539,152	539,152
Support services:		
Salaries of Program Directors		-
Other Salaries		-
Personal Services - Employee Benefits	124,000	124,000
Other Purchased Professional Services	32,400	32,400
Travel		-
Other Purchased Services (400-500 series)		-
Supplies & Materials		-
Total support services	156,400	156,400
Facilities acquisition and const. serv.:		
Buildings		-
Instructional Equipment		-
Total facilities acquisition and const. serv.	-	-
Total Expenditures	**695,552**	**695,552**
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-

HACKENSACK BOARD OF EDUCATION
Special Revenue Fund
Schedule of Preschool Education Aid
Budgetary Basis
Fiscal Year Ended June 30, 2011

	District Wide Total		
	Budget	**Actual**	**Variance**
Expenditures:			
Instruction:			
Salaries of teachers	430,820	376,542	54,278
Other salaries for instruction	147,820	133,910	13,910
General supplies	18,420	28,700	(10,280)
Total instruction	597,060	539,152	57,908
Support services:			
Salaries of Program Directors			
Personal Services - Employee Benefits	124,000	124,000	
Other purchased professional services	35,000	32,400	2,600
Travel	1,000		1,000
Total support services	160,000	156,400	3,600
Total expenditures	757,060	695,552	61,508

Summary of Location Totals

Total revised 2010-11 Preschool Education Aid	757,060
Add: Actual ECPA Carryover (June 30, 2010	111,293
Add: Budgeted Transfer from the General Fund 2010-11	
Total Preschool Education Aid Funds Available for 2010-11 Budget	868,353
Less: 2010-11 Budgeted Preschool Education Aid prior year budgeted carryover)	757,060
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2011	111,293
Add: June 30, 2012 Unexpended Preschool Education Aid	61,508
2010-11 Carryover - Preschool Education Aid/Preschool	172,801
2010-11 Preschool Education Aid Carryover Budgeted for Preschool Programs 2011-11	111,293

CAPITAL PROJECTS FUND

Exhibit F-1

HACKENSACK BOARD OF EDUCATION
Capital Projects Fund
Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budgetary Basis
Fiscal Year Ended June 30, 2011

Revenues and Other Financing Sources	
State Sources - SCC Grant	-
Bond proceeds and transfers	-
Transfers from Capital Reserve	-
Transfers from Capital Outlay	-
Interest on Investments	768
	768
Expenditures and Other Financing Uses	
Purchased professional and technical services	-
Land and improvements	-
Construction services	72,804
Equipment purchases	-
Total expenditures	72,804
Excess (deficiency) of revenues over (under) expenditures	(72,036)
Other Finance Sources (Uses)	
Transfers out	(768)
Total other financing sources (uses)	(768)
Net change in fund balance	(72,804)
Fund balance - beginning	756,247
Fund balance - ending	683,443

Exhibit F-1a

HACKENSACK BOARD OF EDUCATION
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis
High School Window Replacement Project
Fiscal Year Ended June 30, 2011

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SCC Grant	370,527		370,527	370,527
Bond proceeds and transfers	855,000		855,000	855,000
Transfers from Capital Reserve			-	
Transfers from Capital Outlay			-	
	1,225,527	-	1,225,527	1,225,527
Expenditures and Other Financing Uses				
Purchased professional and technical services	37,053		37,053	37,053
Land and improvements			-	
Construction services	1,059,661		1,059,661	1,188,474
Equipment purchases				
	1,096,714	-	1,096,714	1,225,527
Excess (deficiency) of revenues over (under) expenditures	128,813	-	128,813	-

Additional project information:

Project number	xxxxxx
Grant Date	2/9/1999
Bond authorization date	N/A
Bonds authorized	N/A
Bonds issued	N/A
Original authorization cost	855,000
Additional authorized cost	370,527
Revised authorized cost	1,225,527
Percentage increase over original authorized cost	0.43
Percentage completion	89%
Original target completion date	
Revised target completion date	

Exhibit F-1b

HACKENSACK BOARD OF EDUCATION
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis
Other Improvements
Fiscal Year Ended June 30, 2011

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SCC Grant			-	
Bond proceeds and transfers	1,945,000		1,945,000	1,945,000
Transfers from Capital Reserve			-	
Transfers from Capital Outlay			-	
	1,945,000	-	1,945,000	1,945,000
Expenditures and Other Financing Uses				
Purchased professional and technical services			-	
Land and improvements			-	
Construction services	1,335,866		1,335,866	1,857,678
Equipment purchases	87,322		87,322	87,322
	1,423,188	-	1,423,188	1,945,000
Excess (deficiency) of revenues over (under) expenditures	521,812	-	521,812	-

Additional project information:	
Project number	1860-050-03-0816
Grant Date	2/9/1999
Bond authorization date	N/A
Bonds authorized	N/A
Bonds issued	N/A
Original authorization cost	1,945,000
Additional authorized cost	
Revised authorized cost	1,945,000
Percentage increase over original authorized cost	-
Percentage completion	73%
Original target completion date	
Revised target completion date	

Exhibit F-1c

HACKENSACK BOARD OF EDUCATION
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis
Nellie K. Parker Chiller Project
Fiscal Year Ended June 30, 2011

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SCC Grant	95,364		95,364	95,364
Bond proceeds and transfers			-	
Transfers from Capital Reserve			-	
Transfers from Capital Outlay	143,047		143,047	143,047
	238,411	-	238,411	238,411
Expenditures and Other Financing Uses				
Purchased professional and technical services	27,126		27,126	27,126
Land and improvements			-	
Construction services	195,409		195,409	211,285
Equipment purchases			-	
	222,535	-	222,535	238,411
Excess (deficiency) of revenues over (under) expenditures	15,876	-	15,876	-

Additional project information:	
Project number	1860-090-02-0216
Grant Date	2/15/2003
Bond authorization date	N/A
Bonds authorized	N/A
Bonds issued	N/A
Original authorization cost	238,411
Additional authorized cost	
Revised authorized cost	238,411
Percentage increase over original authorized cost	-
Percentage completion	93%
Original target completion date	6/30/2006
Revised target completion date	

Exhibit F-1d

HACKENSACK BOARD OF EDUCATION
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis
High School Balcony Project
Fiscal Year Ended June 30, 2011

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SCC Grant	388,038		388,038	388,038
Bond proceeds and transfers			-	
Transfers from Capital Reserve			-	
Transfers from Capital Outlay	430,012		430,012	633,515
	818,050	-	818,050	1,021,553
Expenditures and Other Financing Uses				
Purchased professional and technical services	68,972		68,972	68,972
Land and improvements			-	
Construction services	944,545		944,545	944,677
Equipment purchases	7,904		7,904	7,904
	1,021,421	-	1,021,421	1,021,553
Excess (deficiency) of revenues over (under) expenditures	(203,371)	-	(203,371)	-

Additional project information:	
Project number	1860-050-03-0816
Grant Date	8/13/2003
Bond authorization date	N/A
Bonds authorized	N/A
Bonds issued	N/A
Original authorization cost	818,050
Additional authorized cost	203,503
Revised authorized cost	1,021,553
Percentage increase over original authorized cost	0.25
Percentage completion	100%
Original target completion date	6/30/2006
Revised target completion date	

Exhibit F-1e

HACKENSACK BOARD OF EDUCATION
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis
High School Fire Alarm Replacement
Fiscal Year Ended June 30, 2011

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SCC Grant			-	
Bond proceeds and transfers			-	
Transfers from Capital Reserve			-	
Transfers from Capital Outlay	421,150		421,150	498,281
	421,150	-	421,150	498,281
Expenditures and Other Financing Uses				
Purchased professional and technical services	78,400		78,400	78,400
Land and improvements			-	
Construction services	331,600		331,600	419,881
Equipment purchases			-	
	410,000	-	410,000	498,281
Excess (deficiency) of revenues over (under) expenditures	11,150	-	11,150	-

Additional project information:	
Project number	1860-050-04-1000
Grant Date	6/1/2004
Bond authorization date	N/A
Bonds authorized	N/A
Bonds issued	N/A
Original authorization cost	498,281
Additional authorized cost	
Revised authorized cost	498,281
Percentage increase over original authorized cost	-
Percentage completion	82%
Original target completion date	6/30/2006
Revised target completion date	

Exhibit F-1f

HACKENSACK BOARD OF EDUCATION
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis
Carl E. Padovano Education Center
Fiscal Year Ended June 30, 2011

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SCC Grant			-	
Bond proceeds and transfers			-	
Transfers from Capital Reserve	2,116,899		2,116,899	2,116,899
Transfers from Capital Outlay			-	
	2,116,899	-	2,116,899	2,116,899
Expenditures and Other Financing Uses				
Purchased professional and technical services	90,432		90,432	79,223
Land and improvements			-	
Construction services	1,744,500	72,804	1,817,304	2,037,676
Equipment purchases			-	
	1,834,932	72,804	1,907,736	2,116,899
Excess (deficiency) of revenues over (under) expenditures	281,967	(72,804)	209,163	-

Additional project information:	
Project number	1860-N01-07-1000
Grant Date	1/12/2007
Bond authorization date	N/A
Bonds authorized	N/A
Bonds issued	N/A
Original authorization cost	2,116,899
Additional authorized cost	
Revised authorized cost	2,116,899
Percentage increase over original authorized cost	-
Percentage completion	90%
Original target completion date	
Revised target completion date	

Exhibit F-2

HACKENSACK BOARD OF EDUCATION
Capital Projects Fund
Summary Statement of Project Expenditures
Fiscal Year Ended June 30, 2011

Project Title/Issue	Date	Appropriations	Expenditures to Date Prior Years	Expenditures to Date Current Year	Unexpended Balance June 30, 2011
Various School Improvements	February 9, 1999				
High School Window Replacement Project		1,225,527	1,096,714		128,813
Other Improvements					
Other Improvements		1,945,000	1,423,188		521,812
		3,170,527	2,519,902	-	650,625
Nellie K. Parker Chiller Project	February 15, 2003	238,411	222,535		15,876
High School Balcony Project	August 13, 2003	1,021,553	1,021,421		132
High School Fire Alarm Replacement	June 1, 2004	498,281	410,000		88,281
Carl E. Padovano Education Center	January 12, 2007	2,116,899	1,834,932	72,804	209,163
		7,045,671	6,008,790	72,804	964,077

