# SCHOOL DISTRICT OF THE
# CITY OF HACKENSACK
# COUNTY OF BERGEN, NEW JERSEY
# COMPREHENSIVE ANNUAL FINANCIAL REPORT
# FOR THE FISCAL YEAR ENDED
# JUNE 30, 2014

School District
of

# Hackensack

HACKENSACK BOARD OF EDUCATION
Hackensack, New Jersey

Comprehensive Annual Financial Report
Year Ended June 30, 2014

# Comprehensive Annual Financial Report

**of the**

**HACKENSACK BOARD OF EDUCATION**
**Hackensack, New Jersey**

**Year Ended June 30, 2014**

**Prepared by**

**Louise Davis**
**School Business Administrator/Board Secretary**

# OUTLINE OF CAFR

## INTRODUCTORY SECTION


Letter of Transmittal . . . . . 1
Organizational Chart . . . . . 8
Roster of Officials . . . . . 9
Consultants and Advisors . . . . . 10


## FINANCIAL SECTION


Independent Auditor's Report . . . . . 11

Required Supplementary Information - Part I
Management's Discussion and Analysis . . . . . 15


## BASIC FINANCIAL STATEMENTS


A. District-wide Financial Statements:
A-1 Statement of Net Position . . . . . 26
A-2 Statement of Activities . . . . . 27

B. Fund Financial Statements:
Governmental Funds:
B-1 Balance Sheet . . . . . 28
B-2 Statement of Revenues, Expenditures, and Changes in Fund Balance . . . . . 29
B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities . . . . . 30

Proprietary Funds:
B-4 Statement of Net Position . . . . . 31
B-5 Statement of Revenues, Expenses, and Changes in Fund Net Position . . . . . 32
B-6 Statement of Cash Flows . . . . . 33

Fiduciary Funds:
B-7 Statement of Fiduciary Net Position . . . . . 34
B-8 Statement of Changes in Fiduciary Net Position . . . . . 35

Notes to the Financial Statements . . . . . 36

Required Supplemental Information - Part II

## OUTLINE OF CAFR, (continued)


C. Budgetary Comparison Schedules:
- C-1 Budgetary Comparison Schedule - General Fund . . . . . 60
- C-2 Budgetary Comparison Schedule - Special Revenue Fund . . . . . 66

Notes to the Required Supplementary Information
- C-3 Budget to GAAP Reconciliation . . . . . 67

D. School Level Schedules:
N/A

E. Special Revenue Fund:
- E-1 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis . . . . . 68
- E-1a Combining Schedule of Program Revenues and Expenditures - Budgetary Basis . . . . 69
- E-1b Combining Schedule of Program Revenues and Expenditures - Budgetary Basis . . . . 70
- E-1c Combining Schedule of Program Revenues and Expenditures - Budgetary Basis . . . . 71
- E-2 Schedule of Preschool Education Aid - Budgetary Basis . . . . . 72

F. Capital Projects Fund:
- F-1 Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis . . . . . 73
- F-1b Schedule of Project Revenues, Expenditures, Project Balances and Project Status - Budgetary Basis (Other Improvements) . . . . . 74
- F-2 Summary Statement of Project Expenditures . . . . . 75

G. Proprietary Funds:

Enterprise Fund:
- G-1 Combining Statement of Net Position . . . . . 76
- G-2 Combining Statement of Revenues, Expenses and Changes in Fund Net Position . . . . . 77
- G-3 Combining Statement of Cash Flows . . . . . 78

Internal Service Fund:
N/A

## OUTLINE OF CAFR, (continued)


H. Fiduciary Fund:

H-1 Combining Statement of Fiduciary Net Position . . . . . 79
H-2 Combining Statement of Changes in Fiduciary Net Position . . . . . 80
H-3 Student Activity Agency Fund - Schedule of Receipts and Disbursements . . . . . 81
H-4 Payroll Agency Fund Schedule of Receipts and Disbursements . . . . . 82

I. Long Term Debt:

I-1 Schedule of Serial Bonds . . . . . 83
I-2 Schedule of Capital Leases Payable . . . . . 84
I-3 Budgetary Comparison Schedule - Debt Service Fund . . . . . 85

J. Statistical Section (Unaudited)

Financial Trends

J-1 Net Position by Component . . . . . 86
J-2 Changes in Net Position . . . . . 87
J-3 Fund Balances - Governmental Funds . . . . . 89
J-4 Changes in Fund Balances - Governmental Funds . . . . . 90
J-5 General Fund Other Local Revenue by Source . . . . . 92

Revenue Capacity

J-6 Assessed Value and Actual Value of Taxable Property . . . . . 93
J-7 Direct and Overlapping Property Tax Rates . . . . . 94
J-8 Principal Property Taxpayers . . . . . 95
J-9 Property Tax Levies and Collections . . . . . 96

Debt Capacity

J-10 Ratios of Outstanding Debt by Type . . . . . 97
J-11 Ratios of Net General Bonded Debt Outstanding . . . . . 98
J-12 Ratios of Overlapping Governmental Activities Debt . . . . . 99
J-13 Legal Debt Margin Information . . . . . 100

Demographic and Economic Information

J-14 Demographic and Economic Statistics . . . . . 101
J-15 Principal Employers . . . . . 102

## OUTLINE OF CAFR, (continued)

Operating Information


J-16 Full-time Equivalent District Employees by Function/Program . . . . . 103
J-17 Operating Statistics . . . . . 104
J-18 School Building Information . . . . . 105
J-19 Schedule of Required Maintenance for School Facilities . . . . . 106
J-20 Insurance Schedule . . . . . 107

**K. SINGLE AUDIT SECTION**

K-1 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 . . . . . 108

K-2 Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Federal and State Program and Internal Control Over Compliance in Accordance with OMB Circular A-133 and N.J. OMB Circular 04-04 . . . . . 110

K-3 Schedule of Expenditure of Federal Awards . . . . . 113

K-4 Schedule of Expenditure of State Awards and Other Local Awards . . . . . 115

K-5 Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance . . . . . 117

K-6 Schedule of Findings and Questioned Costs . . . . . 119

K-7 Summary Schedule of Prior Audit Findings . . . . . 122

# INTRODUCTORY SECTION

# HACKENSACK PUBLIC SCHOOLS

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


September 19, 2014

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, 2014, 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 2013-2014 fiscal year with an average daily enrollment of 5,463 students, which is 57 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 |
|---|---|---|---|
| 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% |
| 2013-14 | 5,463 | 57 | 1.54% |

For the 2013-14 school year, the District was configured as follows:

- Early Childhood Developmental Center — Grades Pre-K through K
- 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 houses Pre-K3, Pre-K4 and some Kindergarten classes.

