SCHOOL DISTRICT OF THE
CITY OF HACKENSACK
COUNTY OF BERGEN, NEW JERSEY
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2013

School District
of

Hackensack

HACKENSACK BOARD OF EDUCATION
Hackensack, New Jersey

Comprehensive Annual Financial Report
Year Ended June 30, 2013

Comprehensive Annual Financial Report

of the

HACKENSACK BOARD OF EDUCATION
Hackensack, New Jersey

Year Ended June 30, 2013

Prepared by

Mark Kramer
School Business Administrator/Board Secretary

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INTRODUCTORY SECTION

HACKENSACK PUBLIC SCHOOLS

191 Second Street, Hackensack, NJ 07601
www.hackensackschools.org

September 16, 2013

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, 2013, 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 as follows:

- The Introductory Section includes this transmittal letter, the District's organizational chart, list of professional advisors 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 Single Audit Section includes the Auditor's report on the internal control structure and compliance with applicable laws and regulations and finding and recommendations. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the United States Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations," and New Jersey States Office of Management and Budget 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 Governmental Accounting Standards Board (GASB) as established by the National Council on Governmental Accounting (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 academic, technological, vocational, as well as, special education for handicapped youngsters. This district is also a receiving school district from Maywood, Rochelle Park and South Hackensack.

The District completed the 2012-2013 fiscal year with an average daily enrollment of 5,406 students, which is 182 students above the previous year's enrollment. The following details the changes in the student enrollment of the District over the last eight 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%
2011-12	5,224	92	1.79%
2012-13	5,406	182	3.49%

For the 2012-13 school year, the district was configured as follows:

- Fairmount Elementary School — Grades Pre-K through 4
- Hillers Elementary School — Grades Pre-K through 4
- Jackson Avenue Elementary School — Grades Pre-K through 4
- Parker Elementary School — Grades Pre-K through 4
- Hackensack Middle School — Grades 5 through 8
- Hackensack High School — Grades 9 through 12

Based on demographic projections prepared in February 2013 by Whitehall Associates, the Hackensack Board of Education determined that the district maybe facing the need to expand in order to meet the projected growth in enrollment. In the spring, the Hackensack Board of Education approved a five year lease for a school located in Hackensack from the Archdiocese of Newark to help alleviate the immediate need for space. This facility will be referred to as the Hackensack Early Childhood Development Center and will house Pre-K through Kindergarten.

2. MAJOR INITIATIVES – 2012-2013:

Educational programs, Grades Pre-K-12

- A pilot of the Full Option Science System (FOSS) K-4 was begun to support STEM and student-centered science investigations as part of our science curriculum.
- Continued development of the Readers Workshop program with school-based grade-level meetings designed to ensure alignment to the Common Core.
- An after-school tutorial program focused on socialization skills was implemented to support special needs students.
- After- school tutoring program high-school ESL/Bilingual and SE students in preparation for the High School Proficiency Assessment in grade 11, as part of the HHS School Improvement Plan under Focus School status.
- Cooperative Discipline and Conflict Resolution programs to support HIB initiatives.
- Development of a summer-school plan for Pre-k students to attend the summer before starting kindergarten.
- Implementation of a one-to-one initiative with iPADS for all grade 9 students at HHS.
- Increase student access to state of the art technology across and throughout the curriculum.
- Improving current software and infra-structure including expansion of WIFI and applications that support teaching and learning.
- Ongoing compliance with building safety initiatives in coordination with safety regulations and law enforcement recommendations.
- Additional opportunities for dual-credit (HS/College) programs.
- 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 including virtual High School.
- Utilization of pre-assessments and formative assessments K-12 to review of benchmark scores and use data to drive instruction.
- Continued curriculum development and revision, specifically for Art. Music and Fine Arts courses, utilizing the Understanding by Design format.
- Providing instructional materials in preparation for State Mandated Testing.

Professional Development for SY 2013-2014

- Training on Teachscape as our teacher-evaluation system in preparation for full implementation of Teachscape September 2013.
- Danielson Training to support teachers' understanding of the four domains and all the components within the domains; this further supports our Teachscape implementation.
- FOSS science training to support implementation of the program with fidelity and efficient use of the kits (to specifically provide students with increased opportunities to participate in hands-on science investigations.
- Continuation of Readers Workshop and Writers' Workshop training to support school-based needs.
- Continuation of cultural competency workshops supported by Baruti Kafele's opening day address and on-going school-based conversations.

- Trainings on Genesis/Grade book and Lesson Planner, to support district-wide use of Genesis for report cards.
- Creation of school level ScIP Teams to support the new teacher-evaluation process and plan for 2013/14 needs.
- Continuation of the PLC and Grade-Level Meeting models to support curricular alignment with specific attention paid to the Common Core (ELA and Math) and the NextGen Science standards.

Hiller School Emergency Repairs to the 1971 Addition

- An emergency situation had been identified by the Boards architects, DMR Architects, that the Hillers School had an existing condition that requires immediate action. There was a need for emergency repairs to the 1971 addition, the East and West interior and exterior walls. On April 9, 2013 district administration made it known to the Board and to the State the nature of the emergency, the time of the occurrence and the need to invoke 18A:18A-7 Emergency Contracts. The purchasing agent being satisfied that an emergency existed secured the services of the districts architects, DMR Architects to perform the architectural services for addressing this matter. The cost estimates was $1,776,188 for emergency work from the district's Architects of Record, DMR Architects, for removal and reconstruction of the 1971 wing, East and West interior and exterior walls. The board on May 6, 2013 identified available funds within the Capital Outlay Fund to remediate the emergency at the Hillers School. Approximately125 students are displaced and are doubled up in other classrooms throughout the school. The cafeteria section of the building could not be used. As of September 16, 2013, the project was completed.

Other Initiatives

- Continuation in a search for a new superintendent.
- High school upgrades including a partial new roof, renovation of the East gym, renovation of the weight room and a new ceiling for the metal shop.
- Partial new roof for the middle school.
- Modifications to the lobbies of the high school and middle school that will allow for tighter security for individuals entering the buildings to a single point of entry.
- Phase II of replacing carpet with tile in various schools.
- The Hackensack Board of Education encourages a relationship between the district and community that incorporates parental, student, and community involvement to promote mutual support for instructional and volunteer endeavors. Within this learning community, the district will provide an environment that is physically and emotionally secure.
- The District encourages the entire community to respect and celebrate the diverse strengths and experiences of each individual in the global community through civic service and an appreciation of various perspectives with an emphasis on personal integrity, ethical responsibility, teambuilding, persistence, and accountability.
- District Public Relations Initiative – available on Channel 77 and Facebook.
- Hackensack Honor Roll in recognition of the great contributions made by the members of the community
- Added the Student Activities Committee of the Hackensack Board of Education.

is contained in the "Notes to the Financial Statements", Note 7.

7. FINANCIAL INFORMATION AT FISCAL YEAR-END:

The Board developed its 2012-13 budget under the State's 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.

8. 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.

9. RISK MANAGEMENT:

The Board completed its fifteenth 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. For the 2013-14 school year, the Board decided to be insured by the New Jersey School Board Insurance Group.

10. OTHER INFORMATION:

Independent Audit - State statutes require an annual audit by independent certified public accountants (CPA) 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 Office of Management and Budget 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.

11. 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 Office of Business Administration staff.

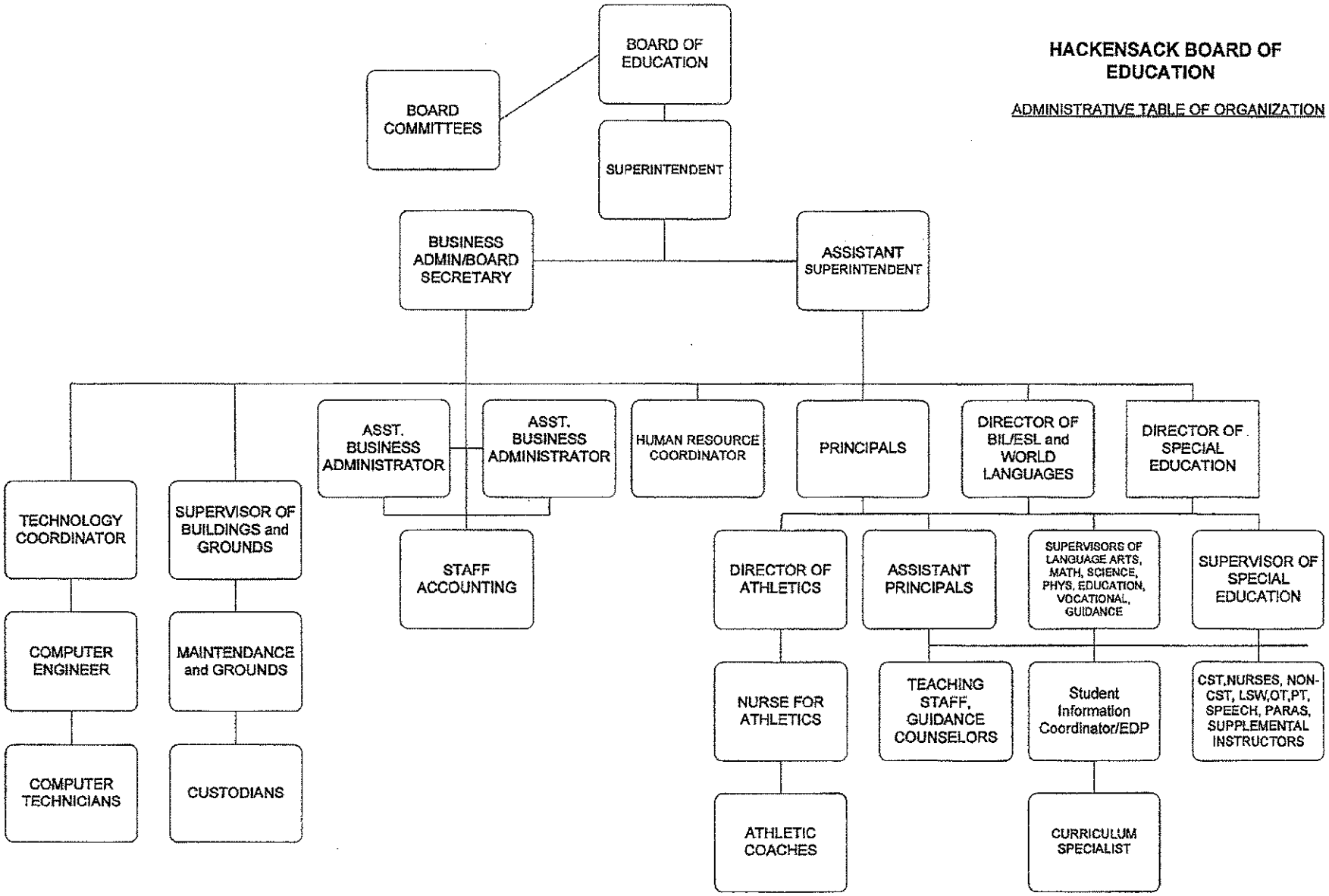
Respectfully submitted,

Mr. Joseph Abate
Superintendent of Schools

Mr. Mark Kramer
School Business Administrator/

HACKENSACK BOARD OF EDUCATION

ADMINISTRATIVE TABLE OF ORGANIZATION



HBOE POLICY 1110
PAGE 1 of 1
Revised February 24, 2012

HACKENSACK BOARD OF EDUCATION

ROSTER OF OFFICIALS

JUNE 30, 2013

Members of the Board of Education	Term Expires
Veronica Bolcik McKenna, President	2014
Angel Carrion, Vice President	2014
Carol Martinez	2014
Jason Nunnermacker	2015
Kevon Larkins	2015
Mark Stein	2015
Sam Conoscenti, Maywood Representative	2015
Francis Albolino	2016
Lara Rodriguez	2016
Timothy Hoffman	2016

Other Officials

Joseph Abate, Interim Superintendent

Rosemary Marks, Assistant Superintendent

Mark Kramer, School Business Administrator/Board Secretary

Tammy Zucca, Treasurer of School Monies

HACKENSACK BOARD OF EDUCATION

CONSULTANTS & ADVISORS

JUNE 30, 2013

Attorney

RICHARD E. SALKIN
Attorney
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Hackensack, New Jersey 07601

Negotiation Counsel

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Florham Park, New Jersey 07932

Bond Counsel

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Architect of Record

DMR ARCHITECTS
777 Terrace Ave - Suite 607
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District Auditor

STEVEN D. WIELKOTZ, C.P.A.
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Official Depository

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Steven D. Wielkotz, CPA, RMA
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INDEPENDENT AUDITOR'S REPORT

Honorable President and
Members of the Board of Education
City of Hackensack School District
County of Bergen
Hackensack, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the City of Hackensack School District, in the County of Bergen, State of New Jersey, as of and for the year ended June 30, 2013, and the related notes to the financial statements, 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 Board of Education's management. Our responsibility is to express opinions on these financial statements based on our audit.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Hackensack Board of Education, in the County of Bergen, State of New Jersey, as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Budgetary Comparison Information on pages 13 - 23 and 57 - 65 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Hackensack Board of Education's basic financial statements. The other supplementary information listed in the table of contents and schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the schedule of expenditures of state financial assistance as required by NJ OMB 04-04 and the introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplemental information listed in the table of contents and the schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations,* and the schedule of expenditures of state financial assistance as required by NJ OMB 04-04 are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplemental information listed in the table of contents, schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations,* and the schedule of expenditures of state financial assistance as required by NJ OMB 04-04 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 22, 2013 on our consideration of the City of Hackensack Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope

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of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Hackensack Board of Education's internal control over financial reporting and compliance.

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

FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants
Pompton Lakes, New Jersey

August 22, 2013

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REQUIRED SUPPLEMENTARY INFORMATION - PART I

CITY OF HACKENSACK SCHOOL DISTRICT
HACKENSACK, NJ

MANAGEMENT DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2013 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, 2013.

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 position increased $3,560,429. Net position of governmental activities increased $3,700,722 while net position of business-type activity decreased by $(140,293).

- General revenues accounted for $100,962,529 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 $6,789,880 or 6 percent of total revenues of $107,752,409.

- The School District had $101,671,989 in expenses related to governmental activities; only $4,410,182 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily grants, entitlements and property taxes) of $100,962,529 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 position* 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 position*. Over time, increases or decreases in net position 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 position changed during the most recent fiscal year. All changes in net position 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 Position provides the perspective of the District as a whole. Net position may, over time, serve as a useful indicator of a government's financial position.

The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets and the depreciation of capital assets.

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

The School District's net position was $24,275,491 at June 30, 2013 and $20,715,062 at June 30, 2012. Restricted net position is reported separately to show legal constraints that limit the School District's ability to use these items of net position for day-to-day operations. Our analysis below focuses on the net position for 2013 compared to 2012 (Table 1) and change in net position (Table 2) of the School District.

Table 1

Net Position
June 30,

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Assets						
Current and Other Assets	11,475,956	8,987,182	750,454	849,446	12,226,410	9,836,628
Capital Assets:						
Land and Construction in Progress	627,481	68,800			627,481	68,800
Depreciable Buildings, Improvements and Equipment (Net)	19,769,652	20,183,974	344,984	190,280	20,114,636	20,374,254
Total Assets	31,873,089	29,239,956	1,095,438	1,039,726	32,968,527	30,279,682
Deferred Outflows:						
Unamortized Bond Issuance Costs	57,402				57,402	
Total Deferred Outflows	57,402				57,402	
Liabilities						
Current Liabilities	660,429	937,083	357,940	161,935	1,018,369	1,099,018
Noncurrent Liabilities	7,436,975	8,465,602			7,436,975	8,465,602
Total Liabilities	8,097,404	9,402,685	357,940	161,935	8,455,344	9,564,620
Deferred Inflows:						
Unamortized Bond Issuance Premiums	295,094				295,094	
Total Deferred Inflows	295,094				295,094	
Net Position						
Invested in Capital Assets-Net of Related Debt	15,447,155	14,383,804	344,984	190,280	15,792,139	14,574,084
Restricted	9,354,947	6,775,148			9,354,947	6,775,148
Unrestricted	(1,264,109)	(1,321,681)	392,514	687,511	(871,595)	(634,170)
Total Net Position	23,537,993	19,837,271	737,498	877,791	24,275,491	20,715,062

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

Table 2 below shows the changes in net position for fiscal year 2013 compared to 2012.