Analysis	
Project Balance - June 30, 2010	964,077
Unfunded Authorizations	280,634
Fund Balance (Deficit) - June 30, 2010	683,443

PROPRIETARY FUNDS

Exhibit G-1

HACKENSACK BOARD OF EDUCATION
Combining Statement of Net Assets
Enterprise Funds
June 30, 2011

	Food Service Program	Totals
ASSETS		
Current assets:		
Cash and cash equivalents	499,369	499,369
Accounts receivable:		
State	5,616	5,616
Federal	132,892	132,892
Other	1,811	1,811
Inventories	12,818	12,818
Total current assets	652,506	652,506
Noncurrent assets:		
Capital assets:		
Construction in Progress	7,061	7,061
Equipment	329,749	329,749
Less accumulated depreciation	(180,058)	(180,058)
Total capital assets (net of accumulated depreciation)	156,752	156,752
Total assets	809,258	809,258
LIABILITIES		
Current Liabilities:		
Accounts Payable	411	411
Total Liabilities	411	411
NET ASSETS		
Invested in capital assets net of related debt	156,752	156,752
Unrestricted	652,095	652,095
Total net assets	808,847	808,847

Exhibit G-2

HACKENSACK BOARD OF EDUCATION
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets
Enterprise Funds
Fiscal Year Ended June 30, 2011

	Food Service Program	Totals
Operating revenues:		
Charges for services:		
Daily sales - reimbursable programs	266,971	266,971
Daily sales - non-reimbursable programs	154,003	154,003
Total operating revenues	420,974	420,974
Operating expenses:		
Cost of food	937,578	937,578
Salaries	553,766	553,766
Supplies and materials	70,680	70,680
Employee benefits	194,907	194,907
Depreciation	14,132	14,132
Repairs and other expenses	110,614	110,614
Purchased services	213,768	213,768
CCD Fees	405	405
Total Operating Expenses	2,095,850	2,095,850
Operating income (loss)	(1,674,876)	(1,674,876)
Nonoperating revenues (expenses):		
State sources:		
School lunch program	23,007	23,007
School snack program	38,099	38,099
Federal sources:		
School lunch program	982,647	982,647
School breakfast program	607,316	607,316
U.S.D.A. Commodities	74,068	74,068
Interest Income	78	78
Total nonoperating revenues (expenses)	1,725,215	1,725,215
Income (loss) before contributions & transfers	50,339	50,339
Total net assets—beginning	758,508	758,508
Total net assets—ending	808,847	808,847

Exhibit G-3

HACKENSACK BOARD OF EDUCATION
Combining Statement of Cash Flows
Enterprise Funds
Fiscal Year Ended June 30, 2011

	Food Service Program	Totals
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	420,974	420,974
Payments to suppliers	(2,003,324)	(2,003,324)
Net cash provided by (used for) operating activities	(1,582,350)	(1,582,350)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Sources	65,827	65,827
Federal Sources	1,579,422	1,579,422
Interest Income	78	78
Net cash provided by (used for) non-capital financing activities	1,645,327	1,645,249
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Construction in Progress	(7,061)	(7,061)
Acquisition of Capital Assets	(20,190)	(20,190)
Net cash used for capital and related financing activities	(27,251)	(27,251)
Net increase (decrease) in cash and cash equivalents	35,726	35,726
Balances—beginning of year	463,643	463,643
Balances—end of year	499,369	499,369
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	(1,674,876)	(1,674,876)
Adjustments to reconcile operating income (loss) to net cash provided by		
Depreciation and net amortization	14,132	14,132
Food distribution program	74,068	74,068
(Increase) decrease in accounts receivable	1,496	1,496
(Increase) decrease in inventories	2,419	2,419
Increase (decrease) in accounts payable	411	411
Total adjustments	92,526	92,526
Net cash provided by (used for) operating activities	(1,582,350)	(1,582,350)

FIDUCIARY FUND

Exhibit H-1

HACKENSACK BOARD OF EDUCATION
Combining Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2011

	Unemployment Compensation Trust Fund	Scholarship and Memorial Funds	Agency Funds
ASSETS			
Cash and cash equivalents	55,409	158,114	646,649
Deficit in Unemployment Trust Fund	41,056		
Total assets	96,465	158,114	646,649
LIABILITIES			
Payable to student groups			179,734
Due to State of NJ - Unemployment	96,465		
Payroll deductions and withholdings			466,915
Total liabilities	96,465	-	646,649
NET ASSETS			
Reserved for scholarships		158,114	

Exhibit H-2

HACKENSACK BOARD OF EDUCATION
Combining Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
Fiscal Year Ended June 30, 2011

	Unemployment Compensation Trust Fund	Scholarship and Memorial Funds
ADDITIONS		
Contributions:		
Donations		9,246
Payroll withholdings	71,618	
Budget Contributions	178,159	
Total Contributions	249,777	9,246
Investment earnings:		
Interest	280	1,319
Net investment earnings	280	1,319
Total additions	250,057	10,565
DEDUCTIONS		
Quarterly contribution reports	301,577	
Scholarships awarded		19,576
Total deductions	301,577	19,576
OTHER CHANGES TO FIDUCIARY NET ASSETS		
Net changes to deficit in reserve for scholarships		(12,808)
Total changes to fiduciary net assets	-	(12,808)
Change in net assets	(51,520)	(21,819)
Net assets—beginning of the year	10,464	177,933
Net assets—end of the year	(41,056)	156,114

Exhibit H-3

HACKENSACK BOARD OF EDUCATION
Student Activity Agency Fund
Schedule of Receipts and Disbursements
Fiscal Year Ended June 30, 2011

	Balance July 1, 2010	Cash Receipts	Cash Disbursed	Balance June 30, 2011
Elementary Schools:				
Fairmount Avenue School	5,878	6,991	4,982	7,887
Jackson Avenue School	1,985	12,947	13,016	1,916
Fanny M. Hillers School	1,416	4,741	3,940	2,217
Nellie Parker School	4,802	3,713	4,782	3,733
Nellie Parker School Donation	1,462	12	5	1,469
Total Elementary Schools	15,543	28,404	26,725	17,222
Middle School:				
5/6 Middle School	54	3,169	3,135	88
Middle School	9,990	71,617	60,606	21,001
Total Middle Schools	10,044	74,786	63,741	21,089
High School:				
High School	135,918	219,239	231,660	123,497
Varsity H	5,842	58,551	50,660	13,733
Total High Schools	141,760	277,790	282,320	137,230
Athletic Departments:				
Athletic Department	7,404	111,754	114,965	4,193
Total Athletic Department	7,404	111,754	114,965	4,193
Total All Schools	174,751	492,734	487,751	179,734

Exhibit H-4

HACKENSACK BOARD OF EDUCATION
Payroll Agency Fund
Schedule of Receipts and Disbursements
Fiscal Year Ended June 30, 2011

	Balance July 1, 2010	Cash Receipts	Cash Disbursed	Balance June 30, 2011
Net Payroll	84,859	36,460,128	36,499,259	45,728
Payroll Deductions and Withholdings	392,953	25,272,476	25,244,242	421,187
	477,812	61,732,604	61,743,501	466,915

LONG-TERM DEBT

Exhibit I-1

HACKENSACK BOARD OF EDUCATION
General Long-Term Debt Account Group
Schedule of Serial Bonds
Fiscal Year Ended June 30, 2011

Issue	Date of Issue	Amount of Issue	Annual Maturities Date	Annual Maturities Amount	Interest Rate	Balance, July 1, 2010	Retired	Balance, June 30, 2011
School Improvement bonds	May 1, 2001	8,998,000				600,000	600,000	
Refunding School Improvement bonds	Sept. 9, 2009	5,550,000	5/1/2012	630,000	3.250	5,440,000	30,000	5,410,000
			5/1/2013	620,000	4.000			
			5/1/2014	615,000	4.000			
			5/1/2015	610,000	3.250			
			5/1/2016	595,000	3.375			
			5/1/2017	585,000	5.000			
			5/1/2018	580,000	5.000			
			5/1/2019	580,000	4.750			
			5/1/2020	595,000	4.750			
						$ 6,040,000	630,000	5,410,000

Exhibit I-2

HACKENSACK BOARD OF EDUCATION
General Long-Term Debt Account Group
Schedule of Capital Leases Payable
Fiscal Year Ended June 30, 2011

Issue	Date of Lease	Amount of Lease	Principal Payment Date	Principal Payment Amount	Interest Rate	Issued	Retired	Balance, June 30, 2011
Various Equipment	Nov. 2010	1,338,250	1/1/12	128,068	2.75%	$ 1,338,250	263,031	1,075,219
			7/1/12	129,829	2.75%			
			1/1/13	131,613	2.75%			
			7/1/13	133,423	2.75%			
			1/1/14	135,257	2.75%			
			7/1/14	137,116	2.75%			
			1/1/15	139,001	2.75%			
			7/1/15	140,912	2.75%			
						$ 1,338,250	263,031	1,075,219

HACKENSACK BOARD OF EDUCATION
Budgetary Comparison Schedule
Debt Service Fund
Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	1,064,132		1,064,132	1,064,132	
Total Revenues	**1,064,132**	-	**1,064,132**	**1,064,132**	-
EXPENDITURES:					
Regular Debt Service:					
Interest	475,138	-	475,138	237,988	(237,150)
Redemption of Principal	630,000	-	630,000	630,000	-
Total Regular Debt Service	1,105,138	-	1,105,138	867,988	(237,150)
Total expenditures	**1,105,138**	-	**1,105,138**	**867,988**	**(237,150)**
Excess (Deficiency) of Revenues Over (Under) Expenditures	(41,006)	-	(41,006)	196,144	237,150
Other Financing Sources:					
Operating Transfers In:					
Excess Bond Proceeds - Capital Projects Fund	-	-	-	768	768
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(41,006)	-	(41,006)	196,912	237,918
Fund Balance, July 1	76,199	-	76,199	76,199	-
Fund Balance, June 30	35,193	-	35,193	273,111	237,918
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Budgeted Fund Balance	(41,006)	-	(41,006)	196,912	237,918

STATISTICAL SECTION

STATISTICAL SECTION (UNAUDITED) - INTRODUCTION

J SERIES

Contents **Page**

Financial Trends

These schedules contain trend information to help the reader understand how the district's financial performance and well-being have changes over time. **J-1 to J-5**

Revenue Capacity

These schedules contain information to help the reader assess the district's most significant local revenue sources, the property tax. **J-6 to J-9**

Debt Capacity

These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future. **J-10 to J-13**

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place. **J-14 to J-15**

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs. **J-16 to J-20**

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year. The district implemented GASB Statement 34 in the fiscal year ending June 30, 2004; schedules presenting district-wide information include information beginning in that year.