## 2. MAJOR INITIATIVES – 2013-2014:

### Educational programs, Grades Pre-K-12

- Full Option Science System (FOSS) K-4 was implemented K-4, 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 Tutoring Program at the high-school level was expanded to provide for additional support to ESL/Bilingual and SE students in preparation for the High School Proficiency Assessment in grade 11; this was part of the HHS School Improvement Plan approved by RAC, given HHS status as Focus School status.
- Scholastic System 44 was implemented at HHS to support literacy needs of ESL/Bilingual students and technology integration in ESL/English classes.
- Academy of Math was implemented at HHS to provide for support in math classes and the After-School Program, as well as integration of technology.
- Cooperative Discipline and Conflict Resolution programs to support HIB initiatives, including OLWEUS and PBSIS (re-stared at HMS).
- The one-to-one initiative expanded into grade 10, for all grade 10 students at HHS.
- A Chromebook initiative to provide for at least 2 classroom sets (via carts), at each elementary school and four sets at HMS.
- Increase student access to state of the art technology across and throughout the curriculum, specifically via the increased use of Google apps.
- Improving current software and infra-structure including expansion of WIFI and applications that support teaching, learning and teacher evaluation.
- Ongoing compliance with building safety initiatives in coordination with safety regulations and law enforcement recommendations.
- Additional opportunities for dual-credit (HS/College) programs with BCC via the Career & Technical Education program.
- 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/post assessments and formative assessments K-12 to support the SGO process and data to drive instruction.
- Continued curriculum development and revision, specifically for Art. Music and Fine Arts courses, utilizing the Understanding by Design format.
- Adoption and implementation of IEP Direct as the student data-management program for Special Services.
- Providing instructional materials in preparation for State Mandated Testing.

### Professional Development for SY 2013-2014

- Training on Teachscape as our teacher-evaluation system; full implementation of Teachscape began 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 Dr.Jason Irizarry, with a review of his research/book, "The Latinization of US Schools."
- Training on Depth & Complexity/Kaplan Model to support the restructured G & T program K-4, as well as differentiation across the curriculum, K-4.
- Training by the Alliance for a Healthy Generation to support collaboration between nurses, physical education teachers and the good-services department.
- Training on Student Growth Objectives, with support from an NJEA presenter, as part of the "opening week PD," September 2013.
- 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 2014/15 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.
- IEP Direct training for SE teachers, administrators, and all CST/Support Staff to ensure implementation with fidelity.

**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, 2014 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, 2014 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, 2014, the Project was completed.

**Other Initiatives**

- Continuation of a search and subsequent hiring of 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.

## 3. INTERNAL ACCOUNTING CONTROLS:

Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure the adequate accounting data are compiled to allow for the preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that:

(1) The cost of a control should not exceed the benefits likely to be derived
(2) The valuation of costs and benefits requires estimates and judgments by management.

As a recipient of Federal and State financial assistance, the District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the District management.

As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

## 4. BUDGETARY CONTROLS:

In addition to internal accounting controls which now includes the prerequisite that all requisitions confirm the use of Ed Data, MESC, State Contracts etc., the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the General Fund, the Special Revenue Fund, and the Debt Service Fund. Project-length budgets are approved for the capital improvements accounted for in the Capital Projects Fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2014.

## 5. ACCOUNTING SYSTEM AND REPORTS:

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

## 6. DEBT ADMINISTRATION:

At June 30, 2014, the District had $3,545,000 in outstanding bonds payable and $279,913 in capital leases payable. Additional information regarding the District's debt is contained in the "Notes to the Financial Statements", Note 7.

## 7. FINANCIAL INFORMATION AT FISCAL YEAR-END:

The Board developed its 2013-14 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 New Jersey 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 first year as a member of the New Jersey School Insurance Group/North Jersey Educational Insurance Fund (NJEIF) which self-insures Workers' Compensation and purchases general liability, auto and property insurance on a volume basis.

## 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.

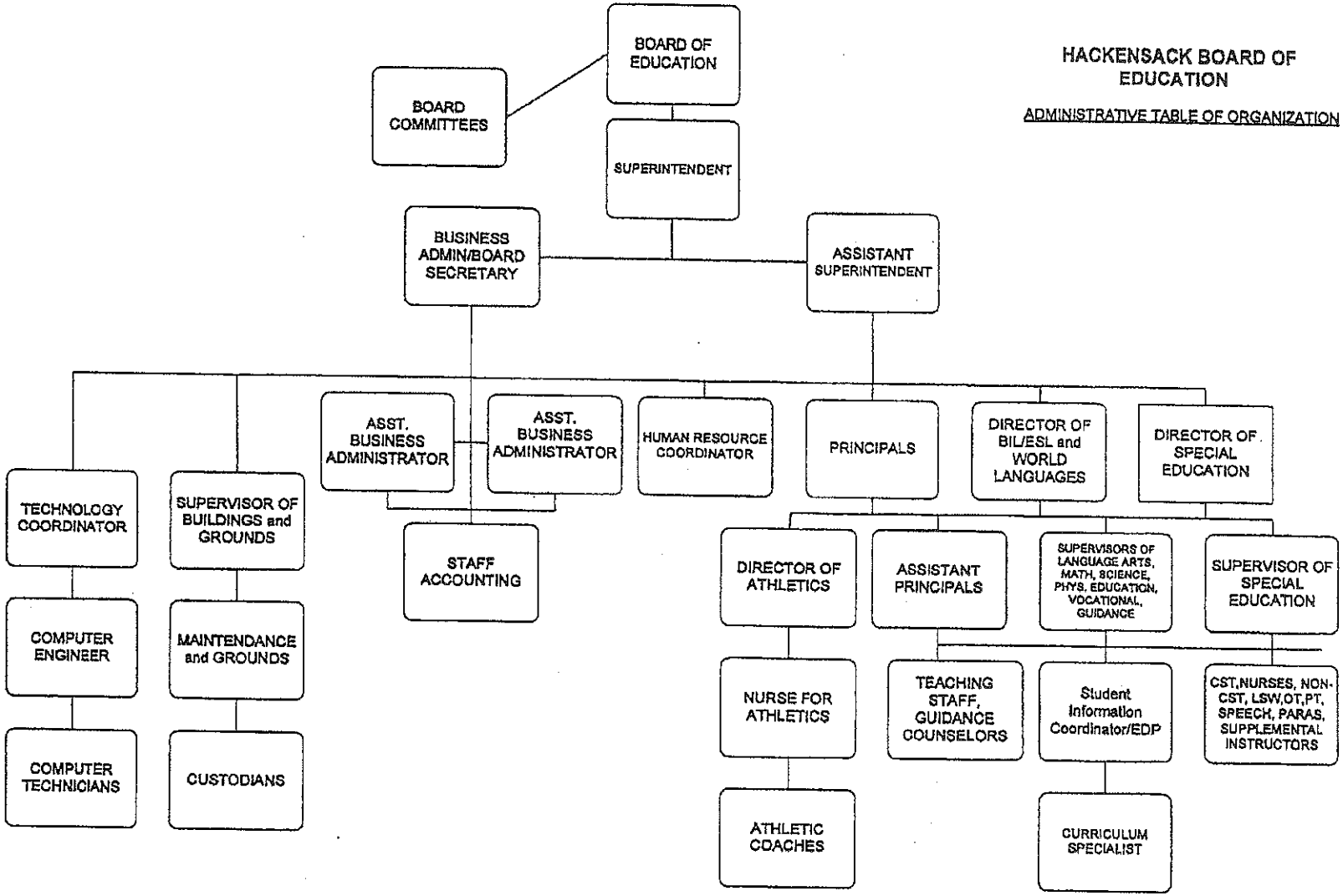
Respectfully submitted,

Karen A. Lewis

Ms. Karen A. Lewis
Superintendent of Schools

# 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, 2014

| Members of the Board of Education | Term Expires |
|---|---|
| Veronica Bolcik McKenna, President | 2017 |
| Jason Nunnermacker, Vice President | 2015 |
| Mark Stein | 2015 |
| Daniel Carola | 2015 |
| Francis Albolino | 2016 |
| Lara Rodriguez | 2016 |
| Timothy Hoffman | 2016 |
| Joseph Barreto | 2017 |
| Robin Coles | 2017 |
| Sam Conoscenti, Maywood Representative | 2015 |