Table 2
Changes in Net Position
Year Ended June 30,

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Revenues						
Program Revenues:						
Charges for Services and Sales			424,644	428,259	424,644	428,259
Operating Grants and Contributions	4,190,989	4,052,372	1,921,521	1,878,859	6,112,510	5,931,231
Capital Grants and Contributions	125,124	232,061			125,124	232,061
General Revenues:						
Taxes:						
Property taxes	69,093,004	67,106,955			69,093,004	67,106,955
Federal and State Aid not Restricted	23,271,486	20,398,040			23,271,486	20,398,040
Tuition Received	7,859,900	6,900,539			7,859,900	6,900,539
Miscellaneous Income	608,385	275,782	33,370		641,755	275,782
Investment Income	4,630	966	163	123	4,793	1,089
Total Revenues and Transfers	105,153,518	98,966,715	2,379,698	2,307,241	107,533,216	101,273,956

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Functions/Program Expenses						
Instruction:						
Regular	33,789,219	35,664,211			33,789,219	35,664,211
Special Education	11,115,653	8,511,975			11,115,653	8,511,975
Other Special Instruction	2,051,464	2,036,424			2,051,464	2,036,424
Other Instruction	2,033,545	1,361,102			2,033,545	1,361,102
Support Services:						
Tuition	5,753,383	5,872,964			5,753,383	5,872,964
Student & Instruction Related Services	13,630,248	13,060,606			13,630,248	13,060,606
School Administrative Services	3,807,103	4,253,322			3,807,103	4,253,322
General Administrative Services	877,269	946,725			877,269	946,725
Central Services and Info. Tech.	1,627,556	1,565,419			1,627,556	1,565,419
Plant Operations and Maintenance	6,741,300	6,644,370			6,741,300	6,644,370
Pupil Transportation	1,833,554	1,914,443			1,833,554	1,914,443
Unallocated Benefits	9,345,453	5,817,476			9,345,453	5,817,476
Allocated Benefits	6,305,195	7,866,070			6,305,195	7,866,070
Charter Schools	1,287,670	881,134			1,287,670	881,134
Capital Outlay- Non-depreciable	125,489	52,665			125,489	52,665
Interest on Long-Term Debt	186,561	206,380			186,561	206,380
Unallocated depreciation	976,090	914,767			976,090	914,767
Amortization	(33,956)	(33,956)			(33,956)	(33,956)
Food Service			2,519,991	2,238,297	2,519,991	2,238,297
Total Expenses and Transfers	101,452,796	97,536,097	2,519,991	2,238,297	103,972,787	99,774,394
Increase or (Decrease) in Net Position	3,700,722	1,430,618	(140,293)	68,944	3,560,429	1,499,562

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 $103,972,787. However, the amount that our taxpayers ultimately financed for these activities through School District taxes was only $69,093,004 because some of the cost was paid by those who benefitted from the programs $424,644, by other governments and organizations who subsidized certain programs with grants and contributions $6,112,510, unrestricted federal and state aid $23,271,486, federal and state aid capital outlay $125,124, tuition received $7,859,900, investment income $4,793, and by miscellaneous sources $641,755.

The following schedules present a summary of governmental fund revenues and expenditures for the fiscal year ended June 30, 2013, and the amount and percentage of increases/(decreases) relative to the prior year.

Revenue	Amount	Percent of Total	Increase/ (Decrease) from 2012	Percent of Increase/ (Decrease)
Local Source	$77,578,889	73.8%	$3,290,830	4.43%
State Source	24,087,294	22.9	2,928,773	13.84
Federal Source	3,498,111	3.3	(22,024)	(0.63)
Total	$105,164,294	100.0%	$6,197,579	6.26%

Expenditures	Amount	Percent of Total	Increase/ (Decrease) from 2012	Percent of Increase/ (Decrease)
Current Expenditures:				
Instruction	$44,416,162	43.4%	$1,570,544	3.67%
Undistributed	55,665,169	54.3	2,646,322	4.99
Debt Service	810,100	0.8	(29,537)	(3.52)
Capital Outlay	1,510,974	1.5	746,189	97.57
Total	$102,402,405	100.0%	$4,933,518	5.06%

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, 2013, the School District amended the general fund by $1,210 for increases in federal and state grants and the special revenue fund by $1,284,498 for increases in federal and state grants.

General Fund

The general fund actual revenue was $100,330,445. That amount is $11,238,442 above the final amended budget of $89,092,003. The variance between the actual revenues and final budget was the result of non-budgeted on-behalf payments of $9,217,396 for TPAF pension and social security reimbursements, a $1,280,017 excess in miscellaneous anticipated revenues, a $734,171 excess in extraordinary aid and a $6,858 increase in federal aid.

The actual expenditures of the general fund were $97,174,084 including transfers which is $3,031,257 above the final amended budget of $94,367,911. The variance between the actual expenditures and final budget was due to non-budget on-behalf payments of $9,217,396 for TPAF pension and social security reimbursements, and $6,411,223 of unexpended budgeted funds.

General fund had total revenues and other financing sources of $100,330,445 and total expenditures of $97,174,084 with an ending fund balance of $11,288,502 on the budgetary basis of accounting.

Special Revenue Fund

The special revenue fund actual revenue was $4,556,858 including transfers. That amount is $679,619 below the final amended budget of $5,236,477. 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 $4,556,858, which is $679,619 below the final amended budget of $5,236,477. 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 2013 the School District had $46,820,994 invested in sites, buildings, equipment and construction in progress. Of this amount $26,078,877 in depreciation has been taken over the years. We currently have a net book value of $20,742,117. Total additions for the year were $1,293,986, 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 2013 balances compared to 2012.

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

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Land	68,800	68,800			68,800	68,800
Buildings and Improvements	18,444,797	18,948,983	184,192	34,187	18,628,989	18,983,170
Furniture, Equipment and Vehicles	1,324,855	1,234,991	160,792	156,093	1,485,647	1,391,084
Construction in Progress	558,681				558,681	0
	20,397,133	20,252,774	344,984	190,280	20,742,117	20,443,054

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

Debt Administration

At June 30, 2013, the District had $7,436,975 of long-term debt. Of this amount, $2,724,689 is for compensated absences; $4,160,000 of serial bonds for school construction; and $552,286 for obligations under capital leases.

Table 4
Outstanding Serial Bonds at June 30,

	2013	2012
2009 Refunding School Improvement Bonds	4,160,000	4,780,000

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 2013-2014 school year that is equal to the level of the 2012-2013 school year.

These factors were considered in preparing the City of Hackensack School District's budgets for the 2013-2014 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 Position
June 30, 2013

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	7,247,415	558,760	7,806,175
Receivables, net	4,154,493	174,767	4,329,260
Inventory		16,927	16,927
Restricted assets:			
Capital reserve account - cash	74,048		74,048
Capital assets:			-
Land and Construction in Progess	627,481		
Depreciable Buildings, Improvements and Equipment (net)	19,769,652	344,984	20,114,636
Total Assets	31,873,089	1,095,438	32,341,046
Deferred Outflows:			
Unamortized bond issuance costs	57,402		57,402
Total Deferred Outflows	57,402		57,402
LIABILITIES			
Accounts payable and accrued liabilities	592,306	357,940	950,246
Payable to federal government			-
Payable to state government	16,853		16,853
Deferred revenue	51,270		51,270
Noncurrent liabilities:			
Due within one year	887,373		887,373
Due beyond one year	6,549,602		6,549,602
Total liabilities	8,097,404	357,940	8,455,344
Deferred Inflows:			
Unamortized bond issuance premiums	295,094		295,094
Total Deferred Inflows	295,094		295,094
NET POSITION			
Invested in capital assets, net of related debt	15,447,155	344,984	15,792,139
Restricted for:			
Debt service	129,270		129,270
Capital projects	504,528		504,528
Other purposes	8,721,149		8,721,149
Unrestricted (Deficit)	(1,264,109)	392,514	(871,595)
Total net position	23,537,993	737,498	24,275,491

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

Exhibit A-2

HACKENSACK BOARD OF EDUCATION
Statement of Activities
Fiscal Year Ended June 30, 2013

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues: Charges for Services	Program Revenues: Operating 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	30,754,417	3,034,802		2,717,266	(31,071,953)		(31,071,953)
Special education	9,957,533	1,158,120			(11,115,653)		(11,115,653)
Other special instruction	1,838,113	213,351			(2,051,464)		(2,051,464)
Other instruction	1,864,498	169,047			(2,033,545)		(2,033,545)
Support services:							
Tuition	5,753,383				(5,753,383)		(5,753,383)
Student & instruction related services	12,501,488	1,128,760		1,473,723	(12,156,525)		(12,156,525)
School administrative services	3,409,905	397,198			(3,807,103)		(3,807,103)
General administrative services	835,180	42,089			(877,269)		(877,269)
Central services and administrative information technology	1,483,117	144,439			(1,627,556)		(1,627,556)
Plant operations and maintenance	6,321,376	419,924			(6,741,300)		(6,741,300)
Pupil transportation	1,826,799	6,755			(1,833,554)		(1,833,554)
Allocated benefits	6,305,195				(6,305,195)		(6,305,195)
Unallocated benefits	9,345,453				(9,345,453)		(9,345,453)
Charter schools	1,287,670				(1,287,670)		(1,287,670)
Capital outlay - non-depreciable	125,489				(125,489)		(125,489)
Interest on long-term debt	186,561				(186,561)		(186,561)
Unallocated depreciation	976,090				(976,090)		(976,090)
Amortization	(33,956)				33,956		33,956
Total governmental activities	94,738,311	6,714,485	-	4,190,989	(97,261,807)	-	(97,261,807)
Business-type activities:							
Food Service	2,519,991		424,644	1,921,521		(173,826)	(173,826)
Total business-type activities	2,519,991		424,644	1,921,521		(173,826)	(173,826)
Total primary government	97,258,302		424,644	6,112,510	(97,261,807)	(173,826)	(97,435,633)
General revenues:							
Taxes:							
Levied for general purposes					68,520,822		68,520,822
Taxes levied for debt service					572,182		572,182
Federal and State aid not restricted					23,271,486		23,271,486
Federal and State aid - Capital Outlay					125,124		125,124
Tuition received					7,859,900		7,859,900
Investment Earnings					4,630	163	4,793
Miscellaneous Income					608,385	33,370	641,755
Total general revenues, special items, extraordinary items and transfers					100,962,529	33,533	100,996,062
Change in Net Position					3,700,722	(140,293)	3,560,429
Net Position—beginning					19,837,271	877,791	20,715,062
Net Position—ending					23,537,993	737,498	24,275,491

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, 2013

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents					
Checking	6,683,432		435,170	128,814	7,247,416
Accounts Receivable -					
Interfunds	1,120,365			456	1,120,821
Intergovernmental - Federal	1,210	1,194,245			1,195,455
Intergovernmental - State	1,445,893	2,300			1,448,193
Other receivables	1,503,845	7,000			1,510,845
Restricted cash and cash equivalents					
Capital reserve	74,048				74,048
Total assets	10,828,793	1,203,545	435,170	129,270	12,596,778
LIABILITIES AND FUND BALANCES					
Liabilities:					
Deficit in cash					-
Accounts payable	544,871	15,057	4,234		564,162
Intergovernmental accounts payable - State		16,853			16,853
Interfund payables		1,120,365	456		1,120,821
Deferred revenue		51,270			51,270
Total liabilities	544,871	1,203,545	4,690	-	1,753,106
Fund Balances:					
Restricted for:					
Excess Surplus - current year	750,445				750,445
Excess Surplus - prior year - designated for subsequent year's expenditures	1,086,604				1,086,604
Capital reserve account	74,048				74,048
Assigned to:					
Year-end Encumbrances	2,385,810		418,023		2,803,833
Designated by the BOE for subsequent year's expenditures	4,498,290				4,498,290
Capital projects fund			12,457		12,457
Debt service fund				129,270	129,270
Unassigned:					
General fund	1,488,724				1,488,724
Total Fund balances	10,283,921	-	430,480	129,270	10,843,671
Total liabilities and fund balances	10,828,792	1,203,545	435,170	129,270	

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 $46,262,823 and the accumulated depreciation is $25,865,690.	20,397,133
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	(28,144)
Bond issuance premium is recorded as revenue in the Governmental Funds in the year of receipt. The original premium is $421,570 and and accumulated amortization is $126,476	(295,094)
Bond issuance costs are reported as expenditures in the Governmental Funds in the year of the expenditure. The costs are $82,010 and accumulated amortization is $24,608	57,402
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)	(7,436,975)
Net position of governmental activities	23,537,993

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, 2013

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local sources:					
Municipal tax levy	68,520,822			572,182	69,093,004
Tuition charges	7,859,900				7,859,900
Interest Earned on Capital Reserve Funds	4,630				4,630
Miscellaneous	608,266	12,970	119		621,355
Total - Local Sources	76,993,618	12,970	119	572,182	77,578,889
State sources	23,149,806	937,488			24,087,294
Federal sources	121,680	3,376,431			3,498,111
Total revenues	100,265,104	4,326,889	119	572,182	105,164,294
EXPENDITURES					
Current:					
Regular instruction	27,817,958	2,938,060			30,756,018
Special education instruction	9,957,533				9,957,533
Other special instruction	1,838,113				1,838,113
School sponsored/other instructional	1,864,498				1,864,498
Support services and undistributed costs:					
Tuition	5,753,383				5,753,383
Attendance and social work services	9,045				9,045
Health services	861,884				861,884
Student & instruction related services	10,156,836	1,482,898			11,639,734
School administrative services	3,409,905				3,409,905
General administrative services	835,180				835,180
Central services & administrative information technology	1,483,117				1,483,117
Plant operations and maintenance	6,321,376				6,321,376
Pupil transportation	1,826,799				1,826,799
Allocated benefits	6,305,195				6,305,195
Unallocated benefits	6,714,485				6,714,485
On-behalf contributions	9,217,396				9,217,396
Transfer to charter school	1,287,670				1,287,670
Debt service:					
Principal				620,000	620,000
Interest and other charges				190,100	190,100
Capital outlay	1,294,518	125,124	91,332		1,510,974
Total expenditures	96,954,891	4,546,082	91,332	810,100	102,402,405
Excess (Deficiency) of revenues	3,310,213	(219,193)	(91,213)	(237,918)	2,761,889
OTHER FINANCING SOURCES (USES)					
Transfers in		219,193		119	219,312
Transfers out	(219,193)		(119)		(219,312)
Total other financing sources and uses	(219,193)	219,193	(119)	119	-
Net change in fund balances	3,091,020	-	(91,332)	(237,799)	2,761,889
Fund balance—July 1	7,192,901	-	521,812	367,069	8,081,782
Fund balance—June 30	10,283,921	-	430,480	129,270	10,843,671

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, 2013

Total net change in fund balances - governmental funds (from B-2)		2,761,889
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	(976,090)	
Depreciable Capital outlays	1,120,449	
		144,359
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	620,000	
Capital Lease Obligations - Principal	265,036	
		885,036
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	31,683	
General Bond Obligations	(28,144)	
		3,539
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).		
Increase in compensated absences payable		(128,057)
The governmental funds report the effect of bond premiums when debt is first issued. Whereas these amounts are deferred and amortized in the Statement of Activities (+)		42,157
The governmental funds report the effect of issuance costs when debt is first issued. Whereas these amounts are deferred and amortized in the Statement of Activities (-)		(8,201)
Revenues in the statement of activities which do not provide current financial resources are not reported as revenues in the funds. (+)		
Change in net assets of governmental activities		3,700,722

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

Exhibit B-4

HACKENSACK BOARD OF EDUCATION
Statement of Net Position
Proprietary Funds
June 30, 2013

	Business-type Activities - Enterprise Fund
	Food Service Program
ASSETS	
Current assets:	
Cash and cash equivalents	558,760
Accounts receivable:	
State	5,396
Federal	140,272
Other	29,099
Inventories	16,927
Total current assets	750,454
Noncurrent assets:	
Capital assets:	
Building and building improvements	188,123
Equipment	370,048
Less accumulated depreciation	(213,187)
Total capital assets (net of accumulated depreciation)	344,984
Total assets	1,095,438
Current Liabilities:	
Accounts Payable	357,940
Total Liabilities	357,940
NET POSITION	
Invested in capital assets net of related debt	344,984
Unrestricted	392,514
Total net position	737,498

Exhibit B-5

HACKENSACK BOARD OF EDUCATION
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
Fiscal Year Ended June 30, 2013

	Business-type Activities - Enterprise Fund
	Food Service Program
Operating revenues:	
Charges for services:	
Daily sales - reimbursable programs	260,984
Daily sales - non-reimbursable programs	163,660
Total operating revenues	424,644
Operating expenses:	
Cost of sales	1,004,195
Salaries	770,814
Supplies and materials	85,012
Employee benefits	203,578
Depreciation expense	18,833
Repairs and other expenses	174,146
Purchased services	261,397
CCD Fees	2,016
Total Operating Expenses	2,519,991
Operating income (loss)	(2,095,347)
Nonoperating revenues (expenses):	
State sources:	
School lunch program	25,020
Snack program	37,690
Federal sources:	
National school lunch program	1,130,399
Breakfast program	635,570
U.S.D.A. Commodities	92,842
Miscellaneous Income (Insurance Reimbursement)	33,370
Interest Income	163
Total nonoperating revenues (expenses)	1,955,054
Income (loss) before contributions & transfers	(140,293)
Total net position—beginning	877,791
Total net position—ending	737,498

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, 2013

	Business-type Activities - Enterprise Fund
	Food Service Program
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	396,179
Payments to suppliers	(2,372,391)
Net cash provided by (used for) operating activities	(1,976,212)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State Sources	61,476
Federal Sources	1,756,208
Miscellaneous Income	33,370
Interest Income	163
Net cash provided by (used for) non-capital financing activities	1,851,217
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition of capital assets	(19,888)
Net cash provided by (used for) capital and related financing activities	(19,888)
Net increase (decrease) in cash and cash equivalents	(144,883)
Balances—beginning of year	703,643
Balances—end of year	558,760
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	(2,095,347)
Adjustments to reconcile operating income (loss) to net cash provided by	
Depreciation and net amortization	18,833
Food Distribution Program	92,842
(Increase) decrease in accounts receivable, net	(28,466)
(Increase) decrease in inventories	(6,430)
Increase (decrease) in accounts payable	42,356
Total adjustments	119,135
Net cash provided by (used for) operating activities	(1,976,212)

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 Position
Fiduciary Funds
June 30, 2013

	Unemployment Compensation Trust Fund	Scholarship and Memorial Funds	Agency Fund
ASSETS			
Cash and cash equivalents	249,605	125,601	236,068
Total assets	249,605	125,601	236,068
LIABILITIES			
Deficit in Net Payroll Cash			
Deficit in Scholarship Cash		236	
Payable to student groups			214,608
Due to State of NJ - Unemployment	8,265		
Payroll deductions and withholdings			21,460
Total liabilities	8,265	236	236,068
NET POSITION			
Held in trust for unemployment claims and other purposes	241,340		
Reserved for scholarships		125,365	
	249,605	125,601	

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 Position
Fiduciary Funds
Fiscal Year Ended June 30, 2013

	Unemployment Compensation Trust Fund	Scholarship and Memorial Funds
ADDITIONS		
Contributions:		
Donations		3,525
Payroll withholdings	78,640	
Budget contributions	226,978	
Total Contributions	305,618	3,525
Investment earnings:		
Interest	322	422
Net investment earnings	322	422
Total additions	305,940	3,947
DEDUCTIONS		
Unemployment claims	122,336	
Scholarships awarded		20,327
Total deductions	122,336	20,327
Change in net assets	183,604	(16,380)
Net position—beginning of the year	57,736	141,745
Net position—end of the year	241,340	125,365

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 position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

District-wide Financial Statements:

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

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

Fund Financial Statements:

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

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

GOVERNMENTAL FUNDS

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

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

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

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

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

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

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

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

PROPRIETARY FUNDS

The focus of Proprietary Fund measurement is upon determination of net income, changes in net position, financial position and cash flows. The accounting principles generally accepted in the United States of America applicable are those similar to businesses in the private sector. Proprietary funds are classified as enterprise or internal service; the Board has no internal service funds. The following is a description of the Proprietary Funds of the Board:

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

The Board's Enterprise Fund is comprised of the Food Service Fund.