STATISTICAL SECTION (UNAUDITED)

Introduction to the Statistical Section

Financial Trends

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J-6 Assessed Value and Estimated Actual Value of Taxable Property (Revised July 2006)
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J-17 Operating Statistics
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J-19 Schedule of Allowable Maintenance Expenditures by School Facility
J-20 Insurance Schedule

Exhibit J-1

Hackensack Board of Education
Net Assets by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	2003	2004	2005	2006	2007	2008	2009	2010	2011
Governmental activities									
Invested in capital assets, net of related debt	$ 681,324	$ 268,767	$ (383,406)	$ 6,001,034	$ 8,813,583	$ 9,408,979	$ 11,554,919	$ 13,384,709	$ 12,853,991
Restricted	4,636,223	8,313,996	11,111,514	12,270,231	11,069,478	11,798,879	10,520,528	5,742,198	4,985,228
Unrestricted	1,532,464	(272,060)	(794,984)	(540,537)	(168,906)	(465,466)	(1,411,880)	(1,319,876)	(501,070)
Total governmental activities net assets	$ 6,850,011	$ 8,310,703	$ 9,933,124	$ 17,730,728	$ 19,714,155	$ 20,742,392	$ 20,663,567	$ 17,807,031	$ 17,338,149
Business-type activities									
Invested in capital assets, net of related debt	$ 54,034	$ 33,295	$ 42,143	$ 76,284	$ 123,386	$ 119,071	$ 113,064	$ 143,633	$ 156,752
Restricted									
Unrestricted	105,054	173,096	248,499	238,751	269,586	338,693	421,609	614,875	652,095
Total business-type activities net assets	$ 159,088	$ 206,391	$ 290,642	$ 315,035	$ 392,972	$ 457,764	$ 534,673	$ 758,508	$ 808,847
District-wide									
Invested in capital assets, net of related debt	$ 735,358	$ 302,062	$ (341,263)	$ 6,077,318	$ 8,936,969	$ 9,528,050	$ 11,667,983	$ 13,528,342	$ 13,010,743
Restricted	4,636,223	8,313,996	11,111,514	12,270,231	11,069,478	11,798,879	10,520,528	5,742,198	4,985,228
Unrestricted	1,637,518	(98,964)	(546,485)	(301,786)	100,680	(126,773)	(990,271)	(705,001)	151,025
Total district net assets	$ 7,009,099	$ 8,517,094	$ 10,223,766	$ 18,045,763	$ 20,107,127	$ 21,200,156	$ 21,198,240	$ 18,565,539	$ 18,146,996

Source: CAFR Scehdule A-1

The J-1 is a ten year schedule. This sample is for the year of implementation of GASBS 44. Districts are not required by GASB to report years prior to the implementation date of Statement 44. However, the department strongly encourages districts to report retroactively back to the year they implemented Statement 34. This illustration is for a district which implemented GASB 34 in 6/30/03 and is reporting retroactively.

Hackensack Board of Education
Changes in Net Assets, Last Ten Fiscal Years
(accrual basis of accounting)

	2003	2004	2005	2006	2007	2008	2009	2010	2011
Expenses									
Governmental activities									
Instruction									
Regular	$ 24,082,200	$ 28,839,153	$ 29,722,525	$ 30,941,044	$ 33,040,016	$ 33,572,639	$ 33,248,841	$ 37,187,411	$ 34,070,608
Special education	4,391,270	5,275,334	5,625,742	5,821,140	6,252,530	7,044,607	6,523,168	7,028,221	7,904,628
Other special education	1,248,895	1,464,612	1,719,429	1,756,818	1,936,358	1,901,500	2,084,806	2,127,599	2,035,260
Other instruction	933,403	1,109,127	1,123,570	1,125,674	1,223,418	1,213,520	1,146,402	1,434,801	1,224,741
Support Services:									
Tuition	7,576,845	7,094,482	7,206,461	7,563,097	7,400,345	7,739,692	8,326,732	6,469,010	6,533,987
Student & instruction related services	7,760,187	8,459,610	9,893,130	9,739,489	10,654,734	11,692,928	10,083,677	10,646,432	12,042,453
General administrative services	919,656	994,963	1,061,435	1,123,149	1,336,685	1,173,600	1,224,772	1,189,885	1,131,062
School administrative services	2,844,388	3,408,196	3,462,532	3,850,389	4,089,255	4,064,188	3,826,379	4,169,690	4,554,281
Central Administration			975,257	942,653	1,048,764	1,004,006	1,165,427	1,374,370	1,518,228
Business administrative services	840,529	1,032,551							
Plant operations and maintenance	5,684,012	6,401,793	6,277,415	6,999,156	7,359,751	7,256,598	7,950,463	6,802,338	6,949,843
Pupil transportation	1,704,227	1,902,695	1,661,685	1,888,254	1,867,390	2,063,235	1,961,481	1,819,573	1,609,196
Unallocated Benefits	9,134,144	4,366,605	4,846,463	5,616,007	7,969,874	8,196,847	4,478,053	6,543,098	5,511,656
Allocated Benefits							5,477,494	5,785,254	5,932,855
Special Schools	43,082	25,606	45,995	51,551					
Charter Schools						405,936	565,787	691,043	663,317
Interest on long-term debt	608,934	490,649	451,157	430,364	402,196	372,506	343,314	174,538	233,263
Unallocated depreciation	599,397	1,701,292	1,505,836	1,565,246	460,613	326,819	595,148	644,696	686,487
Amortization & Capital Lease Obligations								471,560	1,041,263
Capital Outlay - nondepreciable	1,244,460	2,240,372	1,052,006	492,516	646,188	608,561	391,229	258,309	76,830
Total governmental activities expenses	69,615,629	74,807,040	76,630,638	79,906,547	85,688,117	88,637,182	89,393,173	94,817,828	93,719,958
Business-type activities:									
Food service	1,308,895	1,333,849	1,589,991	1,677,666	1,626,161	1,720,905	1,815,586	1,928,573	2,095,850
Academy School									
Total business-type activities expense	1,308,895	1,333,849	1,589,991	1,677,666	1,626,161	1,720,905	1,815,586	1,928,573	2,095,850
Total district expenses	$ 70,924,524	$ 76,140,889	$ 78,220,629	$ 81,584,213	$ 87,314,278	$ 90,358,087	$ 91,208,759	$ 96,746,401	$ 95,815,808
Program Revenues									
Governmental activities:									
Charges for services:									
Operating grants and contributions	8,567,407	9,892,212	10,438,431	10,724,264	10,461,583	11,109,185	4,823,073	5,716,280	3,961,723
Capital grants and contributions	-	-	-	-	-	-	-	305,552	106,337
Total governmental activities program revenues	8,567,407	9,892,212	10,438,431	10,724,264	10,461,583	11,109,185	4,823,073	6,021,832	4,068,060

Hackensack Board of Education
Changes in Net Assets, Last Ten Fiscal Years
(accrual basis of accounting)

	2003	2004	2005	2006	2007	2008	2009	2010	2011
Business-type activities:									
Charges for services									
Food service	525,987	608,509	585,142	569,155	501,936	523,087	464,452	447,814	420,974
Operating grants and contributions	719,118	772,643	1,089,100	1,132,924	1,202,162	1,262,610	1,428,043	1,710,133	1,725,137
Capital grants and contributions									
Total business type activities program revenues	1,245,105	1,381,152	1,674,242	1,702,079	1,704,098	1,785,697	1,892,495	2,157,947	2,146,111
Total district program revenues	$ 9,812,512	$ 11,273,364	$ 12,112,673	$ 12,426,343	$ 12,165,681	$ 12,894,882	$ 6,715,568	$ 8,179,779	$ 6,214,171
Net (Expense)/Revenue									
Governmental activities	$ (61,048,222)	$ (64,914,828)	$ (66,192,207)	$ (69,182,283)	$ (75,226,534)	$ (77,527,997)	$ (84,570,100)	$ (88,795,996)	$ (89,651,898)
Business-type activities	(63,790)	47,303	84,251	24,413	77,937	64,792	76,909.00	229,374.00	50,261.00
Total district-wide net expense	$ (61,112,012)	$ (64,867,525)	$ (66,107,956)	$ (69,157,870)	$ (75,148,597)	$ (77,463,205)	$ (84,493,191)	$ (88,566,622)	$ (89,601,637)
General Revenues and Other Changes in Net Assets									
Governmental activities:									
Property taxes levied for general purposes, net	$ 46,625,009	$ 48,760,747	$ 49,879,303	$ 50,953,742	$ 53,452,727	$ 56,693,791	$ 58,796,582	$ 61,239,258	$ 63,715,174
Taxes levied for debt service	1,045,523	1,017,520	1,084,591	1,082,034	1,053,774	820,098	994,912	792,436	1,064,132
Unrestricted grants and contributions	8,786,752	10,129,837	11,019,986	12,071,563	14,673,639	15,183,297	18,505,940	17,217,310	17,246,250
Tuition Received	4,176,793	4,371,631	4,745,492	4,909,035	5,273,917	5,170,100	5,712,114	6,281,947	6,944,414
Investment earnings	155,917	132,701	318,333	606,367	763,868	387,639	100,057	95,646	58,647
Miscellaneous income	744,834	1,571,629	743,123	930,780	318,740	301,309	381,670	312,863	154,399
Excess Refinanced Loan Proceeds			23,800						
State Aid- State Facilities Grant	95,364	388,038							
Local Aid - Port Authority Grant				6,426,366					
Transfers	(70,000)								
Federal and State Aid - Capital outlay									
Total governmental activities	61,560,192	66,372,103	67,814,628	76,979,887	75,536,665	78,556,234	84,491,275	85,939,460	89,183,016
Business-type activities:									
Investment earnings									78
Miscellaneous Income	106								
Transfers	70,000								
Total business-type activities	70,106	-	-	-	-	-	-	-	78
Total district-wide	$ 61,630,298	$ 66,372,103	$ 67,814,628	$ 76,979,887	$ 75,536,665	$ 78,556,234	$ 84,491,275	$ 85,939,460	$ 89,183,094
Change in Net Assets									
Governmental activities	$ 511,970	$ 1,457,275	$ 1,622,421	$ 7,797,604	$ 310,131	$ 1,028,237	$ (78,825)	$ (2,856,536)	$ (468,882)
Business-type activities	6,316	47,303	84,251	24,413	77,937	64,792	76,909	229,374	50,339
Total district	$ 518,286	$ 1,504,578	$ 1,706,672	$ 7,822,017	$ 388,068	$ 1,093,029	$ (1,916)	$ (2,627,162)	$ (418,543)

Source: CAFR Schedule A-2

The J-2 is a ten year schedule. This sample is for the year of implementation of GASBS 44. Districts are not required by GASB to report years prior to the implementation date of Statement 44. However, the department strongly encourages districts to report retroactively back to the year they implemented Statement 34. This illustration is for a district which implemented GASB 34 in 6/30/03 and is reporting retroactively.