### Other Officials

Karen A. Lewis, Superintendent

Rosemary Marks, Assistant Superintendent

Joseph Cicchelli, Assistant Superintendent

Mark Kramer, School Business Administrator/Board Secretary

**HACKENSACK BOARD OF EDUCATION**

**CONSULTANTS & ADVISORS**

**JUNE 30, 2014**

**Attorney**

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

**Negotiation Counsel**

MACHADO LAW GROUP
136 Central Avenue
Clark, New Jersey 07066

**Special Education Counsel**

SCHENCK, PRICE, SMITH & KING, LLC
220 Park Avenue
Florham Park, New Jersey 07932

**Bond Counsel**

DECOTIIS, FITZPATRICK, COLE & WISLER, LLP
500 Frank W. Burr Blvd
Teaneck, New Jersey 07666

**Insurance Broker/Risk Manager**

OTTERSTEDT INSURANCE AGENCY, INC.
417 Boulevard
Hasbrouck Heights, New Jersey 07604

**Architect of Record**

DMR ARCHITECTS
777 Terrace Ave - Suite 607
Hasbrouck Heights, New Jersey 07604

**District Auditor**

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

**Official Depository**

CAPITAL ONE BANK
710 Route 46E
Fairfield, New Jersey 07004

# FINANCIAL SECTION

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

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

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

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


## INDEPENDENT AUDITOR'S REPORT

Honorable President and
Members of the Board of Education
City of Hackensack School District
County of Bergen
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, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

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

***Auditor's Responsibility***

Our responsibility is to express 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.

FWCC

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, 2014, 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 identified in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

FWCC

*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 introductory section, combining and individual nonmajor fund financial statements, 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 combining and individual nonmajor fund financial statements, 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 combining and individual nonmajor fund financial statements, 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 September 19, 2014 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

FWCC

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

September 19, 2014

FWCC

# REQUIRED SUPPLEMENTARY INFORMATION - PART I

# CITY OF HACKENSACK SCHOOL DISTRICT
# HACKENSACK, NJ

## MANAGEMENT DISCUSSION AND ANALYSIS
## FOR THE FISCAL YEAR ENDED JUNE 30, 2014
## 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, 2014.

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 $1,300,443. Net position of governmental activities increased $1,542,073 while net position of business-type activity decreased by $241,630.

- General revenues accounted for $103,063,868 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 $6,462,941 or 6 percent of total revenues of $109,526,809.

- The School District had $105,527,032 in expenses related to governmental activities; only $4,007,107 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily grants, entitlements and property taxes) of $103,061,998 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 improving 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 $25,575,934 at June 30, 2014 and $24,275,491 at June 30, 2013. Restricted items of net position are 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 2014 compared to 2013 (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 | |
|---|---|---|---|---|---|---|
| | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 |
| **Assets** | | | | | | |
| Current and Other Assets | 10,792,174 | 11,475,956 | 373,370 | 750,454 | 11,165,544 | 12,226,410 |
| Capital Assets: | | | | | | |
| Land and Construction in Progress | 68,800 | 627,481 | | | 68,800 | 627,481 |
| Depreciable Buildings, Improvements and Equipment (Net) | 21,895,441 | 19,769,652 | 346,164 | 344,984 | 22,241,605 | 20,114,636 |
| Total Assets | 32,756,415 | 31,873,089 | 719,534 | 1,095,438 | 33,475,949 | 32,968,527 |
| **Deferred Outflows:** | | | | | | |
| Unamortized Bond Issuance Costs | 49,201 | 57,402 | | | 49,201 | 57,402 |
| Total Deferred Outflows | 49,201 | 57,402 | | | 49,201 | 57,402 |
| **Liabilities** | | | | | | |
| Current Liabilities | 794,671 | 660,429 | 223,666 | 357,940 | 1,018,337 | 1,018,369 |
| Noncurrent Liabilities | 6,677,942 | 7,436,975 | | | 6,677,942 | 7,436,975 |
| Total Liabilities | 7,472,613 | 8,097,404 | 223,666 | 357,940 | 7,696,279 | 8,455,344 |
| **Deferred Inflows:** | | | | | | |
| Unamortized Bond Issuance Premiums | 252,937 | 295,094 | | | 252,937 | 295,094 |
| Total Deferred Inflows | 252,937 | 295,094 | | | 252,937 | 295,094 |
| **Net Position** | | | | | | |
| Invested in Capital Assets-Net of Related Debt | 17,935,592 | 15,447,155 | 346,164 | 344,984 | 18,281,756 | 15,792,139 |
| Restricted | 8,721,596 | 9,354,947 | | | 8,721,596 | 9,354,947 |
| Unrestricted | (1,577,122) | (1,264,109) | 149,704 | 392,514 | (1,427,418) | (871,595) |
| Total Net Position | 25,080,066 | 23,537,993 | 495,868 | 737,498 | 25,575,934 | 24,275,491 |

## DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

Table 2 below shows the changes in net position for fiscal year 2014 compared to 2013.

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

| | Governmental Activities | | Business-Type Activities | | Total | |
|---|---|---|---|---|---|---|
| | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 |
| **Revenues** | | | | | | |
| Program Revenues: | | | | | | |
| Charges for Services and Sales | | | 478,178 | 424,644 | 478,178 | 424,644 |
| Operating Grants and Contributions | 4,007,107 | 4,190,989 | 1,977,656 | 1,921,521 | 5,984,763 | 6,112,510 |
| Capital Grants and Contributions | 7,390 | 125,124 | | | 7,390 | 125,124 |
| General Revenues: | | | | | | |
| Taxes: | | | | | | |
| Property taxes | 71,871,379 | 69,093,004 | | | 71,871,379 | 69,093,004 |
| Federal and State Aid not Restricted | 21,970,153 | 23,271,486 | | | 21,970,153 | 23,271,486 |
| Tuition Received | 8,543,020 | 7,859,900 | | | 8,543,020 | 7,859,900 |
| Miscellaneous Income | 669,736 | 608,385 | 1,671 | 33,370 | 671,407 | 641,755 |
| Investment Income | 320 | 4,630 | 199 | 163 | 519 | 4,793 |
| Total Revenues and Transfers | 107,069,105 | 105,153,518 | 2,457,704 | 2,379,698 | 109,526,809 | 107,533,216 |

## DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

| | Governmental Activities | | Business-Type Activities | | Total | |
|---|---|---|---|---|---|---|
| | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 |
| **Functions/Program Expenses** | | | | | | |
| Instruction: | | | | | | |
| Regular | 33,354,824 | 33,789,219 | | | 33,354,824 | 33,789,219 |
| Special Education | 11,333,736 | 11,115,653 | | | 11,333,736 | 11,115,653 |
| Other Special Instruction | 2,328,603 | 2,051,464 | | | 2,328,603 | 2,051,464 |
| Other Instruction | 1,881,660 | 2,033,545 | | | 1,881,660 | 2,033,545 |
| Support Services: | | | | | | |
| Tuition | 5,850,284 | 5,753,383 | | | 5,850,284 | 5,753,383 |
| Student & Instruction Related Services | 13,795,797 | 13,630,248 | | | 13,795,797 | 13,630,248 |
| School Administrative Services | 3,738,373 | 3,807,103 | | | 3,738,373 | 3,807,103 |
| General Administrative Services | 962,018 | 877,269 | | | 962,018 | 877,269 |
| Central Services and Info. Tech. | 1,995,738 | 1,627,556 | | | 1,995,738 | 1,627,556 |
| Plant Operations and Maintenance | 7,620,236 | 6,741,300 | | | 7,620,236 | 6,741,300 |
| Pupil Transportation | 1,978,391 | 1,833,554 | | | 1,978,391 | 1,833,554 |
| Unallocated Benefits | 8,331,799 | 9,345,453 | | | 8,331,799 | 9,345,453 |
| Allocated Benefits | 8,397,609 | 6,305,195 | | | 8,397,609 | 6,305,195 |
| Charter Schools | 2,478,864 | 1,287,670 | | | 2,478,864 | 1,287,670 |
| Capital Outlay- Non-depreciable | 243,549 | 125,489 | | | 243,549 | 125,489 |
| Interest on Long-Term Debt | 165,390 | 186,561 | | | 165,390 | 186,561 |
| Unallocated depreciation | 1,104,117 | 976,090 | | | 1,104,117 | 976,090 |
| Amortization | (33,956) | (33,956) | | | (33,956) | (33,956) |
| Food Service | | | 2,699,334 | 2,519,991 | 2,699,334 | 2,519,991 |
| Total Expenses and Transfers | 105,527,032 | 101,452,796 | 2,699,334 | 2,519,991 | 108,226,366 | 103,972,787 |
| Increase or (Decrease) in Net Position | 1,542,073 | 3,700,722 | (241,630) | (140,293) | 1,300,443 | 3,560,429 |

## 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 $108,226,366. However, the amount that our taxpayers ultimately financed for these activities through School District taxes was only $71,871,379 because some of the cost was paid by those who benefitted from the programs $471,298, by other governments and organizations who subsidized certain programs with grants and contributions $5,984,763, unrestricted federal and state aid $21,970,153, federal and state aid capital outlay $7,390, tuition received $8,543,020, investment income $519, and by miscellaneous sources $671,407.

The following schedules present a summary of governmental fund revenues and expenditures for the fiscal year ended June 30, 2014, and the amount and percentage of increases/(decreases) relative to the prior year.

| Revenue | Amount | Percent of Total | Increase/ (Decrease) from 2013 | Percent of Increase/ (Decrease) |
|---|---|---|---|---|
| Local Source | $81,085,339 | 75.8% | $3,506,450 | 4.52% |
| State Source | 22,731,077 | 21.2 | (1,356,217) | (5.67) |
| Federal Source | 3,252,689 | 3.0 | (245,422) | (7.02) |
| Total | $107,069,105 | 100.0% | $1,904,811 | 1.80% |

| Expenditures | Amount | Percent of Total | Increase/ (Decrease) from 2013 | Percent of Increase/ (Decrease) |
|---|---|---|---|---|
| Current Expenditures: | | | | |
| Instruction | $45,542,284 | 42.2% | $1,126,122 | 2.54% |
| Undistributed | 58,377,308 | 54.1 | 2,712,139 | 4.87 |
| Debt Service | 783,863 | 0.7 | (26,237) | (3.24) |
| Capital Outlay | 3,187,147 | 3.0 | 1,676,173 | 110.93 |
| Total | $107,890,602 | 100.0% | $5,488,197 | 5.36% |

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, 2014, the School District amended the general fund by $734,181 which is the prior year unanticipated extraordinary aid and the special revenue fund by $1,230,300 for increases in federal and state grants.

### General Fund

The general fund actual revenue was $102,411,782. That amount is $10,512,340 above the final amended budget of $91,899,442. The variance between the actual revenues and final budget was the result of non-budgeted on-behalf payments of $8,203,459 for TPAF pension and social security reimbursements, $1,907,475 excess in miscellaneous anticipated revenues, $427,897 excess in extraordinary aid and $26,491 decrease in federal aid.

The actual expenditures of the general fund were $102,661,762 including transfers which is $1,988,017 above the final amended budget of $100,673,745. The variance between the actual expenditures and final budget was due to non-budget on-behalf payments of $8,203,459 for TPAF pension and social security reimbursements, and $6,215,442 of unexpended budgeted funds.

General fund had total revenues and other financing sources of $102,411,782 and total expenditures including transfers of $102,661,762 with an ending fund balance of $11,038,522 on the budgetary basis of accounting.

### Special Revenue Fund

The special revenue fund actual revenue was $4,197,935 including transfers. That amount is $292,454 below the final amended budget of $4,490,389. 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 $4,197,935, which is $292,454 below the final amended budget of $4,490,389. 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 2014 the School District had $49,463,422 invested in sites, buildings, equipment and construction in progress. Of this amount $27,153,017 in depreciation has been taken over the years. We currently have a net book value of $22,310,405. Total additions for the year were $2,699,428, 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 2014 balances compared to 2013.

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

| | Governmental Activities | | Business-Type Activities | | Total | |
|---|---|---|---|---|---|---|
| | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 |
| Land | 68,800 | 68,800 | | | 68,800 | 68,800 |
| Buildings and Improvements | 20,466,936 | 18,444,797 | 174,786 | 184,192 | 20,641,722 | 18,628,989 |
| Furniture, Equipment and Vehicles | 1,428,505 | 1,324,855 | 171,378 | 160,792 | 1,599,883 | 1,485,647 |
| Construction in Progress | | 558,681 | | | | 558,681 |
| | 21,964,241 | 20,397,133 | 346,164 | 344,984 | 22,310,405 | 20,742,117 |

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

### Debt Administration

At June 30, 2014, the District had $6,677,942 of long-term debt. Of this amount, $2,853,209 is for compensated absences; $3,545,000 of serial bonds for school construction; and $279,913 for obligations under capital leases.

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

| | 2014 | 2013 |
|---|---|---|
| 2009 Refunding School Improvement Bonds | 3,545,000 | 4,160,000 |

## 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 2014-2015 school year that is equal to the level of the 2013-2014 school year.

These factors were considered in preparing the City of Hackensack School District's budgets for the 2014-2015 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:

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, 2014**

| | Governmental Activities | Business-type Activities | Total |
|---|---|---|---|
| **ASSETS** | | | |
| Cash and cash equivalents | 6,552,419 | 122,526 | 6,674,945 |
| Receivables, net | 4,234,805 | 235,907 | 4,470,712 |
| Inventory | | 14,937 | 14,937 |
| Restricted assets: | | | |
| Capital reserve account - cash | 4,950 | | 4,950 |
| Capital assets: | | | |
| Land and Construction in Progess | 68,800 | | 68,800 |
| Depreciable Buildings, Improvements and Equipment (net) | 21,895,441 | 346,164 | 22,241,605 |
| Total Assets | 32,756,415 | 719,534 | 33,475,949 |
| Deffered Outflows: | | | |
| Unamortized bond issuance costs | 49,201 | | 49,201 |
| Total Deferred Outflows | 49,201 | - | 49,201 |
| **LIABILITIES** | | | |
| Accounts payable and accrued liabilities | 727,956 | 223,666 | 951,622 |
| Payable to state government | 14,674 | | 14,674 |
| Unearned revenue | 52,041 | | 52,041 |
| Noncurrent liabilities: | | | |
| Due within one year | 889,913 | | 889,913 |
| Due beyond one year | 5,788,029 | | 5,788,029 |
| Total liabilities | 7,472,613 | 223,666 | 7,696,279 |
| Deferred Inflows: | | | |
| Unamortized bond issuance premiums | 252,937 | | 252,937 |
| Total Deffered Inflows | 252,937 | | 252,937 |
| **NET POSITION** | | | |
| Invested in capital assets, net of related debt | 17,935,592 | 346,164 | 18,281,756 |
| Restricted for: | | | |
| Debt service | 137 | | 137 |
| Capital projects | 1,354,950 | | 1,354,950 |
| Other purposes | 7,366,509 | | 7,366,509 |
| Unrestricted (Deficit) | (1,577,122) | 149,704 | (1,427,418) |
| Total net position | 25,080,066 | 495,868 | 25,575,934 |