FIDUCIARY FUNDS

Fiduciary Fund - Fiduciary Fund reporting focuses on net position and changes in net position. The Fiduciary Funds are used to account for assets held by the Board on behalf of individuals, private organizations, other governments and/or other funds. Fiduciary Funds include Unemployment Compensation Insurance, the 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 position and the statement of activities) are prepared using the economic resources measurements focus and the accrual basis of accounting. All assets and liabilities associated with the operation of the Board are included on the statement of net position, except for fiduciary funds.

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the

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

District-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

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

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.

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

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

Expenses/Expenditures

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

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

D. Budgets/Budgetary Control:

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

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.

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

E. Encumbrances:

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

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

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

F. Cash, Cash Equivalents and Investments:

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

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

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.

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

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.

I. Prepaid Items:

Payments made to vendors for services that will benefit periods beyond June 30, 2013, 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 position, 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 position but are not reported in the fund financial statements. Capital assets utilized by the enterprise fund are reported both in the business-type activity column of the District-wide statement of net position and in the fund.

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

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

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

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.

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

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).

- **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.

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

P. Net Position:

Net position represent the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Board or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

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 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

U. Recent Accounting Pronouncements:

In August 2011, the Governmental Accounting Standards Board (GASB) issued Statement No. 65 "Items Previously Reported as Assets and Liabilities". This statement, which is effective for fiscal periods beginning after December 15, 2012, is not anticipated to have any effect on the District's financial reporting.

In October 2011, the Governmental Accounting Standards Board (GASB) issued Statement No. 66 "Technical Corrections – 2012 – an amendment of GASB Statements No. 10 and No. 62". This statement, which is effective for fiscal periods beginning after December 15, 2012, amends and supersedes previously issued GASB statements to incorporate guidance that had been included in AICPA and FASB guidance. The statement will have a minimum, but undetermined impact on the proprietary fund financial statements of the District.

In June 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 67, "Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25". This statement, which is effective for fiscal periods beginning after June 15, 2013, is not anticipated to have any impact on the District's financial reporting.

In June 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 68, "Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27". This statement, which is effective for fiscal periods beginning after June 15, 2014, is not anticipated to have any impact on the District's financial reporting.

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, 2013, $-0- of the District's bank balance of $10,338,170 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, 2013, 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	$1,120,821		
State Aid	1,448,193	$5,396	$1,453,589
Federal Aid	1,195,455	140,272	1,335,727
Other	1,510,845	29,099	1,539,944
Gross Receivables	5,275,314	174,767	4,329,260
Less: Allowance for Uncollectibles			
Total Receivables, Net	$5,275,314	$174,767	$4,329,260

NOTE 5. INTERFUND BALANCE AND ACTIVITY:

Balances due to/from other funds at June 30, 2013 consist of the following:

$456	Due to the Debt Service Fund from the Capital Projects Fund for interest earnings.
1,120,365	Due to the General Fund from the Special Revenue Fund for short term loans.
$1,120,821	

NOTE 6. CAPITAL ASSETS:

Capital asset activity for the fiscal year ended June 30, 2013 was as follows:

	Balance 6/30/2012	Additions	Deletions	Balance 6/30/2013
Governmental Activities				
Capital assets that are not being depreciated:				
Land	$68,800	$	$	$68,800
Construction in progress		558,681		558,681
Total capital assets not being depreciated	68,800	558,681	0	627,481
Building and building improvements	41,225,803	200,035		41,425,838
Machinery and equipment	3,857,771	361,733	(10,000)	4,209,504
Totals at historical cost	45,083,574	561,768	(10,000)	45,635,342
Less accumulated depreciation for:				
Buildings and improvements	(22,276,820)	(704,221)		(22,981,041)
Equipment	(2,622,780)	(271,869)	10,000	(2,904,649)
Total accumulated depreciation	(24,899,600)	(976,090)	10,000	(25,885,690)
Total capital assets being depreciated, net of accumulated depreciation	20,183,974	(414,322)	0	19,769,652
Governmental activities capital assets, net	$20,252,774	$144,359	$0	$20,397,133
Business-type activities:				
Building and Building improvements	34,474	153,649		188,123
Equipment	350,160	19,888		370,048
Totals at historical cost	384,634	173,537	0	558,171
Less accumulated depreciation for:				0
Building and building improvements	(287)	(3,644)		(3,931)
Equipment	(194,067)	(15,189)		(209,256)
	(194,354)	(18,833)		(213,187)
Business-type activities capital assets, net	$190,280	$154,704	$	$344,984

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 position. 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, 2013 were as follows:

	Balance June 30, 2012	Issued	Retired	Balance June 30, 2013	Amount Due Within One Year
Governmental Activities:					
Bonds Payable	$4,780,000	$	($620,000)	$4,160,000	$615,000
Other Liabilities:					
Obligations Under Capital Lease	817,322		(265,036)	552,286	272,373
Compensated Absences Payable	2,596,632	243,513	(115,456)	2,724,689	
Total	3,413,954	243,513	(380,492)	3,276,975	272,373
	$8,193,954	$243,513	($1,000,492)	$7,436,975	$887,373

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, 2013, consisted of the following:

Issue	Amount Issued	Issue Date	Interest Rate	Date of Maturity	Principal Balance June 30, 2013
School Improvement Bonds 2009	$5,550,000	09/09/2009	2.00%-5.00%	05/01/2020	$4,160,000

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

Year	Total	Principal	Interest
2014	$783,863	$615,000	$168,863
2015	758,025	610,000	148,025
2016	725,525	595,000	130,525
2017	696,663	585,000	111,663
2018	664,813	580,000	84,813
2019-2020	1,259,075	1,175,000	84,075
	$4,887,964	$4,160,000	$727,964

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, 2013:

Year	Principal	Interest	Total
2014	$272,373	$13,325	$285,698
2015	279,913	5,785	285,698
	$552,286	$19,110	$571,396

Total minimum lease payments	$571,396
Less: Amount representing interest	(19,110)
Present value of lease payments	$552,286

NOTE 8. OPERATING LEASES:

The District has commitments to lease certain office equipment and a building for classroom use under operating leases that expire in 2018. Total operating lease payments made during the year ended June 30, 2013 were $265,069. Future minimum lease payments are as follows:

Year Ending June 30,	Amount
2014	$790,541
2015	698,459
2016	593,229
2017	594,276
2018	606,162
	$3,282,667

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 or reports can be accessed on the internet at: http://www.state.nj.us/treasury/pensions/annrpts_archive.htm.

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

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. Pursuant to the provisions of Chapter 78, P.L. 2011, this amount will increase to 6.5% plus an additional 1% phased in over 7 years beginning in the first year. For fiscal year 2012, the member rate will increase in October 2011. The phase in will take place on July 1 of each subsequent fiscal year. 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, 2013 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	
6/30/13	$1,147,232
6/30/12	1,112,294
6/30/11	992,447

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
6/30/13	$2,691,050	$3,202,996	$141,586
6/30/12	1,241,198	2,762,894	133,197
6/30/11		2,720,836	128,099

NOTE 9. PENSION PLANS: (continued)

During the year ended June 30, 2013, the State of New Jersey contributed $6,035,632 to the TPAF for NCGI Premium contributions, pension 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 $3,181,764 during the year ended June 30, 2013 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.

Defined Contribution Retirement Program

The Defined Contribution Retirement Program (DCRP) was established on July 1, 2007 for certain public employees under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. The program provides eligible members with a tax-sheltered, defined contribution retirement benefit, in addition to life insurance and disability coverage. The DCRP is jointly administered by the Division of Pensions and Benefits and Prudential Financial.

If the eligible elected or appointed official will earn less than $5,000 annually, the official may choose to waiver participation in the DCRP for that office or position. The waiver is irrevocable.

This retirement program is a new pension system where the value of the pension is based on the amount of the contribution made by the employee, employer and through investment earnings. It is similar to a Deferred Compensation Program where the employee has a portion of tax deferred salary placed into an account that the employee manages through investment option provided by the employer.

The law requires that three classes of employees enroll in the DCRP detailed as follows:

All elected officials taking office on or after July 1, 2007, except that a person who is reelected to an elected office held prior to that date without a break in service may retain in the PERS. A Governor appointee with advice and consent of the Legislature or who serves at the pleasure of the Governor only during that Governor's term of office.

Other employees commencing service after July 1, 2007, pursuant to an appointment by an elected official or elected governing body.

Notwithstanding the foregoing requirements, other employees who hold a professional license or certificate or meet other exceptions are permitted to remain to join or remain in PERS.

The Board has employees who do not meet the requirements to join PERS or TPAF but hold a professional license or certificate and qualify for DCRP pursuant to foregoing requirements.

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, 2012, there were 97,661 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 2012, the State paid $146.6 million toward Chapter 126 benefits for 16,618 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.

NOTE 12. RISK MANAGEMENT: (continued)

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
2012-2013	$227,300	$78,640	$122,336	$241,340
2011-2012	319,207	75,131	295,546	57,736
2010-2011	178,439	71,618	301,577	(41,056)

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 $74,048 in the capital reserve account at June 30, 2013.

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, 2012 to June 30, 2013 fiscal year is as follows:

Beginning balance, July 1, 2012	$1,318,354
Deposits:	
Interest Earnings	4,630
Withdrawals:	
Budgeted Capital Outlay	(1,248,936)
Ending balance, June 30, 2013	$74,048

NOTE 14. FUND BALANCE APPROPRIATED:

General Fund [Exhibit B-1] - Of the $10,283,921 General Fund fund balance at June 30, 2013, $2,385,810 is reserved for encumbrances; $1,837,049 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7; ($1,086,604 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2014); $74,048 has been reserved in the Capital Reserve Account; $4,498,290 of unreserved and undesignated has been appropriated and included as anticipated revenue for the year ending June 30, 2013; and $1,488,724 is unreserved and undesignated.

Debt Service Fund - The Debt Service Fund balance at June 30, 2013 of $129,270 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, 2013 is $1,837,049 of which $750,445 is the result of current year operations.

NOTE 16. INVENTORY:

Inventory in the Food Service Fund at June 30, 2013 consisted of the following:

Food	$8,427
Supplies	8,500
	$16,927

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.

NOTE 18. SUBSEQUENT EVENTS:

The District has evaluated subsequent events through August 22, 2013, the date which the financial statements were available to be issued and no other items were noted for disclosure.

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, 2013

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
REVENUES:					
General Fund:					
Revenues from Local Sources:					
Local Tax Levy	68,520,822		68,520,822	68,520,822	
Tuition	6,892,729		6,892,729	7,859,900	967,171
Interest Earned on Capital Reserve Funds				4,630	4,630
Unrestricted Miscellaneous Revenues	300,050		300,050	608,266	308,216
Total - Local Sources	75,713,601		75,713,601	76,993,618	1,280,017
Revenues from State Sources:					
Categorical Special Education Aid	2,780,976		2,780,976	2,780,976	
Equalization Aid	9,539,514		9,539,514	9,539,514	
Categorical Security Aid	302,261		302,261	302,261	
Categorical Transportation Aid	90,829		90,829	90,829	
Extraordinary Aid	550,000		550,000	1,284,171	734,171
On-behalf TPAF Pension and Post Retirement					
Medical Contributions (non-budgeted)				3,202,996	3,202,996
On-behalf TPAF Pension and NCGI Premium				2,832,636	2,832,636
Reimbursed TPAF Social Security Contributions (non-budgeted)				3,181,764	3,181,764
Total - State Sources	13,263,580		13,263,580	23,215,147	9,951,567
Revenues from Federal Sources:					
Special Education Medicaid Initiative	113,612		113,612	120,470	6,858
Education Jobs Fund		1,210	1,210	1,210	
Total - Federal Sources	113,612	1,210	114,822	121,680	6,858
TOTAL REVENUES	89,090,793	1,210	89,092,003	100,330,445	11,238,442
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
Preschool - Salaries of Teachers		5,000	5,000	3,460	1,540
Kindergarten - Salaries of Teachers	916,281	373,740	1,290,021	1,236,961	53,060
Grades 1-5 - Salaries of Teachers	9,292,604	(751,095)	8,541,509	8,499,891	41,618
Grades 6-8 - Salaries of Teachers	6,475,747	(119,379)	6,356,368	6,355,416	952
Grades 9-12 - Salaries of Teachers	8,801,411	390,843	9,192,254	9,127,739	64,515
Regular Programs - Home Instruction:					
Salaries of Teachers	255,000	(130,000)	125,000	119,045	5,955
Purchased Professional-Educational Services		23,667	23,667	15,836	7,831
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	1,198,875	(818,781)	380,094	353,266	26,828
Purchased Professional - Educational Services		16,959	16,959	15,234	1,725
Purchased Technical Services	50,700	17,260	67,960	61,978	5,982
Other Purchased Services (400-500 series)	410,444	165,383	575,827	507,948	67,879
General Supplies	1,514,483	105,961	1,620,444	1,468,296	152,148
Textbooks	186,302	(121,442)	64,860	52,493	12,367
Other Objects	2,100	200	2,300	395	1,905
TOTAL REGULAR PROGRAMS - INSTRUCTION	29,103,947	(841,684)	28,262,263	27,817,958	444,305
SPECIAL EDUCATION - INSTRUCTION					
Learning and/or Language Disabilities					
Salaries of Teachers	383,920	199,561	583,481	572,475	11,006
Other Salaries for Instruction	207,525	347,314	554,839	553,740	1,099
General Supplies	2,000	39,413	41,413	37,387	4,026
Textbooks	2,000	(2,000)			
Total Learning and/or Language Disabilities	595,445	584,288	1,179,733	1,163,602	16,131
Behavioral Disabilities					
Salaries of Teachers		266,423	266,423	264,245	2,178
Other Salaries for Instruction		305,343	305,343	301,689	3,654
General Supplies		6,824	6,824	6,437	387
Textbooks	2,000	(2,000)			
Total Behavioral Disabilities	2,000	576,590	578,590	572,371	6,219
Multiple Disabilities					
Salaries of Teachers	605,111	32,924	638,035	635,858	2,177
Other Salaries for Instruction	394,745	(60,631)	334,114	331,780	2,334
General Supplies	5,000	8,723	13,723	7,690	6,033
Textbooks	4,000	(3,050)	950		950
Total Multiple Disabilities	1,008,856	(22,034)	986,822	975,328	11,494