Exhibit J-3

Hackensack Board of Education
Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Fund									
Reserved	$ 1,829,818	$ 5,153,502	$ 8,653,573	$ 9,589,036	$ 7,095,676	$ 8,121,428	$ 8,232,971	$ 4,909,752	
Unreserved	4,144,583	3,357,637	1,688,135	1,933,457	2,089,495	1,673,252	769,443	1,249,410	
Restricted									2,628,645
Committed									510,533
Assigned									889,496
Unassigned									1,598,726
Total general fund	$ 5,974,401	$ 8,511,139	$ 10,341,708	$ 11,522,493	$ 9,185,171	$ 9,794,680	$ 9,002,414	$ 6,159,162	$ 5,627,400
All Other Governmental Funds									
Reserved									
Unreserved, reported in:									
Special revenue fund	(94,358)	(56,708)	(43,950)	(72,318)	(67,009)	(98,186)	-	-	
Capital projects fund	2,753,338	2,384,657	2,427,919	2,454,283	3,704,594	3,451,675	1,925,343	756,247	
Debt service fund	53,067	2	30,022	299,230	367,020	225,776	168,970	76,199	
Assigned, reported in:									
Capital projects fund									683,443
Debt service fund									273,111
Total all other governmental funds	$ 2,712,047	$ 2,327,951	$ 2,413,991	$ 2,681,195	$ 4,004,605	$ 3,579,265	$ 2,094,313	$ 832,446	$ 956,554

Source: CAFR Schedule B-1

The J-3 is a ten year schedule. This sample is for the year of implemen
Districts are not required by GASB to report years prior to the implementation date of Statement 44. However, the department strongly encourages districts to report retroactively back to the year they implemented Statement 34. This illustration is for a district which implemented GASB 34 in 6/30/03 and is reporting retroactively.

Exhibit J-4

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues										
Tax levy	$ 44,136,534	$ 47,670,532	$ 49,778,267	$ 50,963,894	$ 52,035,776	$ 54,506,501	$ 57,513,889	$ 59,791,494	$ 62,031,694	$ 64,779,306
Tuition	3,764,991	4,176,793	4,371,631	4,745,492	4,909,035	5,273,917	5,170,100	5,712,114	6,281,947	6,944,414
Interest earnings	321,119	190,966	132,701	265,266	606,367	763,868	387,639	100,057	95,646	58,647
Miscellaneous	1,340,231	836,444	1,804,584	846,631	7,357,146	352,267	312,741	393,411	321,074	162,610
State sources	12,454,630	14,439,272	15,167,607	15,879,405	17,390,538	19,792,837	21,246,188	19,976,596	16,665,590	18,424,074
Federal sources	2,691,129	2,788,228	4,601,475	5,528,571	5,405,289	5,308,858	5,034,862	3,340,676	6,565,341	2,882,025
Total revenue	64,708,634	70,102,235	75,856,265	78,229,259	87,704,151	85,998,248	89,665,419	89,314,348	91,961,292	93,251,076
Expenditures										
Instruction										
Regular Instruction	22,680,952	24,082,200	25,861,496	26,487,509	27,651,202	28,946,580	29,735,325	30,817,940	34,449,221	30,903,308
Special education instruction	4,107,116	4,391,270	4,543,289	4,829,682	5,013,079	5,247,901	5,982,963	5,985,526	6,421,294	7,077,148
Other special instruction	1,137,846	1,248,895	1,262,912	1,475,842	1,509,043	1,622,204	1,621,041	1,912,361	1,945,035	1,823,109
Other instruction	903,554	933,403	998,637	1,004,203	1,000,555	1,067,762	1,085,131	1,084,857	1,345,485	1,131,868
Support Services:										
Instruction	7,185,942	7,576,845	7,094,482	7,206,461	7,563,097	7,400,345	7,739,692	8,326,732	6,469,010	6,533,987
Attendance and social work services	20,880	20,880	20,880	22,438	21,756	22,035	22,759	548,261	426,066	180,928
Health Services	566,200	583,069	508,387	549,478	597,869	604,129	668,384	743,941	903,832	913,268
Student & instruction related services	6,692,695	7,156,238	7,224,777	8,561,976	8,426,190	9,162,112	10,136,858	8,274,784	8,667,093	9,962,348
General administrative services	910,060	919,656	932,141	983,500	1,037,811	1,229,298	1,070,555	1,165,577	1,135,434	1,065,655
School Administrative services	2,732,773	2,844,388	2,947,373	2,979,368	3,315,909	3,435,137	3,463,251	3,522,021	3,815,545	4,082,427
Business and other support services	902,536	840,529	910,078	981,632						
Central administrative services				879,960	942,653	1,048,764	872,791	1,091,236	1,269,576	1,381,949
Plant operations and maintenance	5,289,926	5,684,012	5,960,569	5,910,196	6,504,115	6,874,013	6,799,696	7,639,165	6,486,289	6,529,339
Pupil transportation	1,678,923	1,704,227	1,898,257	1,655,893	1,882,435	1,866,036	2,062,025	1,960,860	1,819,573	1,608,981
Allocated employee benefits								4,478,053	5,785,254	5,932,855
Unallocated employee benefits	4,430,218	5,319,714	5,831,968	5,321,091	6,298,732	7,812,424	7,600,842	4,468,887	5,095,877	6,379,972
TPAF Pension / Social Security	2,094,525	3,807,029	4,499,831	4,758,500	5,559,226	8,133,399	8,423,780	5,522,866	5,948,156	5,976,421
Charter Schools			25,606	45,995	51,551		405,936	565,787	691,043	663,317
Capital outlay	1,467,746	1,050,361	1,322,524	1,237,617	7,798,904	1,456,226	700,916	2,389,989	2,494,355	1,982,112
Debt service:										
Principal	537,827	561,332	580,285	595,380	643,298	672,835	707,485	742,328	710,000	630,000
Interest and other charges	537,246	514,317	490,300	459,191	438,735	410,960	381,820	350,395	188,273	237,988
Total expenditures	63,876,965	69,238,365	72,913,792	75,945,912	86,256,160	87,012,160	89,481,250	91,591,566	96,066,411	94,996,980
Excess (Deficiency) of revenues over (under) expenditures	831,669	863,870	2,942,473	2,283,347	1,447,991	(1,013,912)	184,169	(2,277,218)	(4,105,119)	(1,745,904)

Exhibit J-4

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Other Financing sources (uses)										
Transfers in	13,788	-	-		269,209	2,214,710	127,963	41,005	3,065	768
Transfers out	-	(213,047)	(421,150)	(410,000)	(269,209)	(2,214,710)	(127,963)	(41,005)	(3,065)	(768)
Capital leases (non-budgeted)										1,338,250
Total other financing sources (uses)	13,788	(213,047)	(421,150)	(410,000)	-	-	-	-	-	1,338,250
Net change in fund balances	$ 845,457	$ 650,823	$ 2,521,323	$ 1,873,347	$ 1,447,991	$ (1,013,912)	$ 184,169	$ (2,277,218)	$ (4,105,119)	$ (407,654)
Debt service as a percentage of noncapital expenditures	1.7%	1.6%	1.5%	1.4%	1.4%	1.3%	1.2%	1.2%	1.0%	0.9%

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 and C-2

Exhibit J-5

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

Fiscal Year Ended June 30,	Interest on Investments	Tuition Revenue	Rentals	Refunds	Misc.	Total
2002	321,119	3,764,991	127,113	75,963	99,231	4,388,417
2003	190,966	4,176,793	107,218	193,478	102,269	4,770,724
2004	132,701	4,371,631	260,299	463,820	41,840	5,270,291
2005	265,266	4,745,492	250,984	157,999	12,404	5,432,145
2006	510,077	4,909,035	250,377	619,925	93,409	6,382,823
2007	763,868	5,273,917	51,097	267,643		6,356,525
2008	387,639	5,170,100	25,911	134,978	12,457	5,731,085
2009	100,057	5,712,114	-	54,667	285,998	6,152,836
2010	95,646	6,281,947	-	57,486	242,311	6,677,390
2011	58,647	6,944,414	52,489	1,484	99,658	7,156,692