**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, 2014**

| 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 | 31,158,011 | 2,196,813 | | 2,520,207 | (30,834,617) | | (30,834,617) |
| Special education | 10,463,045 | 870,691 | | | (11,333,736) | | (11,333,736) |
| Other special instruction | 2,150,846 | 177,757 | | | (2,328,603) | | (2,328,603) |
| Other instruction | 1,770,382 | 111,278 | | | (1,881,660) | | (1,881,660) |
| Support services: | | | | | | | |
| Tuition | 5,850,284 | | | | (5,850,284) | | (5,850,284) |
| Student & instruction related services | 12,950,149 | 845,648 | | 1,486,900 | (12,308,897) | | (12,308,897) |
| School administrative services | 3,453,363 | 285,010 | | | (3,738,373) | | (3,738,373) |
| General administrative services | 929,071 | 32,947 | | | (962,018) | | (962,018) |
| Central services and administrative information technology | 1,872,608 | 123,130 | | | (1,995,738) | | (1,995,738) |
| Plant operations and maintenance | 7,311,018 | 309,218 | | | (7,620,236) | | (7,620,236) |
| Pupil transportation | 1,974,200 | 4,191 | | | (1,978,391) | | (1,978,391) |
| Allocated benefits | 8,397,609 | | | | (8,397,609) | | (8,397,609) |
| Unallocated benefits | 8,331,799 | | | | (8,331,799) | | (8,331,799) |
| Charter schools | 2,478,864 | | | | (2,478,864) | | (2,478,864) |
| Capital outlay - non-depreciable | 243,549 | | | | (243,549) | | (243,549) |
| Interest on long-term debt | 165,390 | | | | (165,390) | | (165,390) |
| Unallocated depreciation | 1,104,117 | | | | (1,104,117) | | (1,104,117) |
| Amortization | (33,956) | | | | 33,956 | | 33,956 |
| Total governmental activities | 100,570,349 | 4,956,683 | - | 4,007,107 | (101,519,925) | - | (101,519,925) |
| Business-type activities: | | | | | | | |
| Food Service | 2,699,334 | | 478,178 | 1,977,656 | | (243,500) | (243,500) |
| Total business-type activities | 2,699,334 | | 478,178 | 1,977,656 | | (243,500) | (243,500) |
| Total primary government | 103,269,683 | | 478,178 | 5,984,763 | (101,519,925) | (243,500) | (101,763,425) |
| General revenues: | | | | | | | |
| Taxes: | | | | | | | |
| Levied for general purposes | | | | | 71,216,667 | | 71,216,667 |
| Taxes levied for debt service | | | | | 654,712 | | 654,712 |
| Federal and State aid not restricted | | | | | 21,970,153 | | 21,970,153 |
| Federal and State aid - Capital Outlay | | | | | 7,390 | | 7,390 |
| Tuition received | | | | | 8,543,020 | | 8,543,020 |
| Investment Earnings | | | | | 320 | 199 | 519 |
| Miscellaneous Income | | | | | 669,736 | 1,671 | 671,407 |
| Total general revenues, special items, extraordinary items and transfers | | | | | 103,061,998 | 1,870 | 103,063,868 |
| Change in Net Position | | | | | 1,542,073 | (241,630) | 1,300,443 |
| Net Position—beginning | | | | | 23,537,993 | 737,498 | 24,275,491 |
| Net Position—ending | | | | | 25,080,066 | 495,868 | 25,575,934 |

**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, 2014**

| | General Fund | Special Revenue Fund | Capital Projects Fund | Debt Service Fund | Total Governmental Funds |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| Cash and cash equivalents | | | | | |
| Checking | 6,552,282 | | 10 | 127 | 6,552,419 |
| Accounts Receivable - | | | | | |
| Interfunds | 994,107 | | | 10 | 994,117 |
| Intergovernmental - Federal | | 1,087,571 | | | 1,087,571 |
| Intergovernmental - State | 1,140,363 | 30,011 | | | 1,170,374 |
| Other receivables | 1,969,860 | 7,000 | | | 1,976,860 |
| Restricted cash and cash equivalents | | | | | |
| Capital reserve | 4,950 | | | | 4,950 |
| Total assets | 10,661,562 | 1,124,582 | 10 | 137 | 11,786,291 |
| **LIABILITIES AND FUND BALANCES** | | | | | |
| Liabilities: | | | | | |
| Accounts payable | 639,525 | 63,760 | | | 703,285 |
| Intergovernmental accounts payable - State | | 14,674 | | | 14,674 |
| Interfund payables | | 994,107 | 10 | | 994,117 |
| Unearned revenue | | 52,041 | | | 52,041 |
| Total liabilities | 639,525 | 1,124,582 | 10 | - | 1,764,117 |
| Fund Balances: | | | | | |
| Restricted for: | | | | | |
| Excess Surplus - current year | 1,174,868 | | | | 1,174,868 |
| Excess Surplus - prior year - designated for subsequent year's expenditures | 750,445 | | | | 750,445 |
| Capital reserve account | 1,354,950 | | | | 1,354,950 |
| Maintenance reserve account | 500,000 | | | | 500,000 |
| Emergency reserve account | 650,000 | | | | 650,000 |
| Assigned to: | | | | | |
| Year-end Encumbrances | 1,490,759 | | | | 1,490,759 |
| Designated by the BOE for subsequent year's expenditures | 2,800,437 | | | | 2,800,437 |
| Debt service fund | | | | 137 | 137 |
| Unassigned: | | | | | |
| General fund | 1,300,578 | | | | 1,300,578 |
| Total Fund balances | 10,022,037 | - | - | 137 | 10,022,174 |
| Total liabilities and fund balances | 10,661,562 | 1,124,582 | 10 | 137 | |

| | |
|---|---|
| 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 $48,877,048 and the accumulated depreciation is $26,912,807. | 21,964,241 |
| 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 | (24,671) |
| 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 $168,633 | (252,937) |
| 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 $32,809 | 49,201 |
| 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) | (6,677,942) |
| Net position of governmental activities | 25,080,066 |