Exhibit C-1

HACKENSACK BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2013

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
Resource Room/Resource Center:					
Salaries of Teachers	4,651,142	(355,209)	4,295,933	4,283,373	12,560
Other Salaries for Instruction	813,380	817,399	1,630,779	1,555,745	75,034
Other Purchased Services (400-500 Series)		4,500	4,500	3,996	504
General Supplies	21,200	6,050	27,250	22,754	4,496
Textbooks	16,600	(5,624)	10,976	9,013	1,963
Total Resource Room/Resource Center	5,502,322	467,116	5,969,438	5,874,881	94,557
Autism:					
Salaries of Teachers		41,062	41,062	41,062	
General Supplies		280	280	279	1
Other Objects		200	200	200	
Total Preschool Disabilities - Part Time		41,542	41,542	41,541	1
Preschool Disabilities - Part-Time:					
Salaries of Teachers	473,795	(231,741)	242,054	239,469	2,585
Other Salaries for Instruction	261,740	(16,271)	245,469	245,288	181
Other Purchased Services (400-500 Series)	5,000		5,000		5,000
General Supplies	14,000	51,947	65,947	30,165	35,782
Total Preschool Disabilities - Part Time	754,535	(196,065)	558,470	514,922	43,548
Preschool Disabilities- Full-Time:					
Salaries of Teachers	159,995	146,161	306,156	304,216	1,940
Other Salaries for Instruction		414,062	414,062	412,067	1,995
Other Purchased Services (400-500 Series)	5,000		5,000	3,035	1,965
General Supplies	16,495	34,045	50,540	25,407	25,133
Total Preschool Disabilities - Full-Time	181,490	594,268	775,758	744,725	31,033
Home Instruction					
Salaries of Teachers		63,507	63,507	63,507	
Purchased Professional - Educational Services		14,345	14,345	6,656	7,689
Total Home Instruction		77,852	77,852	70,163	7,689
TOTAL SPECIAL EDUCATION - INSTRUCTION	8,044,648	2,123,557	10,168,205	9,957,533	210,672
Bilingual Education - Instruction					
Salaries of Teachers	1,680,376	8,194	1,688,570	1,669,623	18,947
Other Salaries for Instruction		144,185	144,185	136,580	7,605
General Supplies	16,650	17,003	33,653	29,848	3,805
Textbooks	10,050	(2,018)	8,032	2,062	5,970
Total Bilingual Education - Instruction	1,707,076	167,364	1,874,440	1,838,113	36,327
School-Sponsored Cocurricular Activities - Instruction					
Salaries	110,747	48,038	158,785	158,785	
Purchased Services (300-500 series)	8,775	(1,900)	6,875	6,576	299
Supplies and Materials	27,858	(2,400)	25,458	7,471	17,987
Other Objects	1,750		1,750	905	845
Total School-Sponsored Cocurricular Activities - Instruction	149,130	43,738	192,868	173,737	19,131
School-Sponsored Athletics - Instruction					
Salaries	755,379	(7,037)	748,342	693,870	54,472
Purchased Services (300-500 series)	279,860	34,500	314,360	308,415	5,945
Supplies and Materials	94,000	(4,668)	89,332	73,728	15,604
Other Objects	35,835	4,000	39,835	36,281	3,554
Total School-Sponsored Athletics - Instruction	1,165,074	26,795	1,191,869	1,112,294	79,575
Before/After School Programs - Instruction					
Salaries of Teachers	537,000	(12,220)	524,780	389,758	135,022
Other Salaries of Instruction	39,980		39,980		39,980
Total Before/After School Programs Instruction	576,980	(12,220)	564,760	389,758	175,002
Before/After School Programs - Support Services					
Salaries	174,663	12,220	186,883	179,786	7,097
Total Before/After School Programs - Support Services	174,663	12,220	186,883	179,786	7,097
Summer School - Instruction					
Salaries of Teachers	12,980		12,980	8,923	4,057
Total Summer School Programs Instruction	12,980		12,980	8,923	4,057
TOTAL INSTRUCTION	40,934,498	1,519,770	42,454,268	41,478,102	976,166

Exhibit C-1

HACKENSACK BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2013

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State - Regular		3,715	3,715	1,345	2,370
Tuition to Other LEAs Within the State - Special	604,000	(278,864)	325,136	324,067	1,069
Tuition to County Voc. School Dist. - Regular	430,000	(84,340)	345,660	345,660	
Tuition to County Voc. School Dist. - Special	585,500	(182,465)	403,035	403,035	
Tuition to CSSD & Regional Day Schools	2,814,526	69,540	2,884,066	2,825,935	58,131
Tuition to Private Schools for the Handicapped - Within State	1,707,790	(22,315)	1,685,475	1,655,229	30,246
Tuition - State Facilities	198,112		198,112	198,112	
Total Undistributed Expenditures - Instruction:	6,339,928	(494,729)	5,845,199	5,753,383	91,816
Undistributed Expend. - Attend. & Social Work					
Salaries	143,573	(143,573)			
Other Purchased Services (400-500 series)	30,000	(3,215)	26,785	9,045	17,740
Total Undistributed Expend. - Attend. & Social Work	173,573	(146,788)	26,785	9,045	17,740
Undist. Expend. - Health Services					
Salaries	816,594	29,942	846,536	846,535	1
Other Purchased Services (400-500 series)	2,025	766	2,791	1,975	816
Supplies and Materials	19,901	5,342	25,243	13,374	11,869
Total Undistributed Expenditures - Health Services	838,520	36,050	874,570	861,884	12,686
Undist. Expend. - Speech, OT, PT & Related Svcs.					
Salaries	1,263,739	137,923	1,401,662	1,401,343	319
Purchased Prof. Services-Educational Services	582,882	(256,168)	326,714	265,948	60,766
Supplies and Materials	3,800	11,794	15,594	2,717	12,877
Other Objects		1,275	1,275	1,275	
Total Undist. Expend. - Speech, OT, PT, & Related Svcs	1,850,421	(105,176)	1,745,245	1,671,283	73,962
Undist. Expend. - Other Supp. Serv. Students-Extra Serv.					
Salaries	2,150,492	(987,738)	1,162,754	1,162,754	
Purchased Prof. Services-Educational Services	502,405	317,445	819,850	749,914	69,936
Supplies and Materials		5,800	5,800	570	5,230
Other Objects		416	416	416	
Total Undist. Expend. - Other Supp. Serv. Students-Extra Svcs.	2,652,897	(664,077)	1,988,820	1,913,654	75,166
Undist. Expend. - Guidance					
Salaries of Other Professional Staff	833,885	200,583	1,034,468	1,032,828	1,640
Salaries of Secretarial and Clerical Assistants	43,965	119,210	163,175	158,175	5,000
Other Purchased Professional and Technical Services		21,160	21,160	19,090	2,070
Other Purchased Services (400-500 series)		2,058	2,058	257	1,801
Supplies and Materials	40,750	(23,205)	17,545	10,213	7,332
Total Undist. Expend. - Guidance	918,600	319,806	1,238,406	1,220,563	17,843
Undist. Expend. - Child Study Teams					
Salaries of Other Professional Staff	3,041,999	(19,518)	3,022,481	3,014,797	7,684
Salaries of Secretarial and Clerical Assistants	262,038	(7,835)	254,203	253,061	1,142
Purchased Prof. Services-Educational Services		161,650	161,650	126,387	35,263
Other Purchased Professional and Technical Services	33,250	(16,500)	16,750	1,050	15,700
Misc. Pur Services (400-500 Series)	18,173	4,015	22,188	20,943	1,245
Supplies and Materials	129,250	(50,901)	78,349	38,971	39,378
Other Objects		1,000	1,000	1,000	
Total Undist. Expend. - Child Study Teams	3,484,710	71,911	3,556,621	3,456,209	100,412
Undist. Expend. - Improvement of Instructional Services					
Salaries of Supervisors of Instruction	163,200	568,104	731,304	731,304	
Salaries of Other Professional Staff	85,000	128,200	213,200	208,530	4,670
Salaries of Secretarial and Clerical Assistants	100,274	51,209	151,483	151,483	
Other Purch Services (400-500)	320	1,527	1,847	1,811	36
Supplies and Materials	55,819	(12,080)	43,739	43,038	701
Other Objects		650	650	184	466
Total Undist. Expend. - Improvement of Inst. Services	404,613	737,610	1,142,223	1,136,350	5,873
Undist. Expend. - Educational Media Serv./Sch. Library					
Salaries	553,813	35,831	589,644	588,691	953
Purchased Professional and Technical Services		12,336	12,336	11,145	1,191
Other Purch Services (400-500)		889	889	687	202
Supplies and Materials	82,438	(7,711)	74,727	57,958	16,769
Total Undist. Expend. - Educational Media Serv./Sch. Library	636,251	41,345	677,596	658,481	19,115
Undist. Expend. - Instructional Staff Training Serv.					
Salaries of Supervisors of Instruction					
Salaries-Other Prof. Staff	583,000	(574,000)	9,000	6,456	2,544
Purchased Professional - Educational Services	24,214	(5,414)	18,800	14,730	4,070
Other Purchased Services (400-500 series)	1,835	71,075	72,910	64,310	8,600
Supplies and Materials		15,100	15,100	14,800	300
Other Objects	15,772	(15,771)	1		1
Total Undist. Expend. - Instructional Staff Training Serv.	624,821	(509,010)	115,811	100,296	15,515

Exhibit C-1

HACKENSACK BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2013

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Supp. Serv. - General Administration					
Salaries	361,640		361,640	356,319	5,321
Legal Services	205,000	(5,000)	200,000	150,137	49,863
Audit Fees	93,000		93,000	45,500	47,500
Other Purchased Professional Services	84,808	2,715	87,523	74,630	12,893
Purchased Technical Services	2,800		2,800	200	2,600
Communications/Telephone	388,964	(150,751)	238,213	156,573	81,640
BOE Other Purchased Services	8,500		8,500	2,585	5,915
Other Purch Services (400-500 Series)	27,740	(3,850)	23,890	7,713	16,177
General Supplies	9,665	(1)	9,664	8,583	1,081
BOE In-House Training/Meeting Supplies	14,833		14,833	284	14,549
Misc. Expenditures	15,590		15,590	5,015	10,575
BOE Membership Dues and Fees	32,525		32,525	27,641	4,884
Total Undist. Expend. - Supp. Serv. - General Administration	1,245,065	(156,887)	1,088,178	835,180	252,998
Undist. Expend. - Support Serv. - School Administration					
Salaries of Principals/Assistant Principals	2,709,298	(172,376)	2,536,922	2,521,674	15,248
Salaries of Other Professional Staff	82,440	(82,440)			
Salaries of Secretarial and Clerical Assistants	1,090,493	(233,250)	857,243	840,956	16,287
Other Purchased Services (400-500 series)	25,675	(19,799)	5,876	3,925	1,951
Supplies and Materials	84,098	(33,552)	50,546	41,415	9,131
Other Objects	22,973	(18,548)	4,425	1,935	2,490
Total Undist. Expend. - Support Serv. - School Administration	4,014,977	(559,965)	3,455,012	3,409,905	45,107
Undist. Expend. - Support Serv. - Central Services					
Salaries	890,931		890,931	790,189	100,742
Purchased Technical Services	121,410		121,410	48,101	73,309
Misc. Pur Services (400-500 Series)	25,700	2,432	28,132	6,764	21,368
Supplies and Materials	27,551		27,551	10,631	16,920
Interest on Lease Purchase Agreement	28,828		28,828	20,663	8,165
Misc. Expenditures	12,640		12,640	6,339	6,301
Total Undist. Expend. - Support Serv. - Central Services	1,107,060	2,432	1,109,492	882,687	226,805
Undist. Expend. - Admin Info. Technology					
Information Technology					
Salaries	460,293	(51)	460,242	432,613	27,629
Purchased Technical Services	5,600	23,224	28,824	26,502	2,322
Other Purch Services (400-500 Series)	152,196	(4,651)	147,545	140,352	7,193
Supplies and Materials	970	3,878	4,848	963	3,885
Total Undist. Expend. - Support Serv. - Administrative Information Technology	619,059	22,400	641,459	600,430	41,029
Undist. Expend. - Required Maint. for School Facilities (261)					
Salaries	263,708	152,191	415,899	415,899	
Cleaning, Repair and Maintenance Services	659,065	(370,414)	288,651	275,942	12,709
General Supplies	116,144	32,259	148,403	140,615	7,788
Undist. Expend. - Required Maint. for School Facilities	1,038,917	(185,964)	852,953	832,456	20,497
Undist. Expend. - Oth. Oper. & Maint. of Plant (262)					
Salaries	3,118,411	(181,498)	2,936,913	2,643,079	293,834
Salaries of Non-Instructional Aides	244,438	10,645	255,083	255,083	
Purchased Prof. And Tech. Services	99,462	33,000	132,462	93,422	39,040
Cleaning, Repair and Maintenance Services	203,963	(28,337)	175,626	172,379	3,247
Rental of Land & Bldg. Oth. Than Lease Pur Agrmt.		26,600	26,600	14,300	12,300
Other Purchased Property Services	69,000	22,400	91,400	80,680	10,720
Insurance	480,700	(37,785)	442,915	442,915	
Miscellaneous Purchased Services	8,500	(193)	8,307	4,898	3,409
General Supplies	293,491	14,693	308,184	306,449	1,735
Energy (Energy and Electricity)	1,311,000	(226,230)	1,084,770	728,736	356,034
Energy (Natural Gas)	401,000	199,902	600,902	343,513	257,389
Other Objects	250		250	250	
Total Undist. Expend. - Other Oper. & Maint. Of Plant	6,230,215	(166,803)	6,063,412	5,085,704	977,708
Undist. Expend. - Care & Upkeep of Grounds (263)					
Salaries		111,879	111,879	99,480	12,399
Cleaning, Repair and Maintenance Services	20,000	84,800	104,800	102,469	2,331
General Supplies	25,500	20,200	45,700	44,819	881
Other Objects		900	900	900	
Total Undist. Expend. - Care & Upkeep of Grounds	45,500	217,779	263,279	247,668	15,611
Undist. Expend. - Security					
Salaries	43,180	98,315	141,495	141,484	11
Purchased Professional and Technical Services	3,600	5,900	9,500	6,195	3,305
Cleaning, Repair and Maintenance Services	2,500	(2,500)			
General Supplies	1,950	2,100	4,050	3,156	894
Other Objects		5,500	5,500	4,713	787
Total Undist. Expend. - Security	51,230	109,315	160,545	155,548	4,997

Exhibit C-1

HACKENSACK BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2013

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Student Transportation Services (270)					
Salaries for Pupil Trans (Other than Bet. Home & Sch.)	53,600	9,900	63,500	57,185	6,315
Management fee- ECS&CTSA Trans.	75,000	(279)	74,721	71,693	3,028
Cleaning, Repair and Maintenance Services	9,875	7,212	17,087	16,908	179
Contract Services (Between Home & School)-Vendors	83,290	(77,736)	5,554	5,554	
Contract Services (Other than Between Home & School)-Vendors	162,241	(21,318)	140,923	119,367	21,556
Contract Services (Between Home & School)-Joint Agreements	3,109		3,109	2,274	835
Contract Services (Sp. Ed. Students)-Vendors	682,894	(435,877)	247,017	245,367	1,650
Contract Services (Spl. Ed. Students)-ESCs&CTSAs	843,000	545,607	1,388,607	1,299,345	89,262
Contract Services - Aid in lieu Pymts - Charter School	4,420	2,652	7,072	6,571	501
Miscellaneous Purchased Services - Transportation		1,038	1,038	646	392
General Supplies	4,129	(2,500)	1,629		1,629
Transportation Supplies		2,500	2,500	1,889	611
Total Undist. Expend. - Student Transportation Services	1,921,558	31,199	1,952,757	1,826,799	125,958
Regular Programs-Instruction-Employee Benefits					
Health Benefits	7,292,513	(153,544)	7,138,969	6,305,195	833,774
TOTAL ALLOCATED BENEFITS	7,292,513	(153,544)	7,138,969	6,305,195	833,774
UNALLOCATED BENEFITS					
Social Security Contributions	1,200,000	27,601	1,227,601	1,225,569	2,032
Other Retirement Contributions-PERS	1,252,853	4,998	1,257,851	1,165,332	92,519
Other Retirement Contributions-Regular		38,000	38,000	25,133	12,867
Unemployment Compensation	281,609	(53,000)	228,609	228,609	
Workmen's Compensation	595,000	(12,500)	582,500	392,403	190,097
Health Benefits	3,755,182	(176,253)	3,578,929	3,578,888	41
Tuition Reimbursement	8,000		8,000	3,300	4,700
Other Employee Benefits	101,794	5,116	106,910	95,251	11,659
TOTAL UNALLOCATED BENEFITS	7,194,438	(166,038)	7,028,400	6,714,485	313,915
On-behalf TPAF Post-Retirement Medical (non-budgeted)				3,202,996	(3,202,996)
On-behalf TPAF Pension and NCGI Premium (non-budgeted)				2,832,636	(2,832,636)
Reimbursed TPAF Social Security Contributions (non-budgeted)				3,181,764	(3,181,764)
TOTAL ON-BEHALF CONTRIBUTIONS				9,217,396	(9,217,396)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	14,486,951	(319,582)	14,167,369	22,237,076	(8,069,707)
TOTAL UNDISTRIBUTED EXPENDITURES	48,684,866	(1,719,134)	46,965,732	52,894,601	(5,928,869)
TOTAL GENERAL CURRENT EXPENSE	89,619,364	(199,364)	89,420,000	94,372,703	(4,952,703)
Equipment					
Regular Programs - Instruction:					
Grades 1-5	52,320	(4,500)	47,820		47,820
Grades 6-8	24,600		24,600		24,600
Grades 9-12	116,300	97,276	213,576	70,139	143,437
Special Education - Instruction:					
Learning and/or Language Disabilities		5,300	5,300	5,219	81
Vocational Programs:					
School-Sponsored and Other Intructional Programs		5,668	5,668	5,668	
Total Equipment	193,220	103,744	296,964	81,026	215,938
Undist. Expenditures:					
Support Serv. - Students - Reg.		3,660	3,660	3,660	
Support Serv.-Related & Extra.	16,000		16,000		16,000
Central Services		6,750	6,750	6,750	
Security		11,101	11,101	11,101	
School Buses-Reg.		82,927	82,927		82,927
Total Undist. Expend.	16,000	104,438	120,438	21,511	98,927
Facilities Acquisition and Construction Services					
Legal Services	26,000		26,000		26,000
Architectural/Engineering Services	275,000		275,000	101,565	173,435
Construction Services	1,976,868	233,341	2,210,209	763,544	1,446,665
Supplies and Materials		167,886	167,886	24,024	143,862
Principal- Lease Purchase	265,036		265,036	265,036	
Assessment for Debt Service on SDA Funding	37,812		37,812	37,812	
Total Facilities Acquisition and Construction Services	2,580,716	401,227	2,981,943	1,191,981	1,789,962
TOTAL CAPITAL OUTLAY	2,789,936	609,409	3,399,345	1,294,518	2,104,827
Transfer of Funds to Charter Schools	947,545	381,828	1,329,373	1,287,670	41,703
TOTAL EXPENDITURES	93,356,845	791,873	94,148,718	96,954,891	(2,806,173)