Source: District Records

Exhibit J-6

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

Year Ended Dec. 31,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax-Exempt Property	Public Utilities [a]	Net Valuation Taxable	Total Direct School Tax Rate [b]	Estimated Actual (County Equalized Value)	% of Net Assessed to Estimated Full Cash Valuations
2001	$ 22,094,600	$ 899,530,300			$ 757,508,500	$ 151,423,700	$ 385,594,900	$ 2,216,152,000	$ -		$ 2,216,152,000	1.960		
2002	$ 26,663,000	$ 904,832,100			$ 753,744,900	$ 151,209,900	$ 388,554,400	$ 2,225,004,300	$ -		$ 2,225,004,300	2.050		
2003	$ 23,466,000	$ 924,858,900			$ 769,171,300	$ 150,876,700	$ 385,242,400	$ 2,253,615,300	$ -		$ 2,253,615,300	2.140		
2004	$ 23,818,600	$ 926,098,000			$ 775,313,800	$ 150,708,400	$ 386,132,400	$ 2,262,071,200	$ -		$ 2,262,071,200	2.210		
2005	$ 24,754,500	$ 928,798,000			$ 773,001,000	$ 150,088,200	$ 386,106,300	$ 2,262,748,000	$ -		$ 2,262,748,000	2.260		
2006	$ 24,413,900	$ 954,256,400			$ 766,726,700	$ 140,085,800	$ 374,163,800	$ 2,259,646,600	$ -		$ 2,259,646,600	2.350		
2007	$ 52,587,500	$ 2,749,255,400			$ 2,007,826,000	$ 342,569,200	$ 1,121,889,200	$ 6,274,127,300	$ -		$ 6,274,127,300	0.890		
2008	$ 57,457,000	$ 2,728,447,600			$ 1,987,365,400	$ 337,615,700	$ 1,079,890,500	$ 6,190,776,200	$ -		$ 6,190,776,200	1.015	$ 5,943,910,052	104.15%
2009	$ 57,457,000	$ 2,728,447,600			$ 1,987,365,400	$ 337,615,700	$ 1,079,890,500	$ 6,190,776,200	$ -		$ 6,190,776,200	1.015	$ 6,096,246,072	101.55%
2010	$ 57,531,800	$ 2,704,803,000			$ 1,929,082,100	$ 323,600,400	$ 969,174,000	$ 5,984,191,300	$ -	$ 28,273,057	$ 6,012,464,357	1.038	$ 6,130,487,593	98.07%

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

Exhibit J-7

Hackensack Board of Education
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(rate per $100 of assessed value)

	Hackensack Board of Education			Overlapping Rates		Total Direct and Overlapping Tax Rate
Fiscal Year Ended June 30,	Basic Rate [a]	General Obligation Debt Service [b]	Total Direct	Town of Hackensack	Bergen County	
2001	1.90	0.06	1.96	1.72	0.26	3.94
2002	2.00	0.05	2.05	1.76	0.32	4.13
2003	2.09	0.05	2.14	1.85	0.31	4.30
2004	2.16	0.05	2.21	1.93	0.34	4.48
2005	2.21	0.05	2.26	2.04	0.39	4.69
2006	2.30	0.05	2.35	2.27	0.40	5.02
2007	0.76	0.13	0.89	0.93	0.17	1.99
2008	0.93	0.01	0.94	0.98	0.18	2.097
2009	1.00	0.02	1.02	1.00	0.20	2.215
2010	1.02	0.02	1.04	1.09	0.20	2.328

Source: District Records and Municipal Tax Collector

Note: NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy . The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculated as follows: the prebudget year net budget increased by the cost of living or 2.5 percent, which ever is greater, plus any pending growth adjustments.

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

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

Exhibit J-8

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

	2011			2002		
Taxpayer	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Riverside Sqare Ltd	$ 176,084,800	1	2.93%			
Hackensack Hospital Assn.	$ 126,774,000	2	2.11%			
Hackensack VF, LLC	$ 71,639,700	3	1.19%	$ 22,377,500	7	1.01%
Stellar Capital Mgmt	$ 51,455,400	4	0.86%	$ 24,796,800	6	1.11%
Bart VII, LLC	$ 38,902,800	5	0.65%			
Pierre Apartments	$ 37,000,000	6	0.62%			
Bloomingdale's	$ 35,917,300	7	0.60%	$ 18,500,000	8	0.83%
MSNW Continental Assn.	$ 35,631,700	8	0.59%			
Excelsior I	$ 33,500,000	9	0.56%	$ 17,559,000	9	0.79%
Excelsior II	$ 33,100,000	10	0.55%			
Riverside Partners				$ 59,750,000	1	2.69%
20 Prospect Ave (HUMC)				$ 44,500,000	2	
Continental Plaza Corp				$ 35,707,000	3	1.60%
Quail Heights				$ 28,771,400	4	1.29%
Court Plaza Assoc.				$ 26,151,500	5	1.18%
3 University Plaza				$ 16,800,000	10	0.76%
Total	$ 640,005,700		10.64%	$ 294,913,200		11.25%
	Net Assessed Valuation:		$ 6,012,464,357			$ 2,225,004,300

Source: Municipal Tax Assessor.

Exhibit J-9

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

Fiscal Year Ended June 30,	District Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2001	$43,728,083	$43,728,083	100.00%	$ -
2002	$44,136,534	$44,136,534	100.00%	$ -
2003	$47,670,532	$47,670,532	100.00%	$ -
2004	$49,778,267	$49,778,267	100.00%	$ -
2005	$50,963,894	$50,963,894	100.00%	$ -
2006	$52,035,776	$52,035,776	100.00%	$ -
2007	$54,506,501	$54,506,501	100.00%	$ -
2008	$57,513,889	$56,010,195	97.39%	$ 1,503,694
2009	$59,791,494	$59,791,494	100.00%	$ -
2010	$62,031,694	$62,031,694	100.00%	$ -
2011	$64,779,306	$64,779,306	100.00%	$ -

Source: Municipal Tax Collector

Exhibit J-10

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

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities			
	General Obligation Bonds/Loans [b]	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Total District	Percentage of Personal Income [a]	Per Capita [a]
2002	11,144,743	-	16,500	-	-	11,161,243	0.47%	$ 51,931
2003	10,583,411	-	8,474	-	-	10,591,885	0.48%	$ 51,291
2004	10,003,126	-	276,400	-	-	10,279,526	0.53%	$ 54,669
2005	9,383,946	-	223,100	-	-	9,607,046	0.59%	$ 56,963
2006	8,740,648	-	168,700	-	-	8,909,348	0.71%	$ 63,021
2007	8,067,814	-	122,378	-	-	8,190,192	0.82%	$ 67,113
2008	7,360,328	-	-	-	-	7,360,328	0.92%	$ 67,696
2009	6,618,000	-	-	-	-	6,618,000	0.97%	$ 64,388
2010	6,040,000	-	-	-	-	6,040,000	Not Available	Not Available
2011	5,410,000	-	1,075,219	-	-	6,485,219	Not Available	Not Available

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

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

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

b Includes Early Retirement Incentive Plan (ERIP) refunding

Exhibit J-11

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding: General Obligation Bonds/Loans	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value [a] of Property	Per Capita [b]
2002	$ 11,144,743	-	11,144,743	0.50%	$ 215
2003	$ 10,583,411	-	10,583,411	0.47%	$ 206
2004	$ 10,003,126	-	10,003,126	0.44%	$ 183
2005	$ 9,383,946	-	9,383,946	0.41%	$ 165
2006	$ 8,740,648	-	8,740,648	0.39%	$ 139
2007	$ 8,067,814	-	8,067,814	0.13%	$ 120
2008	$ 7,360,328	-	7,360,328	0.12%	$ 109
2009	$ 6,618,000	-	6,618,000	0.11%	$ 103
2010	$ 6,040,000	-	6,040,000	0.10%	Not Available
2011	$ 5,410,000	-	5,410,000	0.09%	Not Available

Note: Details regarding the district's outstanding debt can be found in the notes to the financial statements.
a See Exhibit NJ J-6 for property tax data.
b Population data can be found in Exhibit NJ J-14.

Exhibit J-12

Hackensack Board of Education
Ratios of Overlapping Governmental Activities Debt
As of June 30, 2011

Governmental Unit	Estimated Percentage Applicable [a]	Debt Outstanding	Estimated Share of Overlapping Debt
Direct Debt of School District as of June 30, 2011			$ 5,410,000
Net overlapping debt of School District:			
City of Hackensack	100.000%	$ 39,339,131	
County of Bergen - City's Share	3.770%	$ 27,551,265	
Bergen County Utility Authority-City's Share	9.610%	$ 25,823,833	
Subtotal, overlapping debt			$ 92,714,229
Total direct and overlapping debt			$ 98,124,229

Sources: Town of Hackensack Town Administrator / Bergen 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 Hackensack. 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.

Exhibit J-13

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

Legal Debt Margin Calculation for Fiscal Year 2010

		Equalized valuation basis
	2010	$ 5,902,151,396
	2009	6,123,139,774
	2008	6,571,949,257
	[A]	$ 12,695,089,031
Average equalized valuation of taxable property	[A/3]	$ 4,231,696,344
Debt limit (4 % of average equalization value)	[B]	169,267,854 a
Net bonded school debt	[C]	5,410,000
Legal debt margin	[B-C]	$ 163,857,854

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Debt limit	$ 21,578,460	$ 21,763,053	$ 22,005,406	$ 22,193,428	$ 174,837,281	201,720,145	155,974,463	155,974,463	166,702,491	169,267,854
Total net debt applicable to limit	11,144,743	10,583,411	10,003,126	9,383,946	8,740,648	8,067,814	7,360,328	6,618,000	6,040,000	5,410,000
Legal debt margin	$ 10,433,717	$ 11,179,642	$ 12,002,280	$ 12,809,482	$ 166,096,633	$ 193,652,331	$ 148,614,135	$ 149,356,463	$ 160,662,491	$ 163,857,854
Total net debt applicable to the limit as a percentage of debt limit	51.65%	48.63%	45.46%	42.28%	5.00%	4.00%	4.72%	4.24%	3.62%	3.20%

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

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

Exhibit J-14

Hackensack Board of Education
Demographic and Economic Statistics
Last Ten Fiscal Years

Year	Population [a]	Personal Income (thousands of dollars) [b]	Per Capita Personal Income [c]	Unemployment Rate [d]
2002	43,294	$ 2,248,300,714	51,931	6.50%
2003	43,177	$ 2,214,591,507	51,291	6.40%
2004	43,101	$ 2,356,288,569	54,669	5.30%
2005	43,041	$ 2,451,744,483	56,963	4.60%
2006	42,788	$ 2,696,542,548	63,021	4.60%
2007	42,134	$ 2,827,739,142	67,113	4.60%
2008	42,637	$ 2,886,354,352	67,696	4.60%
2009	42,839	$ 2,758,317,532	64,388	9.70%
2010	43,010	Not Available	Not Available	9.80%
2011	Not Available	Not Available	Not Available	Not Available