**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, 2014**

| | General Fund | Special Revenue Fund | Capital Projects Fund | Debt Service Fund | Total Governmental Funds |
|---|---|---|---|---|---|
| **REVENUES** | | | | | |
| Local sources: | | | | | |
| Municipal tax levy | 71,216,667 | | | 654,712 | 71,871,379 |
| Tuition charges | 8,543,020 | | | | 8,543,020 |
| Interest Earned on Capital Reserve Funds | 320 | | | | 320 |
| Miscellaneous | 669,718 | 884 | 18 | | 670,620 |
| Total - Local Sources | 80,429,725 | 884 | 18 | 654,712 | 81,085,339 |
| State sources | 21,883,032 | 848,045 | | | 22,731,077 |
| Federal sources | 87,121 | 3,165,568 | | | 3,252,689 |
| Total revenues | 102,399,878 | 4,014,497 | 18 | 654,712 | 107,069,105 |
| **EXPENDITURES** | | | | | |
| Current: | | | | | |
| Regular instruction | 28,475,574 | 2,682,437 | | | 31,158,011 |
| Special education instruction | 10,463,045 | | | | 10,463,045 |
| Other special instruction | 2,150,846 | | | | 2,150,846 |
| School sponsored/other instructional | 1,770,382 | | | | 1,770,382 |
| Support services and undistributed costs: | | | | | |
| Tuition | 5,850,284 | | | | 5,850,284 |
| Attendance and social work services | 10,400 | | | | 10,400 |
| Health services | 890,880 | | | | 890,880 |
| Student & instruction related services | 10,561,969 | 1,486,900 | | | 12,048,869 |
| School administrative services | 3,453,363 | | | | 3,453,363 |
| General administrative services | 929,071 | | | | 929,071 |
| Central services & administrative information technology | 1,872,608 | | | | 1,872,608 |
| Plant operations and maintenance | 7,311,018 | | | | 7,311,018 |
| Pupil transportation | 1,974,200 | | | | 1,974,200 |
| Allocated benefits | 8,397,609 | | | | 8,397,609 |
| Unallocated benefits | 4,956,683 | | | | 4,956,683 |
| On-behalf contributions | 8,203,459 | | | | 8,203,459 |
| Transfer to charter school | 2,478,864 | | | | 2,478,864 |
| Debt service: | | | | | |
| Principal | | | | 615,000 | 615,000 |
| Interest and other charges | | | | 168,863 | 168,863 |
| Capital outlay | 2,749,277 | 7,390 | 430,480 | | 3,187,147 |
| Total expenditures | 102,499,532 | 4,176,727 | 430,480 | 783,863 | 107,890,602 |
| Excess (Deficiency) of revenues | (99,654) | (162,230) | (430,462) | (129,151) | (821,497) |
| **OTHER FINANCING SOURCES (USES)** | | | | | |
| Transfers in | | 162,230 | | 18 | 162,248 |
| Transfers out | (162,230) | | (18) | | (162,248) |
| Total other financing sources and uses | (162,230) | 162,230 | (18) | 18 | - |
| Net change in fund balances | (261,884) | - | (430,480) | (129,133) | (821,497) |
| Fund balance—July 1 | 10,283,921 | - | 430,480 | 129,270 | 10,843,671 |
| Fund balance—June 30 | 10,022,037 | - | - | 137 | 10,022,174 |

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

**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, 2014**

| | | |
|---|---|---|
| **Total net change in fund balances - governmental funds (from B-2)** | | (821,497) |
| 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 | (1,104,117) | |
| Depreciable Capital outlays | 2,671,225 | |
| | | 1,567,108 |
| 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 | 615,000 | |
| Capital Lease Obligations - Principal | 272,373 | |
| | | 887,373 |
| 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 | 28,144 | |
| General Bond Obligations | (24,671) | |
| | | 3,473 |
| 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 | | (128,340) |
| 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) |
| **Change in net assets of governmental activities** | | 1,542,073 |

**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, 2014**

| | Business-type Activities - Enterprise Fund |
|---|---|
| | **Food Service Program** |
| **ASSETS** | |
| Current assets: | |
| Cash and cash equivalents | 122,526 |
| Accounts receivable: | - |
| State | 4,723 |
| Federal | 137,016 |
| Other | 94,168 |
| Inventories | 14,937 |
| Total current assets | 373,370 |
| Noncurrent assets: | |
| Capital assets: | |
| Building and building improvements | 188,123 |
| Equipment | 398,251 |
| Less accumulated depreciation | (240,210) |
| Total capital assets (net of accumulated depreciation) | 346,164 |
| Total assets | 719,534 |
| Current Liabilities: | |
| Accounts Payable | 223,666 |
| Total Liabilities | 223,666 |
| **NET POSITION** | |
| Invested in capital assets net of related debt | 346,164 |
| Unrestricted | 149,704 |
| Total net position | 495,868 |

Exhibit B-5

**HACKENSACK BOARD OF EDUCATION**
**Statement of Revenues, Expenses, and Changes in Fund Net Assets**
**Proprietary Funds**
**Fiscal Year Ended June 30, 2014**

| | Business-type Activities - Enterprise Fund |
|---|---|
| | **Food Service Program** |
| Operating revenues: | |
| Charges for services: | |
| Daily sales - reimbursable programs | 275,454 |
| Daily sales - non-reimbursable programs | 202,724 |
| Total operating revenues | 478,178 |
| Operating expenses: | |
| Cost of sales | 1,046,947 |
| Salaries | 818,839 |
| Supplies and materials | 100,831 |
| Employee benefits | 225,397 |
| Depreciation expense | 27,023 |
| Repairs and other expenses | 180,921 |
| Purchased services | 297,090 |
| CCD Fees | 2,286 |
| Total Operating Expenses | 2,699,334 |
| Operating income (loss) | (2,221,156) |
| Nonoperating revenues (expenses): | |
| State sources: | |
| School lunch program | 25,004 |
| Snack program | 52,279 |
| Federal sources: | |
| National school lunch program | 1,159,302 |
| Breakfast program | 632,022 |
| U.S.D.A. Commodities | 109,049 |
| Miscellaneous Income | 1,671 |
| Interest Income | 199 |
| Total nonoperating revenues (expenses) | 1,979,526 |
| Income (loss) before contributions & transfers | (241,630) |
| Total net position—beginning | 737,498 |
| Total net position—ending | 495,868 |

**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, 2014**

| | Business-type Activities - Enterprise Fund |
|---|---|
| | Food Service Program |
| **CASH FLOWS FROM OPERATING ACTIVITIES** | |
| Receipts from customers | 413,109 |
| Payments to suppliers | (2,695,546) |
| Net cash provided by (used for) operating activities | (2,282,437) |
| **CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES** | |
| State Sources | 77,956 |
| Federal Sources | 1,794,580 |
| Miscellaneous Income | 1,671 |
| Interest Income | 199 |
| Net cash provided by (used for) non-capital financing activities | 1,874,406 |
| **CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES** | |
| Acquisition of capital assets | (28,203) |
| Net cash provided by (used for) capital and related financing activities | (28,203) |
| Net increase (decrease) in cash and cash equivalents | (436,234) |
| Balances—beginning of year | 558,760 |
| Balances—end of year | 122,526 |
| **Reconciliation of operating income (loss) to net cash provided (used) by operating activities:** | |
| Operating income (loss) | (2,221,156) |
| Adjustments to reconcile operating income (loss) to net cash provided by | |
| Depreciation and net amortization | 27,023 |
| Food Distribution Program | 109,049 |
| (Increase) decrease in accounts receivable, net | (65,069) |
| (Increase) decrease in inventories | 1,989 |
| Increase (decrease) in accounts payable | (134,273) |
| Total adjustments | (61,281) |
| Net cash provided by (used for) operating activities | (2,282,437) |