Exhibit C-1

HACKENSACK BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2013

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,266,052)	(790,663)	(5,056,715)	3,375,554	8,432,269
Other Financing Sources/(Uses):					
Operating Transfers Out:					
Special Revenue Fund - Preschool Education Aid	(219,193)		(219,193)	(219,193)	
Total Other Financing Sources/(Uses):	(219,193)		(219,193)	(219,193)	
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(4,485,245)	(790,663)	(5,275,908)	3,156,361	8,432,269
Fund Balance, July 1	8,132,141		8,132,141	8,132,141	
Fund Balance, June 30	3,646,896	(790,663)	2,856,233	11,288,502	8,432,269
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Adjustment for Prior Year Encumbrances	(262,350)		(262,350)	(262,350)	
Increase in Capital Reserve:					
Interest Deposit to Capital Reserve				4,630	(4,630)
Additional State Aid					
Withdrawal from Capital Reserve	(1,003,936)	(245,000)	(1,248,936)	(1,248,936)	
Budgeted Fund Balance	(3,218,959)	(545,663)	(3,764,622)	4,663,017	8,436,899
	(4,485,245)	(790,663)	(5,275,908)	3,156,361	8,432,269

Recapitulation:	
Restricted Fund Balance:	
Excess Surplus - Current Year	750,445
Excess Surplus - Designated for Subsequent Year's Expenditures	1,086,604
Capital Reserve	74,048
Committed Fund Balance:	
Year-end Encumbrances	2,385,810
Assigned Fund Balance:	
Designated for Subsequent Year's Expenditures	4,498,290
Unassigned Fund Balance	2,493,305
Total Fund Balance per Governmental Funds (Budgetary)	11,288,502
Recapitulation to Governmental Fund Statement (GAAP):	
Less: Last State Aid Payment not Recognized GAAP Basis	1,004,581
Total Fund Balance per Governmental Funds (GAAP)	10,283,921

Exhibit C-1b

HACKENSACK BOARD OF EDUCATION
Education Jobs Fund - Budget and Actual
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2013

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Federal Sources:					
Education Jobs Fund		1,210	1,210	1,210	-
Total Federal Sources	-	1,210	1,210	1,210	-
Total Revenues	**-**	**1,210**	**1,210**	**1,210**	**-**
EXPENDITURES:					
Education Jobs Fund					
Regular Programs - Undistributed Instruction					
Employee Benefits		1,210	1,210	1,210	-
Total Regular Programs - Instruction	-	1,210	1,210	1,210	-

Exhibit C-2

HACKENSACK BOARD OF EDUCATION
Budgetary Comparison Schedule
Special Revenue Fund
Fiscal Year Ended June 30, 2013

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources	444,616	(428,225)	16,391	12,970	(3,421)
State Sources	729,760	291,172	1,020,932	942,390	(78,542)
Federal Sources	2,558,410	1,421,551	3,979,961	3,382,305	(597,656)
Total Revenues	**3,732,786**	**1,284,498**	**5,017,284**	**4,337,665**	**(679,619)**
EXPENDITURES:					
Instruction:					
Salaries of Teachers	758,583	202,476	961,059	891,328	69,731
Other Salaries for Instruction	138,638	21,552	160,190	142,752	17,438
Purchased Professional and Technical Services	44,373	126,253	170,626	145,938	24,688
Other Purchased Services (400-500 series)	1,218,819	99,884	1,318,703	1,271,604	47,099
General Supplies	204,119	389,504	593,623	473,734	119,889
Textbooks	313,000	(299,631)	13,369	5,896	7,473
Other Objects	444,616	(428,863)	15,753	8,409	7,344
Total instruction	3,122,148	111,175	3,233,323	2,939,661	293,662
Support services:					
Salaries of Program Directors	397,185	591,348	988,533	838,532	150,001
Personal Services - Employee Benefits	214,330	190,506	404,836	345,080	59,756
Other Purchased Professional Services	12,000	238,235	250,235	198,862	51,373
Travel	29,000	3,826	32,826	9,262	23,564
Other Purchased Services (400-500 series)	19,883	68,376	88,259	40,635	47,624
Supplies & Materials	57,433	57,931	115,364	59,702	55,662
Total support services	729,831	1,150,222	1,880,053	1,492,073	387,980
Facilities acquisition and const. serv.:					
Instructional Equipment	100,000	23,101	123,101	125,124	(2,023)
Total facilities acquisition and const. serv.	100,000	23,101	123,101	125,124	(2,023)
Total Expenditures	3,951,979	1,284,498	5,236,477	4,556,858	679,619
Other Financing Sources (Uses)					
Operating Transfer In:					
General Fund - Preschool Education Aid	219,193		219,193	219,193	
Total Other Financing Sources (Uses)	219,193	-	219,193	219,193	-
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, 2013

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]	100,330,445	4,556,858
Difference - budget to GAAP:			
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.			
Current Year			(10,776)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		939,240	
The last state aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the state recognizes the related expense (GASB 33).		(1,004,581)	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	100,265,104	4,546,082
Uses/outflows of resources			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]&[C-2]	97,174,084	4,556,858
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.			
Current Year			(10,776)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	97,174,084	4,546,082

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, 2013

	Total Brought Forward (Ex. E-1a)	Environmental Challenge Grant	MSG Grant	Fairmount PTA	IDEA Part - B	IDEA Part - B Preschool	NCLB Title I	Totals 2013
REVENUES								
Local Sources	-	7,000	3,116	2,854				12,970
State Sources	942,390							942,390
Federal Sources	507,814				1,223,649	93,198	1,557,644	3,382,305
Total Revenues	**1,450,204**	**7,000**	**3,116**	**2,854**	**1,223,649**	**93,198**	**1,557,644**	**4,337,665**
EXPENDITURES:								
Instruction:								
Salaries of Teachers	436,303						455,025	891,328
Other Salaries for Instruction	142,752							142,752
Purchased Professional and Technical Services	115,830						30,108	145,938
Other Purchased Services (400-500 series)	-				1,179,022	92,582		1,271,604
General Supplies	73,080				2,964		397,690	473,734
Textbooks	5,896							5,896
Other Objects	5,293		3,116					8,409
Total instruction	779,154	-	3,116	-	1,181,986	92,582	882,823	2,939,661
Support services:								
Salaries of Program Directors	437,971						400,561	838,532
Personal Services - Employee Benefits	181,722						163,358	345,080
Other Purchased Professional Services	115,335				41,663	616	41,248	198,862
Travel	3,678						5,584	9,262
Other Purchased Services (400-500 series)	22,233						18,402	40,635
Supplies & Materials	17,434	7,000					35,268	59,702
Total support services	778,373	7,000	-	-	41,663	616	664,421	1,492,073
Facilities acquisition and const. serv.:								
Instructional Equipment	111,870			2,854			10,400	125,124
Total facilities acquisition and const. serv.	111,870	-	-	2,854	-	-	10,400	125,124
Total Expenditures	**1,669,397**	**7,000**	**3,116**	**2,854**	**1,223,649**	**93,198**	**1,557,644**	**4,556,858**
Other Financing Sources (Uses)								
Operating Transfer In:								
General Fund - Preschool Education Aid	219,193							219,193
Total Other Financing Sources (Uses)	**219,193**	-	-	-	-	-	-	**219,193**
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, 2013

	Total Brought Forward (Ex. E-1b)	Title II, Part A Training & Recruiting	NCLB Title III	NCLB Title III Immigrant	Workforce Year Round Youth Program - Drop-in	Perkins - Vocational Education	Project Aces	Total Carried Forward
REVENUES								
Local Sources	-							-
State Sources	942,390							942,390
Federal Sources	-	190,564	137,822	57,357	15,000	50,231	56,840	507,814
Total Revenues	**942,390**	**190,564**	**137,822**	**57,357**	**15,000**	**50,231**	**56,840**	**1,450,204**
EXPENDITURES:								
Instruction:								
Salaries of Teachers	368,591		65,942			1,770		436,303
Other Salaries for Instruction	141,246		1,506					142,752
Purchased Professional and Technical Services	113,512					2,318		115,830
Other Purchased Services (400-500 series)	-							-
General Supplies	7,327		23,867	15,605		26,281		73,080
Textbooks	5,896							5,896
Other Objects	4,593		700					5,293
Total instruction	641,165	-	92,015	15,605	-	30,369	-	779,154
Support services:								
Salaries of Program Directors	267,099	112,120	3,880		13,720		41,152	437,971
Personal Services - Employee Benefits	75,271	44,518	15,264	41,660	1,179	219	3,611	181,722
Other Purchased Professional Services	74,035	14,700	14,900			11,700		115,335
Travel	-	288	105			3,285		3,678
Other Purchased Services (400-500 series)	1,200	7,810	296	92		2,200	10,635	22,233
Supplies & Materials	3,142	11,128	1,340		101	281	1,442	17,434
Total support services	420,747	190,564	35,785	41,752	15,000	17,685	56,840	778,373
Facilities acquisition and const. serv.:								
Instructional Equipment	99,671		10,022			2,177		111,870
Total facilities acquisition and const. serv.	99,671	-	10,022	-	-	2,177	-	111,870
Total Expenditures	**1,161,583**	**190,564**	**137,822**	**57,357**	**15,000**	**50,231**	**56,840**	**1,669,397**
Other Financing Sources (Uses)								
Operating Transfer In:								
General Fund - Preschool Education Aid	219,193							219,193
Total Other Financing Sources (Uses)	**219,193**	-	-	-	-	-	-	**219,193**
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, 2013

	Total Brought Forward (Ex. E-1c)	Nonpublic Nursing	Nonpublic Technology	School Based Youth Service Program	Family Friendly	Chapter 194 Nonpublic Textbook	Chapter 192 Compesatory Education	Total Carried Forward
REVENUES								
Local Sources	-							-
State Sources	492,173	18,555	2,360	304,740	44,171	5,896	74,495	942,390
Federal Sources	-							-
Total Revenues	**492,173**	**18,555**	**2,360**	**304,740**	**44,171**	**5,896**	**74,495**	**942,390**
EXPENDITURES:								
Instruction:								
Salaries of Teachers	339,851				28,740			368,591
Other Salaries for Instruction	135,920				5,326			141,246
Purchased Professional and Technical Services	39,017						74,495	113,512
Other Purchased Services (400-500 series)	-							-
General Supplies	7,327							7,327
Textbooks	-					5,896		5,896
Other Objects	-				4,593			4,593
Total instruction	522,115	-	-	-	38,659	5,896	74,495	641,165
Support services:								
Salaries of Program Directors	-			264,896	2,203			267,099
Personal Services - Employee Benefits	50,667			21,695	2,909			75,271
Other Purchased Professional Services	38,913	18,555	2,360	13,807	400			74,035
Travel	-							-
Other Purchased Services (400-500 series)	-			1,200				1,200
Supplies & Materials	-			3,142				3,142
Total support services	89,580	18,555	2,360	304,740	5,512	-	-	420,747
Facilities acquisition and const. serv.:								
Instructional Equipment	99,671							99,671
Total facilities acquisition and const. serv.	99,671	-	-	-	-	-	-	99,671
Total Expenditures	**711,366**	**18,555**	**2,360**	**304,740**	**44,171**	**5,896**	**74,495**	**1,161,583**
Other Financing Sources (Uses)								
Operating Transfer In:								
General Fund - Preschool Education Aid	219,193							219,193
Total Other Financing Sources (Uses)	**219,193**	-	-	-	-	-	-	**219,193**
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, 2013

	Chapter 192 ESL	Chapter 193 Supplemental Instruction	Chapter 193 Exam & Classification	Chapter 193 Corrective Speech	Preschool Education Aid	Total Carried Forward
REVENUES						
Local Sources						-
State Sources	22,850	15,819	23,094	16,167	414,243	492,173
Federal Sources						-
Total Revenues	**22,850**	**15,819**	**23,094**	**16,167**	**414,243**	**492,173**
EXPENDITURES:						
Instruction:						
Salaries of Teachers					339,851	339,851
Other Salaries for Instruction					135,920	135,920
Purchased Professional and Technical Services	22,850			16,167		39,017
Other Purchased Services (400-500 series)						-
General Supplies					7,327	7,327
Textbooks						-
Other Objects						-
Total instruction	22,850	-	-	16,167	483,098	522,115
Support services:						
Salaries of Program Directors						-
Personal Services - Employee Benefits					50,667	50,667
Other Purchased Professional Services		15,819	23,094			38,913
Travel						-
Other Purchased Services (400-500 series)						-
Supplies & Materials						-
Total support services	-	15,819	23,094	-	50,667	89,580
Facilities acquisition and const. serv.:						
Instructional Equipment					99,671	99,671
Total facilities acquisition and const. serv.	-	-	-	-	99,671	99,671
Total Expenditures	**22,850**	**15,819**	**23,094**	**16,167**	**633,436**	**711,366**
Other Financing Sources (Uses)						
Operating Transfer In:						
General Fund - Preschool Education Aid					219,193	219,193
Total Other Financing Sources (Uses)					**219,193**	**219,193**
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, 2013

	District Wide Total		
	Budget	**Actual**	**Variance**
Expenditures:			
Instruction:			
Salaries of teachers	346,648	339,851	6,797
Other salaries for instruction	138,638	135,920	2,718
General supplies	7,327	7,327	
Total instruction	492,613	483,098	9,515
Support services:			
Personal Services - Employee Benefits	50,667	50,667	
Total support services	50,667	50,667	
Facility Acquisition and Construction Services:			
Instructional equipment	100,000	99,671	329
Total expenditures	643,280	633,436	9,844

Summary of Location Totals

Total revised 2012-13 Preschool Education Aid	416,760
Add: Actual Carryover (June 30, 2012)	57,432
Add: Budgeted Transfer from the General Fund 2012-13	219,193
Total Preschool Education Aid Funds Available for 2012-13 Budget	693,385
Less: 2011-12 Budgeted Preschool Education Aid prior year budgeted carryover)	643,280
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2013	50,105
Add: June 30, 2014 Unexpended Preschool Education Aid	9,844
2012-13 Carryover - Preschool Education Aid/Preschool	59,949
2012-13 Preschool Education Aid Carryover Budgeted for Preschool Programs 2013-14	

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, 2013

Revenues and Other Financing Sources	
Interest on Investments	119
	119
Expenditures and Other Financing Uses	
Construction services	509,355
Total expenditures	509,355
Excess (deficiency) of revenues over (under) expenditures	(509,236)
Other Finance Sources (Uses)	
Transfers out:	
Debt Service Fund	(119)
Total other financing sources (uses)	(119)
Net change in fund balance	(509,355)
Fund balance - beginning	521,812
Fund balance - ending	12,457

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, 2013

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
Bond proceeds and transfers	1,945,000		1,945,000	1,945,000
	1,945,000	-	1,945,000	1,945,000
Expenditures and Other Financing Uses				
Construction services	1,335,866	509,355	1,845,221	1,857,678
Equipment purchases	87,322		87,322	87,322
	1,423,188	509,355	1,932,543	1,945,000
Excess (deficiency) of revenues over (under) expenditures	521,812	(509,355)	12,457	-

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	99%
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, 2013

Project Title/Issue	Date	Appropriations	Expenditures to Date Prior Years	Expenditures to Date Current Year	Unexpended Balance June 30, 2013
Various School Improvements	February 9, 1999				
Other Improvements					
Other Improvements		1,945,000	1,423,188	509,355	12,457
		1,945,000	1,423,188	509,355	12,457

PROPRIETARY FUNDS

Exhibit G-1

HACKENSACK BOARD OF EDUCATION
Combining Statement of Net Position
Enterprise Funds
June 30, 2013

	Food Service Program	Totals
ASSETS		
Current assets:		
Cash and cash equivalents	558,760	558,760
Accounts receivable:		
State	5,396	5,396
Federal	140,272	140,272
Other	29,099	29,099
Inventories	16,927	16,927
Total current assets	750,454	750,454
Noncurrent assets:		
Capital assets:		
Building and building improvements	188,123	188,123
Equipment	370,048	370,048
Less accumulated depreciation	(213,187)	(213,187)
Total capital assets (net of accumulated depreciation)	344,984	344,984
Total assets	1,095,438	1,095,438
LIABILITIES		
Current Liabilities:		
Accounts Payable	357,940	357,940
Total Liabilities	357,940	357,940
NET POSITION		
Invested in capital assets net of related debt	344,984	344,984
Unrestricted	392,514	392,514
Total net assets	737,498	737,498

Exhibit G-2

HACKENSACK BOARD OF EDUCATION
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Enterprise Funds
Fiscal Year Ended June 30, 2013