Source:

[a] Population information provided by the NJ Dept of Labor and Workforce Development

b Personal income - Bergen County - provided by NJ Dept of Labor and Workforce Development

[c] Per Capita Personal Income - Bergen County - provided by NJ Dept of Labor and Workforce Development

[d] Unemployment data provided by the NJ Dept of Labor and Workforce Development

Exhibit J-15

Hackensack Board of Education
Principal Employers
Current Year and Ten Years Ago **

	2011			2002		
Employer	**Employees**	**Rank (Optional)**	**Percentage of Total Employment**	**Employees**	**Rank (Optional)**	**Percentage of Total Employment**

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

Source: Town of Hackensack

** Data was only provided for years noted

Exhibit J-16

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

Function/Program	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Instruction										
Regular	472	495	521	543	530	533	533	536	413	375
Special education	19	22	26	23	24	26	27	30	143	135
Other special education	-	-	-	-	-	-	-	-	-	-
Vocational	-	-	-	-	-	-	-	-	-	-
Other instruction	-	-	-	-	-	-	-	-	-	-
Nonpublic school programs	-	-	-	-	-	-	-	-	-	-
Adult/continuing education programs	-	-	-	-	-	-	-	-	-	-
Support Services:										
Tuition	-	-	-	-	-	-	-	-	-	-
Student & instruction related services	2	5	6	16	17	17	17	18	74	17
General adminsitrative services	4	5	5	5	5	6	6	6	6	6
School administrative services	34	37	36	39	40	40	40	37	39	42
Business adminsitrative services	1	13	13	12	13	13	13	15	16	15
Plant operations and maintenance	51	57	57	57	56	57	57	55	56	51
Pupil transportation	-	-	-	-	1					
Total	583	633	664	695	686	692	693	697	747	641

Source: District Personnel Records

Exhibit J-17

Hackensack Board of Education
Operating Statistics
Last Ten Fiscal Years

Fiscal Year	Enrollment	Operating Expenditures[a]	Cost Per Pupil	Percentage Change	Teaching Staff[b]	Pupil/Teacher Ratio			Average Daily Enrollment (ADE)[c]	Average Daily Attendance (ADA)[c]	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	High School				
2002	4,783.0	61,457,992	12,849	6.40%	430	1:23	1:25	1:25	4,783	4,538	-1.97%	94.88%
2003	4,854.0	67,345,657	13,874	7.98%	470	1:23	1:25	1:25	4,854	4,594	1.48%	94.64%
2004	4,894.0	71,163,610	14,541	4.81%	485	1:23	1:25	1:25	4,894	4,629	0.82%	94.59%
2005	4,931.0	74,226,493	15,053	3.52%	485	1:23	1:25	1:25	4,931	4,639	0.76%	94.08%
2006	4,984.0	77,095,012	15,469	2.76%	485	1:23	1:25	1:25	4,852	4,596	-1.60%	94.72%
2007	4,992.0	85,061,777	17,040	13.20%	485	1:23	1:25	1:25	4,949	4,632	0.37%	93.59%
2008	4,902.0	87,691,029	17,889	15.65%	485	1:23	1:25	1:25	4,922	4,586	1.44%	93.17%
2009	4,970.0	88,108,854	17,728	4.04%	536	1:23	1:25	1:25	4,902	4,633	-0.41%	94.51%
2010	5,063.0	92,673,783	18,304	2.32%	556	1:23	1:25	1:25	5,033	4,759	2.67%	94.56%
2011	5,114.0	92,146,880	18,019	1.64%	510	1:23	1:25	1:25	5,132	4,893	1.97%	95.34%

Sources: District records, ASSA and Schedules J-4

Note: Enrollment based on annual October district count for all students attending school facilities

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).

Exhibit J-18

Hackensack Board of Education
School Building Information
Last Ten Fiscal Years

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
District Buildings										
Elementary										
Nellie K. Parker School										
Square Feet	80,280	80,280	80,280	80,280	80,280	80,280	80,280	80,280	80,280	80,280
Capacity (students)	539	539	539	539	539	539	539	539	539	539
Enrollment	420	444	449	442	426	415	415	440	440	499
Fairmount School										
Square Feet	61,000	61,000	61,000	61,000	61,000	61,000	61,000	61,000	61,000	61,000
Capacity (students)	611	611	611	611	611	611	611	611	611	611
Enrollment a	569	573	563	532	544	539	539	559	559	599
Fanny M. Hillers School	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000
Square Feet	526	526	526	526	526	526	526	526	526	526
Capacity (students)	484	484	463	434	454	494	494	516	516	564
Enrollment a										
Jackson Avenue School										
Square Feet	60,800	60,800	60,800	60,800	60,800	60,800	60,800	60,800	60,800	60,800
Capacity (students)	434	434	434	434	434	434	434	434	434	434
Enrollment a	405	427	431	407	417	398	398	430	430	479
Middle School										
Middle School										
Square Feet	103,293	103,293	103,293	103,293	103,293	103,293	103,293	103,293	103,293	103,293
Capacity (students)	1,445	1,445	1,445	1,445	1,445	1,445	1,445	1,445	1,161	1,161
Enrollment	705	700	699	715	684	654	654	673	673	633
High School										
Hackensack High School										
Square Feet	158,243	158,243	158,243	158,243	158,243	158,243	158,243	158,243	158,243	158,243
Capacity (students)	2,064	2,064	2,064	2,064	2,064	2,064	2,064	2,064	2,064	2,064
Enrollment	1,690	1,714	1,837	1,848	1,812	1,748	1,783	1,712	1,712	1,715
Other										
Administration Building										
Square Feet	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
5/6 School										
Square Feet	29,977	29,977	29,977	29,977	29,977	29,977	29,977	29,977	29,977	29,977
Capacity (students)	525	525	525	525	525	525	525	525	525	525
Enrollment a		721	677	646	645	654	619	589	589	625

Number of Schools at June 30, 2010
- Elementary = 4
- Middle School = 1
- High School = 1
- Other School =2

Source: District records, ASSA

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

Exhibit J-19

Hackensack Board of Education
General Fund
Schedule of Required Mantenance for School Facilities
Last Nine Fiscal Years
Unaudited

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

School Facilities	Project # (s)	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Hackensack High School	N/A	206,518	235,489	499,850	398,937	323,981	384,195	279,830	318,926	231,778	174,006
Middle School	N/A	347,638	323,929	242,878	430,508	468,897	80,812	246,242	265,234	259,373	113,586
Nellie K. Parker School	N/A	64,689	88,767	153,104	65,913	99,440	52,727	118,104	111,635	99,550	88,277
Fairmount School	N/A	70,851	97,089	136,496	66,577	138,421	68,837	53,768	155,794	112,568	66,857
Fanny M. Hillers School	N/A	89,141	173,251	208,755	51,664	60,088	62,998	84,768	273,050	83,996	87,969
Jackson Avenue School	N/A	75,812	45,469	95,343	26,608	61,580	297,344	48,256	229,910	83,637	67,077
Administration Building	N/A	37,797	54,389	44,683	39,258	47,454	44,596	61,167	54,098	361,532	67,077
Total School Facilities		892,446	1,018,383	1,381,109	1,079,465	1,199,861	991,509	892,135	1,408,647	1,232,434	664,849
Other Facilities											
Grand Total		$ 892,446	$ 1,018,383	$ 1,381,109	$ 1,079,465	$ 1,199,861	$ 991,509	$ 892,135	$ 1,408,647	$ 1,232,434	$ 664,849

Exhibit J-20

Hackensack Board of Education
Insurance Schedule
For the Fiscal Year Ended June 30, 2011
Unaudited

Company	Type of Coverage	Coverage	Deductible
	School package policy -		
	Property - Blanket Building and Contents	$ 16,689,820	$ 5,000
	Comprehensive General Liability	2,000,000	5,000
	Comprehensive Automobile Liability	1,000,000	5,000
	Comprehensive Crime Coverage	100,000	5,000
	Comprehensive Crime Coverage - excess indemnity	400,000	5,000
	Computers and schedule equipment -		
	Data Processing Equipment	2,500,000	5,000
	Musical instruments	250,000	250
	Other	5,000,000	5,000
	Boiler and machinery -		
	Umbrella policy	5,900,000	10,000
	School Board legal liability -		
	Directors and officers policy	1,000,000	10,000
	Public Employees' Faithful Performance Blanket	400,000	5,000
	Position Bond - Treasurer	405,000	
	Position Bond - Board Secretary	100,000	
	Pollution	1,000,000	15,000

Source: District Records

SINGLE AUDIT SECTION

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

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

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

Newton Office
100B Main Street
Newton, N.J. 07860
973-579-3212
Fax 973-579-7128

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
City of Hackensack School District
County of Bergen, 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 City of Hackensack School District in the County of Bergen as of and for the fiscal year ended June 30, 2011 which collectively comprise the basic financial statements of the Board of Education of the City of Hackensack School District in the County of Bergen, and have issued our report thereon dated October 20, 2011. 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 City of Hackensack 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 City of Hackensack School District Board of Education's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Hackensack 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 City of Hackensack 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 Board of Education of the City of Hackensack School District in a separate report entitled, *Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance* dated October 20, 2011.

This report is intended solely for the information of management, the City of Hackensack 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. Wielkotz, C.P.A.
Licensed Public School Accountant
No. 816

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

October 20, 2011

FWCC

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

Newton Office
100B Main Street
Newton, N.J. 07860
973-579-3212
Fax 973-579-7128

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
City of Hackensack School District
County of Bergen, New Jersey

Compliance

We have audited the compliance of the Board of Education of the City of Hackensack School District in the County of Bergen 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 could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2011. City of Hackensack 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 City of Hackensack School District Board of Education's management. Our responsibility is to express an opinion on the City of Hackensack 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 City of Hackensack 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 City of Hackensack School District Board of Education's compliance with those requirements.

FWCC

In our opinion, the City of Hackensack 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, 2011.