**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, 2014

| | Unemployment Compensation Trust Fund | Scholarship and Memorial Funds | Agency Fund |
|---|---|---|---|
| **ASSETS** | | | |
| Cash and cash equivalents | 289,134 | 137,678 | 252,497 |
| Total assets | 289,134 | 137,678 | 252,497 |
| **LIABILITIES** | | | |
| Deficit in Scholarship Cash | | | |
| Payable to student groups | | | 228,479 |
| Due to State of NJ - Unemployment | 10,055 | | |
| Payroll deductions and withholdings | | | 24,018 |
| Total liabilities | 10,055 | - | 252,497 |
| **NET POSITION** | | | |
| Held in trust for unemployment claims and other purposes | 279,079 | | |
| Reserved for scholarships | | 137,678 | |
| | 289,134 | 137,678 | |

**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, 2014**

| | Unemployment Compensation Trust Fund | Scholarship and Memorial Funds |
|---|---|---|
| **ADDITIONS** | | |
| Contributions: | | |
| Donations | | 31,080 |
| Payroll withholdings | 80,642 | |
| Budget contributions | 33,337 | |
| Total Contributions | 113,979 | 31,080 |
| Investment earnings: | | |
| Interest | 1,186 | 259 |
| Net investment earnings | 1,186 | 259 |
| Total additions | 115,165 | 31,339 |
| **DEDUCTIONS** | | |
| Unemployment claims | 77,426 | |
| Scholarships awarded | | 19,026 |
| Total deductions | 77,426 | 19,026 |
| Change in net assets | 37,739 | 12,313 |
| Net position—beginning of the year | 241,340 | 125,365 |
| Net position—end of the year | 279,079 | 137,678 |

**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 more signifiant 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 unearned 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 unearned 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, 2014, 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 of 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. Unearned Revenue:

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

Unearned revenue in the special revenue fund represents cash that has been received but not yet earned. See Note 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.

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

### 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.

### U. Recent Accounting Pronouncements:

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.

In January 2013, the Governmental Accounting Standards Board (GASB) issued Statement No. 69, "Government Combinations and Disposals of Government Obligations". This statement, which is effective for fiscal periods beginning after December 15, 2013, will not have any effect on the District's financial reporting.

In November 2013, Governmental Accounting Standards Board (GASB) issued Statement No. 71 "Pension Transition for Contributions Made Subsequent to the Measurement Date-an-amendment of GASB Statement No. 68". The provisions of this statement are required to be applied simultaneously with the provisions of Statement 68 which is effective for periods beginning after June 15, 2014. The impact of this statement on the net position of the entity is not presently determinable.

## 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, 2014, $-0- of the District's bank balance of $8,912,949 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, 2014, 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 | $994,117 | $ | |
| State Aid | 1,170,374 | 4,723 | $1,175,097 |
| Federal Aid | 1,087,571 | 137,016 | 1,224,587 |
| Other | 1,976,860 | 94,168 | 2,071,028 |
| Gross Receivables | 5,228,922 | 235,907 | 4,470,712 |
| Less: Allowance for Uncollectibles | | | |
| Total Receivables, Net | $5,228,922 | $235,907 | $4,470,712 |

## NOTE 5. INTERFUND BALANCE AND ACTIVITY:

Balances due to/from other funds at June 30, 2014 consist of the following:

| | |
|---|---|
| $10 | Due to the Debt Service Fund from the Capital Projects Fund for interest earnings. |
| 994,107 | Due to the General Fund from the Special Revenue Fund for short term loans. |
| $994,117 | |

## NOTE 6. CAPITAL ASSETS:

Capital asset activity for the fiscal year ended June 30, 2014 was as follows:

| | Balance 6/30/2013 | Additions | Deletions | Balance 6/30/2014 |
|---|---|---|---|---|
| **Governmental Activities** | | | | |
| Capital assets that are not being depreciated: | | | | |
| Land | $68,800 | $ | $ | $68,800 |
| Construction in progress | 558,681 | (558,681) | | 0 |
| Total capital assets not being depreciated | 627,481 | (558,681) | | 68,800 |
| Building and building improvements | 41,425,838 | 2,843,454 | | 44,269,292 |
| Machinery and equipment | 4,209,504 | 386,452 | (57,000) | 4,538,956 |
| Totals at historical cost | 45,635,342 | 3,229,906 | (57,000) | 48,808,248 |
| Less accumulated depreciation for: | | | | |
| Buildings and improvements | (22,981,041) | (821,315) | | (23,802,356) |
| Equipment | (2,884,649) | (282,802) | 57,000 | (3,110,451) |
| Total accumulated depreciation | (25,865,690) | (1,104,117) | 57,000 | (26,912,807) |
| Total capital assets being depreciated, net of accumulated depreciation | 19,769,652 | 2,125,789 | | 21,895,441 |
| **Governmental activities capital assets, net** | $20,397,133 | $1,567,108 | $ | $21,964,241 |
| Business-type activities: | | | | |
| Building and Building improvements | 188,123 | | | 188,123 |
| Equipment | 370,048 | 28,203 | | 398,251 |
| Totals at historical cost | 558,171 | 28,203 | | 586,374 |
| Less accumulated depreciation for: | | | | |
| Building and building improvements | (3,931) | (9,406) | | (13,337) |
| Equipment | (209,256) | (17,617) | | (226,873) |
| | (213,187) | (27,023) | | (240,210) |
| **Business-type activities capital assets, net** | $344,984 | $1,180 | $ | $346,164 |

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, 2014 were as follows:

| | Balance June 30, 2013 | Issued | Retired | Balance June 30, 2014 | Amount Due Within One Year |
|---|---|---|---|---|---|
| Governmental Activities: | | | | | |
| Bonds Payable | $4,160,000 | $ | ($615,000) | $3,545,000 | $610,000 |
| Other Liabilities: | | | | | |
| Obligations Under Capital Lease | 552,286 | | (272,373) | 279,913 | 279,913 |
| Compensated Absences Payable | 2,724,689 | 238,865 | (110,525) | 2,853,029 | |
| Total | 3,276,975 | 238,865 | (382,898) | 3,132,942 | 279,913 |
| | $7,436,975 | $238,865 | ($997,898) | $6,677,942 | $889,913 |

### 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, 2014, consisted of the following:

| Issue | Amount Issued | Issue Date | Interest Rate | Date of Maturity | Principal Balance June 30, 2014 |
|---|---|---|---|---|---|
| School Improvement Bonds 2009 | $5,550,000 | 09/09/2009 | 2.00%-5.00% | 05/01/2020 | $3,545,000 |

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

| Year | Total | Principal | Interest |
|---|---|---|---|
| 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 | 635,812 | 580,000 | 55,812 |
| 2020 | 623,263 | 595,000 | 28,263 |
| | $4,104,101 | $3,545,000 | $559,101 |

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, 2014:

| Year | Principal | Interest | Total |
|---|---|---|---|
| 2015 | 279,913 | 5,785 | 285,698 |
| | $279,913 | $5,785 | $285,698 |

| | |
|---|---|
| Total minimum lease payments | $285,698 |
| Less: Amount representing interest | (5,785) |
| Present value of lease payments | $279,913 |

## 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 2019. Total operating lease payments made during the year ended June 30, 2014 were $968,341. Future minimum lease payments are as follows:

| Year Ending June 30, | Amount |
|---|---|
| 2015 | $923,494 |
| 2016 | 818,264 |
| 2017 | 671,163 |
| 2018 | 683,049 |
| 2019 | 670,235 |
| | $3,766,205 |

## 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 | |
|---|---|
| 6/30/14 | $1,049,953 |
| 6/30/13 | 1,147,232 |
| 6/30/12 | 1,112,294 |

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 |
|---|---|---|---|
| 6/30/14 | $1,725,654 | $3,079,166 | $152,318 |
| 6/30/13 | 2,691,050 | 3,202,996 | 141,586 |
| 6/30/12 | 1,241,198 | 2,762,894 | 133,197 |

**NOTE 9. PENSION PLANS: (continued)**

During the year ended June 30, 2014, the State of New Jersey contributed $4,957,138 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 $3,246,321 during the year ended June 30, 2014 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.