	Food Service Program	Totals
Operating revenues:		
Charges for services:		
Daily sales - reimbursable programs	260,984	260,984
Daily sales - non-reimbursable programs	163,660	163,660
Total operating revenues	424,644	424,644
Operating expenses:		
Cost of food	1,004,195	1,004,195
Salaries	770,814	770,814
Supplies and materials	85,012	85,012
Employee benefits	203,578	203,578
Depreciation	18,833	18,833
Repairs and other expenses	174,146	174,146
Purchased services	261,397	261,397
CCD Fees	2,016	2,016
Total Operating Expenses	2,519,991	2,519,991
Operating income (loss)	(2,095,347)	(2,095,347)
Nonoperating revenues (expenses):		
State sources:		
School lunch program	25,020	25,020
School snack program	37,690	37,690
Federal sources:		
School lunch program	1,130,399	1,130,399
School breakfast program	635,570	635,570
U.S.D.A. Commodities	92,842	92,842
Miscellaneous Income (Insurance Reimbursement)	33,370	33,370
Interest Income	163	163
Total nonoperating revenues (expenses)	1,955,054	1,955,054
Income (loss) before contributions & transfers	(140,293)	(140,293)
Total net position—beginning	877,791	877,791
Total net position—ending	737,498	737,498

Exhibit G-3

HACKENSACK BOARD OF EDUCATION
Combining Statement of Cash Flows
Enterprise Funds
Fiscal Year Ended June 30, 2013

	Food Service Program	Totals
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	396,179	396,179
Payments to suppliers	(2,372,391)	(2,372,391)
Net cash provided by (used for) operating activities	(1,976,212)	(1,976,212)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Sources	61,476	61,476
Federal Sources	1,756,208	1,756,208
Miscellaneous Income (Insurance Reimbursement)	33,370	
Interest Income	163	163
Net cash provided by (used for) non-capital financing activities	1,851,217	1,817,684
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of Capital Assets	(19,888)	(19,888)
Net cash used for capital and related financing activities	(19,888)	(19,888)
Net increase (decrease) in cash and cash equivalents	(144,883)	(144,883)
Balances—beginning of year	703,643	703,643
Balances—end of year	558,760	558,760
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	(2,095,347)	(2,095,347)
Adjustments to reconcile operating income (loss) to net cash provided by		
Depreciation and net amortization	18,833	18,833
Food distribution program	92,842	92,842
(Increase) decrease in accounts receivable	(28,466)	(28,466)
(Increase) decrease in inventories	(6,430)	(6,430)
Increase (decrease) in accounts payable	42,356	42,356
Total adjustments	119,135	119,135
Net cash provided by (used for) operating activities	(1,976,212)	(1,976,212)

FIDUCIARY FUND

Exhibit H-1

HACKENSACK BOARD OF EDUCATION
Combining Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2013

	Unemployment Compensation Trust Fund	Scholarship and Memorial Funds	Agency Funds
ASSETS			
Cash and cash equivalents	249,605	125,601	236,068
Total assets	249,605	125,601	236,068
LIABILITIES			
Deficit in Scholarships Cash		236	
Payable to student groups			214,608
Due to State of NJ - Unemployment	8,265		
Payroll deductions and withholdings			21,460
Total liabilities	8,265	236	236,068
NET POSITION			
Held in trust for unemployment claims and other purposes	241,340		
Reserved for scholarships		125,365	
	249,605	125,601	

Exhibit H-2

HACKENSACK BOARD OF EDUCATION
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Fiscal Year Ended June 30, 2013

	Unemployment Compensation Trust Fund	Scholarship and Memorial Funds
ADDITIONS		
Contributions:		
Donations		3,525
Payroll withholdings	78,640	
Budget Contributions	226,978	
Total Contributions	305,618	3,525
Investment earnings:		
Interest	322	422
Net investment earnings	322	422
Total additions	305,940	3,947
DEDUCTIONS		
Quarterly contribution reports	122,336	
Scholarships awarded		20,327
Total deductions	122,336	20,327
Change in net assets	183,604	(16,380)
Net position—beginning of the year	57,736	141,745
Net position—end of the year	241,340	125,365

Exhibit H-3

HACKENSACK BOARD OF EDUCATION
Student Activity Agency Fund
Schedule of Receipts and Disbursements
Fiscal Year Ended June 30, 2013

	Balance July 1, 2012	Cash Receipts	Cash Disbursed	Balance June 30, 2013
Elementary Schools:				
Fairmount Avenue School	8,471	4,236	6,175	6,532
Jackson Avenue School	4,562	5,269	6,116	3,715
Fanny M. Hillers School	2,409	1,990	1,226	3,173
Nellie Parker School	3,753	2,567	1,459	4,861
Nellie Parker School Donation	1,470			1,470
Total Elementary Schools	20,665	14,062	14,976	19,751
Middle School:				
Middle School	18,113	35,140	43,489	9,764
Total Middle Schools	18,113	35,140	43,489	9,764
High School:				
High School	158,815	225,499	235,966	148,348
Varsity H	19,097	24,690	35,166	8,621
Total High Schools	177,912	250,189	271,132	156,969
Athletic Departments:				
Athletic Department	7,842	33,616	13,334	28,124
Total Athletic Department	7,842	33,616	13,334	28,124
Total All Schools	224,532	333,007	342,931	214,608

Exhibit H-4

HACKENSACK BOARD OF EDUCATION
Payroll Agency Fund
Schedule of Receipts and Disbursements
Fiscal Year Ended June 30, 2013

	Balance July 1, 2012	Cash Receipts	Cash Disbursed	Balance June 30, 2013
Net Payroll	14,334	36,865,596	36,874,387	5,543
Payroll Deductions and Withholdings	451,717	27,270,221	27,706,021	15,917
	466,051	64,135,817	64,580,408	21,460

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, 2013

Issue	Date of Issue	Amount of Issue	Annual Maturities Date	Annual Maturities Amount	Interest Rate	Balance, July 1, 2012	Retired	Balance, June 30, 2013
Refunding School Improvement bonds	Sept. 9, 2009	5,550,000	5/1/2014	615,000	4.000	4,780,000	620,000	4,160,000
			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			
						$ 4,780,000	620,000	4,160,000

Exhibit I-2

HACKENSACK BOARD OF EDUCATION
General Long-Term Debt Account Group
Schedule of Capital Leases Payable
Fiscal Year Ended June 30, 2013

Issue	Date of Lease	Amount of Lease	Principal Payment Date	Principal Payment Amount	Interest Rate		Issued	Retired	Balance, June 30, 2013
Various Equipment	Nov. 2010	1,338,250	1/1/14	135,257	2.75%	$	817,322	265,036	552,286
			7/1/14	137,116	2.75%				
			1/1/15	139,001	2.75%				
			7/1/15	140,912	2.75%				
						$	817,322	265,036	552,286

HACKENSACK BOARD OF EDUCATION
Budgetary Comparison Schedule
Debt Service Fund
Fiscal Year Ended June 30, 2013

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	572,182		572,182	572,182	
Total Revenues	**572,182**	-	**572,182**	**572,182**	-
EXPENDITURES:					
Regular Debt Service:					
Interest	190,100	-	190,100	190,100	-
Redemption of Principal	620,000	-	620,000	620,000	-
Total Regular Debt Service	810,100	-	810,100	810,100	-
Total expenditures	**810,100**	-	**810,100**	**810,100**	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(237,918)	-	(237,918)	(237,918)	-
Other Financing Sources:					
Operating Transfers In:					
Interest earned in Capital Projects Fund				119	119
Total Operating Transfers In	-	-	-	119	119
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(237,918)	-	(237,918)	(237,799)	119
Fund Balance, July 1	367,069	-	367,069	367,069	-
Fund Balance, June 30	129,151	-	129,151	129,270	119
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Budgeted Fund Balance	(237,918)		(237,918)	(237,918)	
Operating Transfers In				119	119
Total	(237,918)	-	(237,918)	(237,799)	119

STATISTICAL SECTION

STATISTICAL SECTION (UNAUDITED)

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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, 2003; schedules presenting district-wide information include information beginning in that year.

Exhibit J-1

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental activities										
Invested in capital assets, net of related debt	$ 268,767	$ (383,406)	$ 6,001,034	$ 8,813,583	$ 9,408,979	$ 11,554,919	$ 13,384,709	$ 13,922,495	$ 14,383,804	$ 15,447,155
Restricted	8,313,996	11,111,514	12,270,231	11,069,478	11,798,879	10,520,528	5,742,198	4,985,228	6,775,148	9,354,947
Unrestricted	(272,060)	(794,984)	(540,537)	(168,906)	(465,466)	(1,411,880)	(1,319,876)	(501,070)	(1,321,681)	(1,264,109)
Total governmental activities net position	$ 8,310,703	$ 9,933,124	$ 17,730,728	$ 19,714,155	$ 20,742,392	$ 20,663,567	$ 17,807,031	$ 18,406,653	$ 19,837,271	$ 23,537,993
Business-type activities										
Invested in capital assets, net of related debt	$ 33,295	$ 42,143	$ 76,284	$ 123,386	$ 119,071	$ 113,064	$ 143,633	$ 156,752	$ 190,280	$ 344,984
Restricted										
Unrestricted	173,096	248,499	238,751	269,586	338,693	421,609	614,875	652,095	687,511	392,514
Total business-type activities net position	$ 206,391	$ 290,642	$ 315,035	$ 392,972	$ 457,764	$ 534,673	$ 758,508	$ 808,847	$ 877,791	$ 737,498
District-wide										
Invested in capital assets, net of related debt	$ 302,062	$ (341,263)	$ 6,077,318	$ 8,936,969	$ 9,528,050	$ 11,667,983	$ 13,528,342	$ 14,079,247	$ 14,574,084	$ 15,792,139
Restricted	8,313,996	11,111,514	12,270,231	11,069,478	11,798,879	10,520,528	5,742,198	4,985,228	6,775,148	9,354,947
Unrestricted	(98,964)	(546,485)	(301,786)	100,680	(126,773)	(990,271)	(705,001)	151,025	(634,170)	(871,595)
Total district net position	$ 8,517,094	$ 10,223,766	$ 18,045,763	$ 20,107,127	$ 21,200,156	$ 21,198,240	$ 18,565,539	$ 19,215,500	$ 20,715,062	$ 24,275,491

Source: CAFR Scehdule A-1

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Expenses										
Governmental activities										
Instruction										
Regular	$ 28,839,153	$ 29,722,525	$ 30,941,044	$ 33,040,016	$ 33,572,639	$ 33,248,841	$ 37,187,411	$ 34,070,608	$ 35,664,211	$ 33,789,219
Special education	5,275,334	5,625,742	5,821,140	6,252,530	7,044,607	6,523,168	7,028,221	7,904,628	8,511,975	11,115,653
Other special education	1,464,612	1,719,429	1,756,818	1,936,358	1,901,500	2,084,806	2,127,599	2,035,260	2,036,424	2,051,464
Other instruction	1,109,127	1,123,570	1,125,674	1,223,418	1,213,520	1,146,402	1,434,801	1,224,741	1,361,102	2,033,545
Support Services:										
Tuition	7,094,482	7,206,461	7,563,097	7,400,345	7,739,692	8,326,732	6,469,010	6,533,987	5,872,964	5,753,383
Student & instruction related services	8,459,610	9,893,130	9,739,489	10,654,734	11,692,928	10,083,677	10,646,432	12,042,453	13,060,606	13,630,248
General administrative services	994,963	1,061,435	1,123,149	1,336,685	1,173,600	1,224,772	1,189,885	1,131,062	946,725	877,269
School administrative services	3,408,196	3,462,532	3,850,389	4,089,255	4,064,188	3,826,379	4,169,690	4,554,281	4,253,322	3,807,103
Central Administration		975,257	942,653	1,048,764	1,004,006	1,165,427	1,374,370	1,518,228	1,565,419	1,627,556
Business administrative services	1,032,551									
Plant operations and maintenance	6,401,793	6,277,415	6,999,156	7,359,751	7,256,598	7,950,463	6,802,338	6,949,843	6,644,370	6,741,300
Pupil transportation	1,902,695	1,661,685	1,888,254	1,867,390	2,063,235	1,961,481	1,819,573	1,609,196	1,914,443	1,833,554
Unallocated Benefits	4,366,605	4,846,463	5,616,007	7,969,874	8,196,847	4,478,053	6,543,098	5,511,656	7,866,070	9,345,453
Allocated Benefits						5,477,494	5,785,254	5,932,855	5,817,476	6,305,195
Special Schools	25,606	45,995	51,551							
Charter Schools					405,936	565,787	691,043	663,317	881,134	1,287,670
Interest on long-term debt	490,649	451,157	430,364	402,196	372,506	343,314	174,538	233,263	206,380	186,561
Unallocated depreciation	1,701,292	1,505,836	1,565,246	460,613	326,819	595,148	644,696	686,487	914,767	976,090
Amortization & Capital Lease Obligations							471,560	1,041,263	(33,956)	(33,956)
Capital Outlay - nondepreciable	2,240,372	1,052,006	492,516	646,188	608,561	391,229	258,309	76,830	52,665	125,489
Total governmental activities expenses	74,807,040	76,630,638	79,906,547	85,688,117	88,637,182	89,393,173	94,817,828	93,719,958	97,536,097	101,452,796
Business-type activities:										
Food service	1,333,849	1,589,991	1,677,666	1,626,161	1,720,905	1,815,586	1,928,573	2,095,850	2,238,297	2,519,991
Academy School										
Total business-type activities expense	1,333,849	1,589,991	1,677,666	1,626,161	1,720,905	1,815,586	1,928,573	2,095,850	2,238,297	2,519,991
Total district expenses	$ 76,140,889	$ 78,220,629	$ 81,584,213	$ 87,314,278	$ 90,358,087	$ 91,208,759	$ 96,746,401	$ 95,815,808	$ 99,774,394	$ 103,972,787
Program Revenues										
Governmental activities:										
Charges for services:										
Operating grants and contributions	9,892,212	10,438,431	10,724,264	10,461,583	11,109,185	4,823,073	5,716,280	3,961,723	4,052,372	4,190,989
Capital grants and contributions	-	-	-	-	-	-	305,552	106,337	232,061	125,124
Total governmental activities program revenues	9,892,212	10,438,431	10,724,264	10,461,583	11,109,185	4,823,073	6,021,832	4,068,060	4,284,433	4,316,113

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Business-type activities:										
Charges for services										
Food service	608,509	585,142	569,155	501,936	523,087	464,452	447,814	420,974	428,259	424,644
Operating grants and contributions	772,643	1,089,100	1,132,924	1,202,162	1,262,610	1,428,043	1,710,133	1,725,137	1,878,859	1,921,521
Capital grants and contributions										
Total business type activities program revenues	1,381,152	1,674,242	1,702,079	1,704,098	1,785,697	1,892,495	2,157,947	2,146,111	2,307,118	2,346,165
Total district program revenues	$ 11,273,364	$ 12,112,673	$ 12,426,343	$ 12,165,681	$ 12,894,882	$ 6,715,568	$ 8,179,779	$ 6,214,171	$ 6,591,551	$ 6,662,278
Net (Expense)/Revenue										
Governmental activities	$ (64,914,828)	$ (66,192,207)	$ (69,182,283)	$ (75,226,534)	$ (77,527,997)	$ (84,570,100)	$ (88,795,996)	$ (89,651,898)	$ (93,251,664)	$ (97,136,683)
Business-type activities	47,303	84,251	24,413	77,937	64,792	76,909.00	229,374.00	50,261.00	68,821.00	(173,826.00)
Total district-wide net expense	$ (64,867,525)	$ (66,107,956)	$ (69,157,870)	$ (75,148,597)	$ (77,463,205)	$ (84,493,191)	$ (88,566,622)	$ (89,601,637)	$ (93,182,843)	$ (97,310,509)
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Property taxes levied for general purposes, net	$ 48,760,747	$ 49,879,303	$ 50,953,742	$ 53,452,727	$ 56,693,791	$ 58,796,582	$ 61,239,258	$ 63,715,174	$ 66,302,510	$ 68,520,822
Taxes levied for debt service	1,017,520	1,084,591	1,082,034	1,053,774	820,098	994,912	792,436	1,064,132	804,445	572,182
Unrestricted grants and contributions	10,129,837	11,019,986	12,071,563	14,673,639	15,183,297	18,505,940	17,217,310	17,246,250	20,398,040	23,271,486
Tuition Received	4,371,631	4,745,492	4,909,035	5,273,917	5,170,100	5,712,114	6,281,947	6,944,414	6,900,539	7,859,900
Investment earnings	132,701	318,333	606,367	763,868	387,639	100,057	95,646	58,647	966	4,630
Miscellaneous income	1,571,629	743,123	930,780	318,740	301,309	381,670	312,863	154,399	275,782	608,385
Excess Refinanced Loan Proceeds		23,800								
State Aid- State Facilities Grant	388,038									
Local Aid - Port Authority Grant			6,426,366							
Total governmental activities	66,372,103	67,814,628	76,979,887	75,536,665	78,556,234	84,491,275	85,939,460	89,183,016	94,682,282	100,837,405
Business-type activities:										
Investment earnings								78	123	163
Miscellaneous Income										33,370
Total business-type activities	-	-	-	-	-	-	-	78	123	33,533
Total district-wide	$ 66,372,103	$ 67,814,628	$ 76,979,887	$ 75,536,665	$ 78,556,234	$ 84,491,275	$ 85,939,460	$ 89,183,094	$ 94,682,405	$ 100,870,938
Change in Net Assets										
Governmental activities	$ 1,457,275	$ 1,622,421	$ 7,797,604	$ 310,131	$ 1,028,237	$ (78,825)	$ (2,856,536)	$ (468,882)	$ 1,430,618	$ 3,700,722
Business-type activities	47,303	84,251	24,413	77,937	64,792	76,909	229,374	50,339	68,944	(140,293)
Total district	$ 1,504,578	$ 1,706,672	$ 7,822,017	$ 388,068	$ 1,093,029	$ (1,916)	$ (2,627,162)	$ (418,543)	$ 1,499,562	$ 3,560,429