Internal Control Over Compliance

The management of the City of Hackensack 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 City of Hackensack 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 City of Hackensack 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 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 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 was not designed to identify all deficiencies in internal control over compliance 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.

This report is intended solely for the information of the management, the City of Hackensack 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. Wielkotz, C.P.A.
Licensed Public School Accountant
No. 816

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October 20, 2011

FWCC

HACKENSACK
BOARD OF EDUCATION

Schedule of Expenditures of Federal Awards

Year ended June 30, 2011

Federal Grantor/Pass-through Grantor/ Program Title	Federal CFDA Number	Grant Period	Award Amount	Balance at June 30, 2010	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2011 (Accounts Receivable)	Balance at June 30, 2011 Deferred Revenue/ Interfund Payable	Balance at June 30, 2011 Due to Grantor	MEMO Cumulative Total Expenditures
U.S. Department of Agriculture													
Passed-through State Department of Education:													
Enterprise Fund:													
USDA Commodities	10.550	7/1/10-6/30/11	$ 74,068			74,068	74,068						* 74,068
National School Lunch Program	10.555	7/1/10-6/30/11	982,647			909,966	982,647			(72,681)			* 982,647
National School Lunch Program	10.555	7/1/09-6/30/10	917,908	(73,498)		73,498							* 917,908
National Breakfast Program	10.553	7/1/10-6/30/11	607,316			547,105	607,316			(60,211)			* 607,316
National Breakfast Program	10.553	7/1/09-6/30/10	551,538	(48,853)		48,853							* 551,538
ARRA - National School Lunch Prog. Equip.	10.579	7/1/09-6/30/11	51,484										* 45,945
Total U.S. Department of Agriculture				(122,351)		1,653,490	1,664,031			(132,892)			* 3,179,422
U.S. Department of Education													
General Fund:													
Medical Assistance Program (SEMI)	93.778	7/1/10-6/30/11	71,189			32,333	71,189			(38,856)			* 71,189
Medical Assistance Program (SEMI)	93.778	7/1/09-6/30/10	47,247	(31,370)		31,370							* 15,877
Total General Fund				(31,370)		63,703	71,189			(38,856)			* 87,066
U.S. Department of Education													
Passed-through State Department of Education:													
Special Revenue Fund:													
Title I Part A, Improving Basic Programs	84.010	9/1/10-8/31/11	863,328		(436,304)	793,814	704,560	131,106		(215,944)			* 705,560
Title I Part A, Improving Basic Programs	84.010	9/1/09-8/31/10	972,126	(436,304)	436,304								* 923,852
ARRA - Title I, Part A	84.389	9/1/09-8/31/11	674,775	(329,145)		507,606	188,490			(10,029)			* 517,635
Title I - SIA	84.010	9/1/10-8/31/11											*
Title I - SIA	84.010	9/1/09-8/31/10	27,261	2,540		25,364	35,320	6,227		(1,189)			* 30,284
ARRA - Title I, SIA	84.389	9/1/09-8/31/11	34,578	(4,500)		4,500	30,078			(30,078)			* 34,578
I.D.E.A. Part B	84.027	9/1/10-8/31/11	1,230,118		(891,681)	1,910,678	1,152,051	10,002		(123,052)			* 1,152,051
I.D.E.A. Part B	84.027	9/1/09-8/31/10	1,236,276	(891,681)	891,681								* 1,273,017
ARRA - I.D.E.A. Part B	84.391	9/1/09-8/31/11	1,311,499	(1,190,385)		971,703	120,112	7		(338,787)			* 1,263,090
I.D.E.A. Part B Preschool	84.173	9/1/10-8/31/11	48,810		(40,257)	50,465	4,303	(7,031)		(1,126)			* 4,303
I.D.E.A. Part B Preschool	84.173	9/1/09-8/31/10	47,288	(40,257)	40,257								* 45,377
ARRA - I.D.E.A. Part B Preschool	84.392	9/1/09-8/31/11	47,178	(481)		30,753	44,584			(14,312)			* 45,065
Title V, Innovative Education Programs, Carryover	84.298A	9/1/08-8/31/09	6,364	(1,807)				1,807					* 4,747
Title II Part A	84.367A	9/1/10-8/31/11	227,552		(114,093)	338,168	267,574	9,804		(33,695)			* 267,574
Title II Part A	84.367A	9/1/09-8/31/10	241,882	(114,093)	114,093								* 212,916
Title II Part D	84.318X	9/1/10-8/31/11	2,175		1,632	3,968	7,117	4,041			2,524		* 7,117
Title II Part D	84.318X	9/1/09-8/31/10	9,711	1,632	(1,632)								* 2,500
Title III	84.365A	9/1/10-8/31/11	148,817		(48,439)	128,895	112,162		(4,796)	(26,910)			* 112,162

HACKENSACK
BOARD OF EDUCATION

Schedule of Expenditures of Federal Awards

Year ended June 30, 2011

Federal Grantor/Pass-through Grantor/ Program Title	Federal CFDA Number	Grant Period	Award Amount	Balance at June 30, 2010	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2011 (Accounts Receivable)	Balance at June 30, 2011 Deferred Revenue/ Interfund Payable	Balance at June 30, 2011 Due to Grantor	MEMO Cumulative Total Expenditures
(continue from prior page)													
Title III	84.365A	9/1/09-8/31/10	80,486	(48,439)	48,439								79,380
Title III, Immigrant	84.365A	9/1/10-8/31/11	51,738		(30,007)	68,741	57,766	(7,065)		(26,097)			
Title III, Immigrant	84.365A	9/1/09-8/31/10	84,768	(30,007)	30,007								79,229
Title IV, Safe and Drug Free Schools	84.186A	9/1/09-8/31/10	18,764	(7)		181	14,859	1,716		(12,969)			19,490
Vocational Education - Perkins	84.048	9/1/10-8/31/11	45,325		(54,003)	80,410	43,242	5,111		(11,724)			43,242
Vocational Education - Perkins	84.048	9/1/09-8/31/10	54,015	(54,003)	54,003								54,003
21st Century Grant	84.287	7/1/07-6/30/08	535,000	(21,264)						(21,264)			531,061
Reading First	84.357	7/1/09-6/30/10	127,034			97,506	92,468					5,038	
Reading First	84.357	7/1/08-6/30/09	563,527	(3,485)		36,356	37,931			(5,060)			553,541
Reading First	84.357	7/1/07-6/30/08	1,518,339	(6,204)						(6,204)			1,493,748
Reading First	84.357	7/1/06-6/30/07	1,522,141										
Reading First	84.357	7/1/05-6/30/06	1,494,597										
Workforce Year Round Youth Program - Drop-in		7/1/10-6/30/11	37,890			19,678	37,308			(17,630)			
Workforce Year Round Youth Program - Drop-in		7/1/09-6/30/10	31,890	(16,582)		14,216				(2,366)			30,798
Workforce Year Round Youth Program - Drop-in		7/1/08-6/30/09	13,879										13,879
Workforce Year Round Youth Program - Drop-in		7/1/07-6/30/08	18,081	(9,807)						(9,807)			17,848
Workforce Year Round Youth Program - Drop-in		7/1/06-6/30/07	20,090	(656)						(656)			20,066
Workforce Year Round Youth Program - Drop-in		7/1/05-6/30/06	24,205										24,114
Workforce Year Round Youth Program - Drop-in		7/1/04-6/30/05	29,129										29,120
ARRA Workforce Year Round Youth Program - Drop-in		7/1/09-6/30/10	6,000	(135)						(135)			6,000
Comprehensive School Reform Carryover		9/1/06-8/31/07	182,000	(1,686)						(1,686)			181,288
Project ACES		7/1/10-6/30/11	18,665			9,381	18,278			(8,897)			17,166
Project ACES		7/1/09-6/30/10	14,400	(7,539)		6,897				(642)			14,351
Project ACES		7/1/08-6/30/09	14,400										14,381
Project ACES		7/1/07-6/30/08	16,725	(8,068)						(8,068)			16,419
Project ACES		7/1/05-6/30/06	23,010										22,756
Project ACES		7/1/04-6/30/05	31,659										31,271
Local Capacity Building & Improvement Project	84.027A	10/1/04-9/30/06	250,000	(1,423)						(1,423)			149,446
Local Capacity Building & Improvement Project, C/O	84.027A	10/1/03-9/30/05	15,703										10,761
Reaching Everyone By Exposing Lies		9/1/08-6/15/09	3,000	2,491							2,491		500
													2,009
Total U.S. Department of Education				(3,211,295)		5,099,280	2,968,203	155,725	(4,796)	(929,750)	5,015	5,038	10,057,695
Total Federal Financial Assistance				$ (3,365,016)		6,816,473	4,703,423	155,725	(4,796)	(1,101,498)	5,015	5,038	13,324,183