Source: CAFR Schedule A-2

Exhibit J-3

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Fund										
Reserved	$ 5,153,502	$ 8,653,573	$ 9,589,036	$ 7,095,676	$ 8,121,428	$ 8,232,971	$ 4,909,752			
Unreserved	3,357,637	1,688,135	1,933,457	2,089,495	1,673,252	769,443	1,249,410			
Restricted								2,628,645	3,768,021	1,911,097
Committed								510,533	262,350	
Assigned								889,496	1,855,896	6,884,100
Unassigned								1,598,726	1,306,634	1,488,724
Total general fund	$ 8,511,139	$ 10,341,708	$ 11,522,493	$ 9,185,171	$ 9,794,680	$ 9,002,414	$ 6,159,162	$ 5,627,400	$ 7,192,901	$ 10,283,921
All Other Governmental Funds										
Reserved										
Unreserved, reported in:										
Special revenue fund	(56,708)	(43,950)	(72,318)	(67,009)	(98,186)	-	-			
Capital projects fund	2,384,657	2,427,919	2,454,283	3,704,594	3,451,675	1,925,343	756,247			
Debt service fund	2	30,022	299,230	367,020	225,776	168,970	76,199			
Committed, reported in:										
Capital projects fund										418,023
Assigned, reported in:										
Capital projects fund								683,443	521,812	12,457
Debt service fund								273,111	367,069	129,270
Total all other governmental funds	$ 2,327,951	$ 2,413,991	$ 2,681,195	$ 4,004,605	$ 3,579,265	$ 2,094,313	$ 832,446	$ 956,554	$ 888,881	$ 559,750

Source: CAFR Schedule B-1

Exhibit J-4

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Revenues										
Tax levy	$ 49,778,267	$ 50,963,894	$ 52,035,776	$ 54,506,501	$ 57,513,889	$ 59,791,494	$ 62,031,694	$ 64,779,306	$ 67,106,955	$ 69,093,004
Tuition	4,371,631	4,745,492	4,909,035	5,273,917	5,170,100	5,712,114	6,281,947	6,944,414	6,900,539	7,859,900
Interest earnings	132,701	265,266	606,367	763,868	387,639	100,057	95,646	58,647	966	4,630
Miscellaneous	1,804,584	846,631	7,357,146	352,267	312,741	393,411	321,074	162,610	279,599	621,355
State sources	15,167,607	15,879,405	17,390,538	19,792,837	21,246,188	19,976,596	16,665,590	18,424,074	21,158,521	24,087,294
Federal sources	4,601,475	5,528,571	5,405,289	5,308,858	5,034,862	3,340,676	6,565,341	2,882,025	3,520,135	3,498,111
Total revenue	75,856,265	78,229,259	87,704,151	85,998,248	89,665,419	89,314,348	91,961,292	93,251,076	98,966,715	105,164,294
Expenditures										
Instruction										
Regular Instruction	25,861,496	26,487,509	27,651,202	28,946,580	29,735,325	30,817,940	34,449,221	30,903,308	32,198,345	30,756,018
Special education instruction	4,543,289	4,829,682	5,013,079	5,247,901	5,982,963	5,985,526	6,421,294	7,077,148	7,580,750	9,957,533
Other special instruction	1,262,912	1,475,842	1,509,043	1,622,204	1,621,041	1,912,361	1,945,035	1,823,109	1,813,458	1,838,113
Other instruction	998,637	1,004,203	1,000,555	1,067,762	1,085,131	1,084,857	1,345,485	1,131,868	1,253,065	1,864,498
Support Services:										
Instruction	7,094,482	7,206,461	7,563,097	7,400,345	7,739,692	8,326,732	6,469,010	6,533,987	5,872,964	5,753,383
Attendance and social work services	20,880	22,438	21,756	22,035	22,759	548,261	426,066	180,928	170,564	9,045
Health Services	508,387	549,478	597,869	604,129	668,384	743,941	903,832	913,268	855,428	861,884
Student & instruction related services	7,224,777	8,561,976	8,426,190	9,162,112	10,136,858	8,274,784	8,667,093	9,962,348	10,950,983	11,639,734
General administrative services	932,141	983,500	1,037,811	1,229,298	1,070,555	1,165,577	1,135,434	1,065,655	899,140	835,180
School Administrative services	2,947,373	2,979,368	3,315,909	3,435,137	3,463,251	3,522,021	3,815,545	4,082,427	3,792,230	3,409,905
Business and other support services	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	1,414,568	1,483,117
Plant operations and maintenance	5,960,569	5,910,196	6,504,115	6,874,013	6,799,696	7,639,165	6,486,289	6,529,339	6,200,809	6,321,376
Pupil transportation	1,898,257	1,655,893	1,882,435	1,866,036	2,062,025	1,960,860	1,819,573	1,608,981	1,914,443	1,826,799
Allocated employee benefits						4,478,053	5,785,254	5,932,855	5,817,476	6,305,195
Unallocated employee benefits	5,831,968	5,321,091	6,298,732	7,812,424	7,600,842	4,468,887	5,095,877	6,379,972	6,914,814	6,714,485
TPAF Pension / Social Security	4,499,831	4,758,500	5,559,226	8,133,399	8,423,780	5,522,866	5,948,156	5,976,421	7,334,294	9,217,396
Charter Schools	25,606	45,995	51,551		405,936	565,787	691,043	663,317	881,134	1,287,670
Capital outlay	1,322,524	1,237,617	7,798,904	1,456,226	700,916	2,389,989	2,494,355	1,982,112	764,785	1,510,974
Debt service:										
Principal	580,285	595,380	643,298	672,835	707,485	742,328	710,000	630,000	630,000	620,000
Interest and other charges	490,300	459,191	438,735	410,960	381,820	350,395	188,273	237,988	209,637	190,100
Total expenditures	72,913,792	75,945,912	86,256,160	87,012,160	89,481,250	91,591,566	96,066,411	94,996,980	97,468,887	102,402,405
Excess (Deficiency) of revenues over (under) expenditures	2,942,473	2,283,347	1,447,991	(1,013,912)	184,169	(2,277,218)	(4,105,119)	(1,745,904)	1,497,828	2,761,889

Exhibit J-4

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Other Financing sources (uses)										
Transfers in	-		269,209	2,214,710	127,963	41,005	3,065	768		219,312
Transfers out	(421,150)	(410,000)	(269,209)	(2,214,710)	(127,963)	(41,005)	(3,065)	(768)		(219,312)
Capital leases (non-budgeted)								1,338,250		
Total other financing sources (uses)	(421,150)	(410,000)	-	-	-	-	-	1,338,250	-	-
Net change in fund balances	$ 2,521,323	$ 1,873,347	$ 1,447,991	$ (1,013,912)	$ 184,169	$ (2,277,218)	$ (4,105,119)	$ (407,654)	$ 1,497,828	$ 2,761,889
Debt service as a percentage of noncapital expenditures	1.5%	1.4%	1.4%	1.3%	1.2%	1.2%	1.0%	0.9%	0.9%	0.8%

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
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
2012	966	6,900,539	66,928	143,976	64,878	7,177,287
2013	4,630	7,859,900	54,388	110,847	443,031	8,472,796

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
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%
2011	$ 39,988,200	$ 2,000,415,500			$ 1,794,497,900	$ 296,636,910	$ 913,359,000	$ 5,044,897,510	$ -	$ 26,094,565	$ 5,070,992,075	1.300	$ 5,781,824,970	87.71%
2012	$ 47,731,400	$ 1,998,662,800			$ 1,740,230,570	$ 295,561,200	$ 891,042,000	$ 4,973,227,970	$ -	$ 21,534,684	$ 4,994,762,654	1.363	$ 5,746,741,785	86.91%

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)

Fiscal Year Ended June 30,	Hackensack Board of Education			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate [a]	General Obligation Debt Service [b]	Total Direct	Town of Hackensack	Bergen County	
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
2011	1.28	0.02	1.30	1.43	0.22	2.951
2012	1.35	0.01	1.36	1.49	0.25	3.095

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

Taxpayer	2013 Taxable Assessed Value	2013 Rank [Optional]	2013 % of Total District Net Assessed Value	2004 Taxable Assessed Value	2004 Rank [Optional]	2004 % of Total District Net Assessed Value
Riverside Sqare Ltd						
Hackensack Hospital Assn.						
Hackensack VF, LLC	$ 66,000,000	3	1.30%	$ 24,796,800	7	1.11%
Stellar Capital Mgmt	$ 51,455,400	4	1.01%			
Bart VII, LLC	$ 38,902,800	5	0.77%			
Pierre Apartments	$ 37,000,000	6	0.73%			
Bloomingdale's	$ 35,917,300	7	0.71%	$ 22,377,500	8	1.00%
MSNW Continental Assn.	$ 35,631,700	8	0.70%	$ 26,151,500	6	1.17%
Excelsior I	$ 33,500,000	9	0.66%	$ 18,500,000	9	0.83%
Excelsior II	$ 33,100,000	10	0.65%			
Riverside Partners	$ 156,048,800	1		$ 60,750,000	1	2.71%
20 Prospect Ave (HUMC)	$ 126,774,000	2		$ 44,500,000	2	1.98%
Continental Plaza Corp				$ 35,707,000	3	1.59%
Quail Heights				$ 30,770,500	4	1.37%
Court Plaza Assoc.				$ 28,771,400	5	1.28%
3 University Plaza				$ 17,559,000	10	0.78%
Total	$ 614,330,000		6.54%	$ 309,883,700		13.82%
	Net Assessed Valuation:		$ 5,070,992,075			$ 2,242,133,037

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	
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%	$ -
2012	$67,106,955	$67,106,955	100.00%	$ -
2013	$69,093,004	$69,093,004	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]
2004	10,003,126	-	276,400	-	-	10,279,526	0.50%	$ 51,132
2005	9,383,946	-	223,100	-	-	9,607,046	0.57%	$ 54,462
2006	8,740,648	-	168,700	-	-	8,909,348	0.64%	$ 56,706
2007	8,067,814	-	122,378	-	-	8,190,192	0.77%	$ 62,714
2008	7,360,328	-	-	-	-	7,360,328	0.92%	$ 67,394
2009	6,618,000	-	-	-	-	6,618,000	1.03%	$ 68,227
2010	6,040,000	-	-	-	-	6,040,000	1.05%	$ 63,198
2011	5,410,000	-	1,075,219	-	-	6,485,219	1.01%	$ 65,486
2012	4,780,000	-	817,322	-	-	5,597,322	1.18%	$ 66,096
2013	4,160,000	-	552,286	-	-	4,712,286	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]
2004	$ 10,003,126	-	10,003,126	0.44%	$ 196
2005	$ 9,383,946	-	9,383,946	0.41%	$ 172
2006	$ 8,740,648	-	8,740,648	0.39%	$ 154
2007	$ 8,067,814	-	8,067,814	0.36%	$ 129
2008	$ 7,360,328	-	7,360,328	0.12%	$ 109
2009	$ 6,618,000	-	6,618,000	0.11%	$ 97
2010	$ 6,040,000	-	6,040,000	0.10%	$ 96
2011	$ 5,410,000	-	5,410,000	0.09%	$ 83
2012	$ 4,780,000	-	4,780,000	0.08%	$ 72
2013	$ 4,160,000	-	4,160,000	0.08%	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, 2012

Governmental Unit	Estimated Percentage Applicable [a]	Debt Outstanding	Estimated Share of Overlapping Debt
Direct Debt of School District as of June 30, 2013			$ 4,160,000
Net overlapping debt of School District:			
City of Hackensack	100.000%	$ 40,131,889	
County of Bergen - City's Share	3.405%	$ 26,789,667	
Bergen County Utility Authority-City's Share	8.949%	$ 24,947,984	
Subtotal, overlapping debt			$ 91,869,540
Total direct and overlapping debt			$ 96,029,540

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 2012

		Equalized valuation basis
	2012	$ 4,994,762,654
	2011	$ 5,999,942,193
	2010	5,902,151,396
	[A]	$ 11,902,093,589
Average equalized valuation of taxable property	[A/3]	$ 3,967,364,530
Debt limit (4 % of average equalization value)	[B]	158,694,581 a
Net bonded school debt	[C]	4,160,000
Legal debt margin	[B-C]	$ 154,534,581

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Debt limit	$ 22,005,406	$ 22,193,428	$ 174,837,281	201,720,145	155,974,463	155,974,463	166,702,491	169,267,854	160,337,216	158,694,581
Total net debt applicable to limit	8,740,648	8,067,814	7,360,328	6,618,000	6,040,000	5,410,000	4,780,000	5,410,000	4,780,000	4,160,000
Legal debt margin	$ 13,264,758	$ 14,125,614	$ 167,476,953	$ 195,102,145	$ 149,934,463	$ 150,564,463	$ 161,922,491	$ 163,857,854	$ 155,557,216	$ 154,534,581
Total net debt applicable to the limit as a percentage of debt limit	39.72%	36.35%	4.21%	3.28%	3.87%	3.47%	2.87%	3.20%	2.98%	2.62%

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]
2003	43,177	$ 2,207,726,364	51,132	6.40%
2004	43,101	$ 2,347,366,662	54,462	5.30%
2005	43,041	$ 2,440,682,946	56,706	4.60%
2006	42,788	$ 2,683,406,632	62,714	4.60%
2007	42,634	$ 2,873,275,796	67,394	4.60%
2008	42,637	$ 2,908,994,599	68,227	4.60%
2009	42,839	$ 2,707,339,122	63,198	9.70%
2010	43,060	$ 2,819,827,160	65,486	9.80%
2011	43,285	$ 2,860,965,360	66,096	9.50%
2012	43,845	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 **

	2012			2003		
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	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Instruction										
Regular	521	543	530	533	533	536	413	375	304	310
Special education	26	23	24	26	27	30	143	135	216	220
Other special education	-	-	-	-	-	-	-	-	-	-
Vocational	-	-	-	-	-	-	-	-	-	-
Other instruction	-	-	-	-	-	-	-	-	-	-
Nonpublic school programs	-	-	-	-	-	-	-	-	-	-
Adult/continuing education programs	-	-	-	-	-	-	-	-	-	-
Support Services:										
Tuition	-	-	-	-	-	-	-	-	-	-
Student & instruction related services	6	16	17	17	17	18	74	17	85	87
General adminsitrative services	5	5	5	6	6	6	6	6	6	6
School administrative services	36	39	40	40	40	37	39	42	52	60
Business adminsitrative services	13	12	13	13	13	15	16	15	16	14
Plant operations and maintenance	57	57	56	57	57	55	56	51	62	81
Pupil transportation	-	-	1							
Total	664	695	686	692	693	697	747	641	741	778

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				
2004	4,894.0	71,163,610	14,541	4.81%	485	1:23	1:25	1:25	4,894	4,629	82.00%	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	10.16%	485	1:23	1:25	1:25	4,949	4,632	0.37%	93.59%
2008	4,902.0	87,691,029	17,889	4.98%	485	1:23	1:25	1:25	4,922	4,586	1.44%	93.17%
2009	4,970.0	88,108,854	17,728	-0.90%	536	1:23	1:25	1:25	4,902	4,633	-0.41%	94.51%
2010	5,063.0	92,673,783	18,304	3.25%	556	1:23	1:25	1:25	5,033	4,759	2.67%	94.56%
2011	5,114.0	92,146,880	18,019	-1.56%	510	1:23	1:25	1:25	5,132	4,893	1.97%	95.34%
2012	5,258.0	95,864,465	18,232	1.19%	520	1:11	1:10	1:10	5,224	4,994	1.79%	95.60%
2013	5,409.0	100,081,331	18,503	1.48%	531	1:10	1:10	1:12	5,406	5,261	3.48%	97.32%

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
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	449	442	426	415	415	440	440	499	531	568
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	563	532	544	539	539	559	559	599	665	670
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)	463	434	454	494	494	516	516	564	568	562
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	431	407	417	398	398	430	430	479	468	454
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	1,161	1,161	1,161	1,161
Enrollment	699	715	684	654	654	673	673	633	630	1,327
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	1,837	1,848	1,812	1,748	1,783	1,712	1,712	1,715	1,729	1,803
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		
Capacity (students)	525	525	525	525	525	525	525	525		
Enrollment a	677	646	645	654	619	589	589	625		

Number of Schools at June 30, 2012
- 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 Ten Fiscal Years
Unaudited

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

School Facilities	Project # (s)	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Hackensack High School	N/A	277,050	218,177	206,518	235,489	499,850	398,937	323,981	384,195	279,830	318,926
Middle School	N/A	158,843	130,216	347,638	323,929	242,878	430,508	468,897	80,812	246,242	265,234
Nellie K. Parker School	N/A	66,681	52,481	64,689	88,767	153,104	65,913	99,440	52,727	118,104	111,635
Fairmount School	N/A	66,083	35,413	70,851	97,089	136,496	66,577	138,421	68,837	53,768	155,794
Fanny M. Hillers School	N/A	145,988	109,118	89,141	173,251	208,755	51,664	60,088	62,998	84,768	273,050
Jackson Avenue School	N/A	113,845	57,598	75,812	45,469	95,343	26,608	61,580	297,344	48,256	229,910
Administration Building	N/A	3,966	63,035	37,797	54,389	44,683	39,258	47,454	44,596	61,167	54,098
Total School Facilities		832,456	666,038	892,446	1,018,383	1,381,109	1,079,465	1,199,861	991,509	892,135	1,408,647
Other Facilities											
Grand Total		$ 832,456	$ 666,038	$ 892,446	$ 1,018,383	$ 1,381,109	$ 1,079,465	$ 1,199,861	$ 991,509	$ 892,135	$ 1,408,647

Exhibit J-20

Hackensack Board of Education
Insurance Schedule
For the Fiscal Year Ended June 30, 2012
Unaudited

Company	Type of Coverage	Coverage	Deductible
	School package policy -		
	Property - Blanket Building and Contents	$ 166,128,820	$ 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.