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

HACKENSACK
BOARD OF EDUCATION

Schedule of Expenditures of State Awards and Other Local Awards

Year ended June 30, 2011

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2010: Deferred Revenue (Accts Receivable)	Balance at June 30, 2010: Due to Grantor	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2011: (Accounts Receivable)	Balance at June 30, 2011: Deferred Revenue/ Interfund Payable	Balance at June 30, 2011: Due to Grantor	MEMO: Budgetary Receivable	MEMO: Cumulative Total Expenditures
State Department of Education:															
General Fund:															
Equalization Aid	495-034-5120-078	7/1/10-6/30/11	7,302,322				6,784,057	7,302,322						(518,265)	7,302,322
Special Education aid	495-034-5120-089	7/1/10-6/30/11	2,582,040				2,398,786	2,582,040						(183,254)	2,582,040
Extraordinary Aid	495-034-5120-044	7/1/10-6/30/11	996,776					996,776			(996,776)				996,776
Extraordinary Aid	495-034-5120-044	7/1/09-6/30/10	627,850	(627,850)			627,850								627,850
Reimbursed TPAF Social Security	495-034-5095-051	7/1/10-6/30/11	3,127,486				2,967,269	3,127,486			(160,217)				3,127,486
Reimbursed TPAF Social Security	495-034-5095-051	7/1/09-6/30/10	3,215,373	(16,540)			16,540								3,198,833
On Behalf TPAF NCGI Premium	495-034-5095-001	7/1/10-6/30/11	128,099				128,099	128,099							128,099
On Behalf TPAF Pension - Post Retirement	495-034-5095-001	7/1/10-6/30/11	2,720,836				2,720,836	2,720,836							2,720,836
				(644,390)			15,643,437	16,857,559			(1,156,993)			(701,519)	20,684,242
Special Revenue Fund:															
Preschool Education Aid	495-034-5120-086	7/1/10-6/30/11	757,060			35,587	757,060	695,552				97,095		(75,706)	757,060
Preschool Education Aid	495-034-5120-086	7/1/09-6/30/10	757,060	35,587		(35,587)									757,060
Nonpublic Text Chapter 194	100-034-5210-064	7/1/10-6/30/11	15,234				15,234	11,240					3,994		11,240
Nonpublic Text Chapter 194	100-034-5210-064	7/1/09-6/30/10	28,319		1,970					1,970					26,349
Chapter 192 - Compensatory Education	100-034-5120-067	7/1/10-6/30/11	122,241				122,241	93,439					28,802		93,439
Chapter 192 - Compensatory Education	100-034-5120-067	7/1/09-6/30/10	149,713		48,889					48,889					100,824
Chapter 192 - ESL	100-034-5120-067	7/1/10-6/30/11	31,591				31,591	15,283					16,308		15,283
Chapter 192 - ESL	100-034-5120-067	7/1/09-6/30/10	28,381		10,821					10,821					17,560
Chapter 193 - Supplemental Instruction	100-034-5120-066	7/1/10-6/30/11	17,371				17,371	13,688					3,683		13,688
Chapter 193 - Supplemental Instruction	100-034-5120-066	7/1/09-6/30/10	18,318		4,359					4,359					13,959
Chapter 193 - Examination and Classification	100-034-5120-066	7/1/10-6/30/11	23,127				23,127	19,297					3,830		19,297
Chapter 193 - Examination and Classification	100-034-5120-066	7/1/09-6/30/10	24,676		6,854					6,854					17,822
Chapter 193 - Corrective Speech	100-034-5120-066	7/1/10-6/30/11	26,755				26,755	19,793					6,962		19,793
Chapter 193 - Corrective Speech	100-034-5120-066	7/1/09-6/30/10	27,798		13,621					13,621					13,578
Nonpublic Nursing	100-034-5120-070	7/1/10-6/30/11	18,050				18,050	18,050							18,050
Technology Grant	100-034-5120-373	7/1/08-6/30/09	21,280												11,425
Early Launch to Learning Initiative	495-034-5120-062	7/1/07-6/30/08	171,600												169,016
Friendly Family		7/1/10-6/30/11	45,463				45,463	37,011				8,452			37,011
Friendly Family		7/1/09-6/30/10	45,463	12,650								12,650			32,813
Friendly Family		7/1/08-6/30/09	45,463												39,436
Friendly Family		7/1/07-6/30/08	44,139												39,612
Friendly Family		7/1/06-6/30/07	47,702												34,769
Friendly Family		7/1/05-6/30/06	43,702												37,265
Friendly Family		7/1/03-6/30/04	51,000												45,448
Friendly Family		7/1/02-6/30/03	50,800												49,003
Transition Program		7/1/06-6/30/07	15,000												14,998
Transition Program		7/1/04-9/30/05	30,000												29,782
Advanced Placement Incentive Program		7/1/05-6/30/06	6,930												6,725
School Based Youth Service Program		7/1/10-6/30/11	299,940				299,940	293,833				6,107			293,833
School Based Youth Service Program		7/1/09-6/30/10	299,940	29,216								29,216			269,660
School Based Youth Service Program		7/1/08-6/30/09	299,540												295,085
School Based Youth Service Program		7/1/07-6/30/08	296,234												295,170
School Based Youth Service Program		7/1/06-6/30/07	187,482												187,481
Children's Health Insurance Program Reauthorization Act (CHIPRA)		6/1/10-12/31/11	76,000	28,000			24,000	42,097				9,903			42,097
NEA Foundation Grant		10/18/06-10/17/07	5,000												4,680
				105,453	86,514		1,380,832	1,259,283		86,514		163,423	63,579	(75,706)	3,830,311

(continue to next page)

HACKENSACK
BOARD OF EDUCATION

Schedule of Expenditures of State Awards and Other Local Awards

Year ended June 30, 2011

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2010: Deferred Revenue (Accts Receivable)	Balance at June 30, 2010: Due to Grantor	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2011: (Accounts Receivable)	Balance at June 30, 2011: Deferred Revenue/ Interfund Payable	Balance at June 30, 2011: Due to Grantor	MEMO: Budgetary Receivable	MEMO: Cumulative Total Expenditures
(continue from prior page)															
Enterprise Fund:															
National School Lunch Program (State Share)	100-010-3350-023	7/1/10-6/30/11	23,007				21,198	23,007			(1,809)				23,007
National School Lunch Program (State Share)	100-010-3350-023	7/1/09-6/30/10	39,252	(3,107)			3,107								39,252
National School Snack Program (State Share)	100-010-3350-022	7/1/10-6/30/11	38,099				34,292	38,099			(3,807)				38,099
National School Snack Program (State Share)	100-010-3350-022	7/1/09-6/30/10	43,308	(3,283)			3,283								43,309
National Breakfast Program (State Share)	100-010-3350-021	7/1/09-6/30/10	46,832	(3,947)			3,947								46,832
				(10,337)			65,827	61,106			(5,616)				190,499
Capital Projects Fund:															
Additional State School Aid-EDA Grant															
High School Window Replacement		6/29/2008	370,527	(74,801)							(74,801)				370,572
				(74,801)							(74,801)				370,572
Total State Financial Assistance				(624,075)	86,514		17,090,096	18,177,948		86,514	(1,237,410)	163,423	63,579	(777,225)	25,075,624
Local Sources:															
Special Revenue Fund:															
Reading is Fundemental		7/1/10-6/30/11	5,221				5,221	5,211				10			5,211
Reading is Fundemental		7/1/09-6/30/10	5,222	10								10			5,212
Reading is Fundemental		7/1/08-6/30/09	5,223	22								22			5,200
Reading is Fundemental		7/1/06-6/30/07	8,328	5								5			8,328
Jackson Soundproofing		7/1/02-6/30/06	6,929,550	(45,769)							(45,769)				6,929,580
Jackson Governer of Excellance		7/1/03-6/30/04	25,000	141								141			24,859
Freshman Transition Program		7/1/06-6/30/07	1,500	1								1			1,499
Teen Pregnancy Prevention Project		7/1/08-6/30/09	2,000	879								879			1,121
Rainbow Media Grant		7/1/10-6/30/11	1,500				1,500	1,500							1,500
Laura Bush Foundation		7/1/10-6/30/11	5,000				5,000	5,000							5,000
MSG Grant		7/1/10-6/30/11	1,500				1,500	1,500							1,500
MSG Grant		7/1/09-6/30/10	3,000	1								1			2,999
Mark Wahlberg Youth Foundation		7/1/07-6/30/08	5,000	236								236			4,764
				(44,474)			13,221	13,211			(45,769)	1,305			6,996,773
Total Local Sources				(44,474)			13,221	13,211			(45,769)	1,305			7,006,773
Total State and Local Financial Assistance			$	(668,549)	86,514		17,103,317	18,191,159		86,514	(1,283,179)	164,728	63,579	(777,225)	32,082,397

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

NOTE 1. GENERAL

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance present the activity of all federal and state award programs of the Board of Education, City of Hackensack 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 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 $317,502 for the general fund and $(172,640) for the special revenue fund. See the Notes to Required Supplementary 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 basic financial statements on a GAAP basis as follows:

	Federal	State	Local	Total
General Fund	$71,189	$17,175,061		$17,246,250
Special Revenue Fund	2,810,836	1,249,013	$8,211	4,068,060
Food Service Fund	1,664,031	61,106		1,725,137
Total Financial Awards	$4,546,056	$18,485,180	$8,211	$23,039,447

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. Food Distribution Program represent current year value received and current year distributions respectively. 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, 2011. 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, 2011.

NOTE 6. ADJUSTMENTS

Adjustments were made to the client's subsidiary ledger reports to agree balances to the State of New Jersey Department of Education Electronic Web-Enabled Grant (EWEG) System. These adjustments are shown on the Schedule of Expenditures of Federal Awards.

CITY OF HACKENSACK SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: unqualified

Internal control over financial reporting:

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

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

Federal Awards

Internal Control over major programs:

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

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:

CFDA Number(s)		Name of Federal Program or Cluster
84.027/84.173/ 84.391/84.392	(A)	IDEA, Part B-Basic/IDEA, Part B-Preschool/ ARRA-IDEA, Part B-Basic/ARRA-IDEA, Part B-Preschool
84.010/84.389	(A)	Title I, Part A/ARRA-Title I, Part A
10.553/10.555	(A)	National School Lunch Program/National School Breakfast Program

Note: (A) - Tested as Major Type A Program.

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

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

CITY OF HACKENSACK SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

***Section I - Summary of Auditor's Results*, (continued)**

State Awards

Dollar threshold used to distinguish between type A and type B programs: $ 545,735

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

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

Internal Control over major programs:

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

Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular Letter 04-04? _____ yes ___X___ no

Identification of major programs:

GMIS Number(s)		Name of State Program
495-034-5120-089/ 495-034-5120-078/	(A)	Special Education Categorical Aid/Equalization Aid
495-034-5095-002	(A)	Reimbursed TPAF Social Security Contribution
100-034-5120-473	(A)	Extraordinary Aid
495-034-5120-086	(A)	Preschool Education aid

Note: (A) - Tested as Major Type A Program.

CITY OF HACKENSACK SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Section II - Financial Statement Findings

None

Section III- Federal Awards and State Financial Assistance Finding and Questioned Costs

None

CITY OF HACKENSACK SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Status of Prior Year Findings

Finding 10-1

Condition:

The Board Secretary and Treasurer of School Monies did not prepare and submit Annual Reports to the Board and County Superintendent by August 1.

Current Status:

Corrective action was taken.

Finding 10-2

Condition:

The tuition rates used to calculate allowable costs for the Extraordinary Aid Application did not agree with contract amounts.

Current Status:

Corrective action was taken.