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

Honorable President and
Members of the Board of Education
City of Hackensack School District
County of Bergen
Hackensack, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities and each major fund and the aggregate remaining fund information of the Board of Education of the City of Hackensack School District, in the County of Bergen, New Jersey, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated August 22, 2013.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

We noted certain matters that were required to be reported to the Board of Education of the City of Hackensack School District in the separate Auditors' Management Report on Administrative Findings - Financial, Compliance and Performance dated August 22, 2013.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

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

FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants
Pompton Lakes, New Jersey

August 22, 2013

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR 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

Report on Compliance for Each Major Federal and State Program

We have audited the Board of Education of the City of Hackensack School District in the County of Bergen, New Jersey, compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplements* and the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the City of Hackensack Board of Education's major federal and state programs for the year ended June 30, 2013. The City of Hackensack Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Hackensack Board of Education's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards, 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

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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 Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the City of Hackensack Board of Education's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the City of Hackensack Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2013.

Report on Internal Control Over Compliance

Management of the City of Hackensack Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Hackensack Board of Education's internal control over compliance with the type of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and N.J. OMB Circular 04-04, 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 City of Hackensack Board of Education's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and N.J. OMB Circular 04-04. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal and State Awards Required by OMB Circular A-133

We have audited the financial statements of the City of Hackensack Board of Education as of and for the year ended June 30, 2013, and have issued our report there dated August 22, 2013 which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by OMB Circular A-133 and N.J. OMB Circular 04-04 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal and state awards is fairly stated in all material respects in relation to the financial statements as a whole.

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

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FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants
Pompton Lakes, New Jersey

August 22, 2013

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HACKENSACK
BOARD OF EDUCATION

Schedule of Expenditures of Federal Awards

Year ended June 30, 2013

Federal Grantor/Pass-through Grantor/ Program Title	Federal CFDA Number	Grant Period	Award Amount	Balance at June 30, 2012	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2013 (Accounts Receivable)	Balance at June 30, 2013 Deferred Revenue/ Interfund Payable	Balance at June 30, 2013 Due to Grantor	MEMO Cumulative Total Expenditures
U.S. Department of Agriculture													
Passed-through State Department of Education:													
Enterprise Fund:													
USDA Commodities	10.550	7/1/12-6/30/13	$ 92,842			92,842	92,842						* 92,842
National School Lunch Program	10.555	7/1/12-6/30/13	1,130,399			1,041,503	1,130,399			(88,896)			* 1,041,503
National School Lunch Program	10.555	7/1/11-6/30/12	1,081,046	(74,582)		74,582							* 1,081,046
National Breakfast Program	10.553	7/1/12-6/30/13	635,570			584,194	635,570			(51,376)			* 584,194
National Breakfast Program	10.553	7/1/11-6/30/12	669,259	(55,929)		55,929							* 669,259
Total U.S. Department of Agriculture				(130,511)		1,849,050	1,858,811			(140,272)			* 3,514,789
U.S. Department of Education													
General Fund:													
Education Jobs Fund	84.410A	7/1/12-6/30/13	1,210				1,210			(1,210)			* 1,210
Medical Assistance Program (SEMI)	93.778	7/1/12-6/30/13	120,470			120,470	120,470						* 120,470
Medical Assistance Program (SEMI)	93.778	7/1/11-6/30/12	85,024	(32,600)		32,600							* 85,024
Total General Fund				(32,600)		153,070	121,680			(1,210)			* 206,704
U.S. Department of Education													
Passed-through State Department of Education:													
Special Revenue Fund:													
Title I Part A, Improving Basic Programs	84.010	9/1/12-8/31/13	1,179,661		33,854	1,002,673	1,557,644	(600)		(521,717)			* 1,557,644
Title I Part A, Improving Basic Programs	84.010	9/1/11-8/31/12	1,204,167	33,854	(33,854)								* 834,266
ARRA - Title I, Part A	84.389	9/1/09-8/31/11	674,775			12,982		(12,982)					* 660,870
				33,854		1,015,655	1,557,644	(13,582)		(521,717)			* 3,052,780
I.D.E.A. Part B	84.027	9/1/12-8/31/13	1,220,676		(196,699)	1,071,469	1,223,649	(53,880)		(402,759)			* 1,223,649
I.D.E.A. Part B	84.027	9/1/11-8/31/12	1,262,923	(196,699)	196,699								* 1,445,769
ARRA - I.D.E.A. Part B	84.391	9/1/09-8/31/11	1,311,499	(442)				442					* 1,263,090
I.D.E.A. Part B Preschool	84.173	9/1/12-8/31/13	48,833			29,170	93,198			(64,028)			* 93,198
I.D.E.A. Part B Preschool	84.173	9/1/11-8/31/12	49,427										* 46,614
				(197,141)		1,100,639	1,316,847	(53,438)		(466,787)			* 4,072,320
Title II Part A	84.367A	9/1/12-8/31/13	182,499		(34,669)	164,353	190,564	(1,234)		(62,114)			* 190,564
Title II Part A	84.367A	9/1/11-8/31/12	212,407	(34,669)	34,669								* 228,469
				(34,669)		164,353	190,564	(1,234)		(62,114)			* 419,033
Title II Part D	84.318X	9/1/10-8/31/11	2,175	2,175				(2,175)					* 7,117
Title III	84.365A	9/1/12-8/31/13	102,614		17,060	86,033	137,822	78		(34,651)			* 137,822
Title III	84.365A	9/1/11-8/31/12	95,944	17,060	(17,060)					(17,060)	17,060		* 68,146
Title III, Immigrant	84.365A	9/1/12-8/31/13	135,381		(19,002)	76,359	57,357						* 57,357
Title III, Immigrant	84.365A	9/1/11-8/31/12	135,381	(19,002)	19,002								* 95,501
				(1,942)		162,392	195,179	78		(51,711)	17,060		* 358,826

HACKENSACK
BOARD OF EDUCATION

Schedule of Expenditures of Federal Awards

Year ended June 30, 2013

Federal Grantor/Pass-through Grantor/ Program Title	Federal CFDA Number	Grant Period	Award Amount	Balance at June 30, 2012	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2013 (Accounts Receivable)	Balance at June 30, 2013 Deferred Revenue/ Interfund Payable	Balance at June 30, 2013 Due to Grantor	MEMO Cumulative Total Expenditures
(continue from prior page)													
Vocational Education - Perkins	84.048	9/1/12-8/31/13	53,682		7,337	2,588	50,231	(9,925)		(50,231)			50,231
Vocational Education - Perkins	84.048	9/1/11-8/31/12	56,655	7,337	(7,337)								46,730
				7,337		2,588	50,231	(9,925)		(50,231)			96,961
Workforce Year Round Youth Program - Drop-in	17.259	7/1/12-6/30/13	15,000			7,498	15,000			(7,502)			15,000
Workforce Year Round Youth Program - Drop-in	17.259	7/1/11-6/30/12	15,000	(7,218)		7,206		12					14,716
Workforce Year Round Youth Program - Drop-in	17.259	7/1/10-6/30/11	37,890	(293)		293							37,890
Project ACES	17.259	7/1/12-6/30/13	57,600			22,657	56,840			(34,183)			56,840
Project ACES	17.259	7/1/11-6/30/12	24,000	(12,094)		12,099		(5)					23,855
Project ACES	17.259	7/1/10-6/30/11	18,665	377				(377)					17,166
				(19,228)		49,753	71,840	(370)		(41,685)			165,467
Total Special Revenue Fund				(209,614)		2,495,380	3,382,305	(80,646)		(1,194,245)	17,060		8,172,504
Total Federal Financial Assistance				$ (372,725)		4,497,500	5,362,796	(80,646)		(1,335,727)	17,060		11,893,997

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, 2013

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2012 Deferred Revenue (Accts Receivable)	Balance at June 30, 2012 Due to Grantor	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2013 (Accounts Receivable)	Balance at June 30, 2013 Deferred Revenue/ Interfund Payable	Balance at June 30, 2013 Due to Grantor	MEMO Budgetary Receivable	MEMO Cumulative Total Expenditures
State Department of Education:															
General Fund:															
Equalization Aid	495-034-5120-078	7/1/12-6/30/13	9,501,702				8,786,484	9,539,514						(753,030)	9,501,702
Transportation aid	495-03495120-014	7/1/12-6/30/13	90,829				83,631	90,829						(7,198)	90,829
Special Education aid	495-034-5120-089	7/1/12-6/30/13	2,780,976				2,560,578	2,780,976						(220,398)	2,780,976
Security Aid	495-034-5120-084	7/1/12-6/30/13	302,261				278,306	302,261						(23,955)	302,261
Extraordinary Aid	495-034-5120-044	7/1/12-6/30/13	1,284,171					1,284,171			(1,284,171)				1,284,171
Extraordinary Aid	495-034-5120-044	7/1/11-6/30/12	1,095,664	(1,095,664)			1,095,664								1,095,664
Reimbursed TPAF Social Security	495-034-5095-051	7/1/12-6/30/13	3,181,764				3,020,042	3,181,764			(161,722)				3,181,764
Reimbursed TPAF Social Security	495-034-5095-051	7/1/11-6/30/12	3,197,005	(162,142)			162,142								3,197,005
On Behalf TPAF NCGI Premium	495-034-5095-001	7/1/12-6/30/13	141,586				141,586	141,586							141,586
On Behalf TPAF Pension - Post Retirement	495-034-5095-001	7/1/12-6/30/13	5,894,046				5,894,046	5,894,046							5,894,046
				(1,257,806)			22,022,479	23,215,147			(1,445,893)			(1,004,581)	27,470,004
Special Revenue Fund:															
Preschool Education Aid	495-034-5120-086	7/1/12-6/30/13	416,760			57,431	375,084	414,243	1		18,273			(41,676)	406,916
Preschool Education Aid	495-034-5120-086	7/1/11-6/30/12	672,850	(9,854)		(57,431)	67,285								622,746
Nonpublic Text Chapter 194	100-034-5210-064	7/1/12-6/30/13	13,369				13,369	5,896					7,473		5,896
Nonpublic Text Chapter 194	100-034-5210-064	7/1/11-6/30/12	13,198		1,471					1,471					11,727
Chapter 192 - Compensatory Education	100-034-5120-067	7/1/12-6/30/13	75,749				75,749	74,495					1,254		74,495
Chapter 192 - Compensatory Education	100-034-5120-067	7/1/11-6/30/12	170,757		90,704					90,704					80,053
Chapter 192 - ESL	100-034-5120-067	7/1/12-6/30/13	22,850				22,850	22,850							22,850
Chapter 192 - ESL	100-034-5120-067	7/1/11-6/30/12	33,620		16,379					16,379					17,241
Chapter 193 - Supplemental Instruction	100-034-5120-066	7/1/12-6/30/13	16,306				16,306	15,819					487		15,819
Chapter 193 - Supplemental Instruction	100-034-5120-066	7/1/11-6/30/12	25,255		13,566					13,566					11,689
Chapter 193 - Examination and Classification	100-034-5120-066	7/1/12-6/30/13	26,280				26,280	23,094					3,186		23,094
Chapter 193 - Examination and Classification	100-034-5120-066	7/1/11-6/30/12	24,641		4,032					4,032					20,609
Chapter 193 - Corrective Speech	100-034-5120-066	7/1/12-6/30/13	18,046				18,046	16,167					1,879		16,167
Chapter 193 - Corrective Speech	100-034-5120-066	7/1/11-6/30/12	30,014		15,244					15,244					14,770
Nonpublic Nursing	100-034-5120-070	7/1/12-6/30/13	18,555				18,555	18,555							18,555
Non Public Technology Grant	100-034-5120-373	7/1/12-6/30/13	4,934				4,934	2,360					2,574		2,360
Friendly Family	FF07015	7/1/12-6/30/13	45,462				45,462	43,721				1,741			43,721
Friendly Family	FF07015	7/1/11-6/30/12	45,463	13,069				450	(12,619)						32,844
Friendly Family	FF07015	7/1/10-6/30/11	45,463	8,452					(8,452)						37,011
School Based Youth Service Program	13 AMBP	7/1/12-6/30/13	304,740				302,441	304,740	(1)		(2,300)				304,740
School Based Youth Service Program	12 AMBP	7/1/11-6/30/12	299,940	451					(451)						299,489
School Based Youth Service Program	11 AMBP	7/1/10-6/30/11	299,940	6,107					(6,107)						293,833
Children's Health Insurance Program Reauthorization Act (CHIPRA)		6/1/10-12/31/11	76,000	3,096					(3,096)						72,904
NEA Foundation Grant		10/18/06-10/17/07	10,000	(52)			500		(448)						9,232
				21,269	141,396		986,861	942,390	(31,173)	141,396	15,973	1,741	16,853	(41,676)	2,458,761
Enterprise Fund:															
National School Lunch Program (State Share)	100-010-3350-023	7/1/12-6/30/13	25,020				23,099	25,020			(1,921)				25,020
National School Lunch Program (State Share)	100-010-3350-023	7/1/11-6/30/12	25,763	(1,764)			1,764								25,763
National School Snack Program (State Share)	100-010-3350-022	7/1/12-6/30/13	37,690				34,215	37,690			(3,475)				37,690
National School Snack Program (State Share)	100-010-3350-022	7/1/11-6/30/12	32,593	(2,398)			2,398								32,593
				(4,162)			61,476	62,710			(5,396)				121,066
Capital Projects Fund:															
Additional State School Aid-EDA Grant High School Window Replacement		6/29/2008	370,527	(74,801)			74,801								370,527
				(74,801)			74,801								370,527
Total State Financial Assistance				(1,315,500)	141,396		23,145,617	24,220,247	(31,173)	141,396	(1,435,316)	1,741	16,853	(1,046,257)	30,420,358

(continue to next page)

HACKENSACK
BOARD OF EDUCATION

Schedule of Expenditures of State Awards and Other Local Awards

Year ended June 30, 2013

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2012 Deferred Revenue (Accts Receivable)	Balance at June 30, 2012 Due to Grantor	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2013 (Accounts Receivable)	Balance at June 30, 2013 Deferred Revenue/ Interfund Payable	Balance at June 30, 2013 Due to Grantor	MEMO Budgetary Receivable	MEMO Cumulative Total Expenditures
Local Sources:															
Special Revenue Fund:															
Reading is Fundemental		7/1/10-6/30/11	5,221	10								10			5,211
Laura Bush Foundation		7/1/10-6/30/11	5,000	18								18			4,982
MSG Grant		7/1/12-6/30/13	2,000				2,000					2,000			
MSG Grant		7/1/11-6/30/12	2,000	4,000				3,116				884			4,116
Fairmount PTA		7/1/11-6/30/12	2,863	2,863				2,854				9			
Santo V. Sorce		7/1/11-6/30/12	500	500								500			
Environmental Challenge Grant		7/1/12-6/30/13	7,000					7,000			(7,000)				4,764
				7,391			2,000	12,970			(7,000)	3,421			19,073
Total Local Sources				7,391			2,000	12,970			(7,000)	3,421			29,073
Total State and Local Financial Assistance			$	(1,308,109)	141,396		23,147,617	24,233,217	(31,173)	141,396	(1,442,316)	5,162	16,853	(1,046,257)	30,449,431

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 $(65,341) for the general fund and $(10,776) 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	$121,680	$23,149,806		$23,271,486
Special Revenue Fund	3,382,305	942,390	$12,970	4,337,665
Food Service Fund	185,881	62,710		248,591
Total Financial Awards	$3,689,866	$24,154,906	$12,970	$27,857,742

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, 2013. 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, 2013.

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, 2013

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: unmodified

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? X yes _____ 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
10.555/10.553	(A)	National School Lunch Program/National School Breakfast Program
84.367A	(B)	Title II, Part A
84.365A	(B)	Title III, Title III - Immigrant

Note: (A) - Tested as Major Type A Program.
(B) - Tested as Major Type B 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, 2013

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

State Awards

Dollar threshold used to distinguish between type A and type B programs: $ 550,980

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/ 495-034-5120-084/	(A)	Special Education Categorical Aid/Equalization Aid/ Security Aid
495-034-5095-002	(A)	Reimbursed TPAF Social Security Contribution
13 AMBP	(B)	School Based Youth Service Program
100-034-5120-067	(B)	Chapter 192 Compensatory Education/ESL

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

CITY OF HACKENSACK SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED MY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Status of Prior Year Findings

FEDERAL AWARDS

Finding 12-1

Condition:
The district has not identified specific staff it plans on charging to Ed Jobs funding that meet the eligible criteria.

Current Status:
Funding for this grant was for the period 7/1/11-6/30/12, the district did not receive an award for the current year.

Finding 12-2

Criteria or specific requirement:
Copies of all quarterly ARRA reports must be retained by the district.

Current Status:
Funding for this grant was for the period 7/1/11-6/30/12, the district did not receive an award for the current year.