The Board contributed total DCRP for the fiscal years ended June 30, 2014, 2013 and 2012 in the amounts of $26,201, $25,133 and $33,696, respectively.

## 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, 2013, there were 100,134 retirees receiving post-retirement medical benefits, and the State contributed $1.07 billion on their behalf. 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 2013, the State paid $173.8 million toward Chapter 126 benefits for 17,356 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 |
|---|---|---|---|---|
| 2013-2014 | $34,523 | $80,642 | $77,426 | $279,079 |
| 2012-2013 | 227,300 | 78,640 | 122,336 | 241,340 |
| 2011-2012 | 319,207 | 75,131 | 295,546 | 57,736 |

## NOTE 13. CAPITAL RESERVE ACCOUNT:

A capital reserve account was established by the City of Hackensack Board of Education by inclusion of $1,100,125 on October 12, 2000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget. There existed a balance of $1,354,950 in the capital reserve account at June 30, 2014.

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, 2013 to June 30, 2014 fiscal year is as follows:

| | |
|---|---|
| Beginning balance, July 1, 2013 | $74,048 |
| Deposits: | |
| Interest Earnings | 320 |
| Board Resolution - June 17, 2014 | 1,350,000 |
| Withdrawals: | |
| Budgeted Capital Outlay | (69,418) |
| Ending balance, June 30, 2014 | $1,354,950 |

The balance in the capital reserve amount at June 30, 2014 does not exceed the balance of local support costs of uncompleted capital projects in its LRFP.

## NOTE 14. EMERGENCY RESERVE:

The emergency reserve is used to accumulate funds in accordance with N.J.S.A. 18A:7F-41c(1) to finance unanticipated general fund expenditures required for a thorough and efficient education. Unanticipated means reasonably unforeseeable and shall not include additional costs caused by poor planning. The maximum balance permitted at any time in this reserve is the greater of $250,000 or 1% of the general fund budget not to exceed one million dollars. Deposits may be made to the emergency reserve account by board resolution at year end of any unanticipated revenue or unexpended line item appropriation or both. Withdrawals from the reserve require the approval of the commissioner unless the withdrawal is necessary to meet an increase in total health care costs in excess of four percent.

The activity of the emergency reserve for the July 1, 2013 to June 30, 2014 fiscal year is as follows:

| | |
|---|---|
| Deposits: | |
| Board Resolution - June 17, 2014 | $650,000 |
| Ending balance, June 30, 2014 | $650,000 |

## NOTE 15. MAINTENANCE RESERVE:

The maintenance reserve is used to accumulate funds for the required maintenance of a facility in accordance with the EFCRA (N.J.A.A. 18A:7G-9). EFCFA as amended by P.L. 2004, c. 73 (S1701). Districts may increase the balance in the maintenance reserve by appropriating funds in the annual general fund budget certified for taxes or by deposit of any unanticipated revenue or unexpended line-item appropriation by board resolution at year end.

## NOTE 15. MAINTENANCE RESERVE: (continued)

The activity of the maintenance reserve for the July 1, 2013 to June 30, 2014 fiscal year is as follows:

| | |
|---|---|
| Deposits: | |
| Board Resolution - June 17, 2014 | $500,000 |
| Ending balance, June 30, 2014 | $500,000 |

## NOTE 16. FUND BALANCE APPROPRIATED:

**General Fund [Exhibit B-1]** - Of the $10,022,037 General Fund fund balance at June 30, 2014, $1,490,759 is reserved for encumbrances; $1,925,313 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7; ($750,445 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2015); $1,354,950 has been reserved in the Capital Reserve Account; $500,000 has been reserved in the Maintenance Reserve; $650,000 has been reserved in the Emergency Reserve; $2,800,437 of unreserved and undesignated has been appropriated and included as anticipated revenue for the year ending June 30, 2015; and $1,300,578 is unreserved and undesignated.

**Debt Service Fund** - The Debt Service Fund balance at June 30, 2014 of $137 is unreserved and undesignated.

## NOTE 17. 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, 2014 is $1,925,313 of which $1,174,868 is the result of current year operations.

## NOTE 18. INVENTORY:

Inventory in the Food Service Fund at June 30, 2014 consisted of the following:

| | |
|---|---|
| Food | $9,116 |
| Supplies | 5,821 |
| | $14,937 |

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 19. CONTINGENT LIABILITIES:

**Grant Programs** - The school district participates in federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The school district is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs. Management is 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 20. SUBSEQUENT EVENTS:

The District has evaluated subsequent events through September 19, 2014, 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, 2014**

| | Original Budget | Budget Transfers/ Adjustments | Final Budget | Actual | Variance Final to Actual |
|---|---|---|---|---|---|
| **REVENUES:** | | | | | |
| **General Fund:** | | | | | |
| Revenues from Local Sources: | | | | | |
| Local Tax Levy | 71,216,667 | | 71,216,667 | 71,216,667 | |
| Tuition | 7,030,583 | | 7,030,583 | 8,543,020 | 1,512,437 |
| Interest Earned on Capital Reserve Funds | | | | 320 | 320 |
| Unrestricted Miscellaneous Revenues | 275,000 | | 275,000 | 669,718 | 394,718 |
| **Total - Local Sources** | 78,522,250 | | 78,522,250 | 80,429,725 | 1,907,475 |
| Revenues from State Sources: | | | | | |
| Categorical Special Education Aid | 2,812,756 | | 2,812,756 | 2,812,756 | |
| Equalization Aid | 9,445,263 | | 9,445,263 | 9,445,263 | |
| Categorical Security Aid | 363,386 | | 363,386 | 363,386 | |
| Categorical Transportation Aid | 92,175 | | 92,175 | 92,175 | |
| Extraordinary Aid | 550,000 | | 550,000 | 977,897 | 427,897 |
| On-behalf TPAF Pension and Post Retirement | | | | | |
| Medical Contributions (non-budgeted) | | | | 3,079,166 | 3,079,166 |
| On-behalf TPAF Pension and NCGI Premium | | | | 1,877,972 | 1,877,972 |
| Reimbursed TPAF Social Security Contributions (non-budgeted) | | | | 3,246,321 | 3,246,321 |
| **Total - State Sources** | 13,263,580 | | 13,263,580 | 21,894,936 | 8,631,356 |
| Revenues from Federal Sources: | | | | | |
| Special Education Medicaid Initiative | 113,612 | | 113,612 | 87,121 | (26,491) |
| **Total - Federal Sources** | 113,612 | | 113,612 | 87,121 | (26,491) |
| **TOTAL REVENUES** | 91,899,442 | | 91,899,442 | 102,411,782 | 10,512,340 |
| **EXPENDITURES:** | | | | | |
| **Current Expense:** | | | | | |
| **Regular Programs - Instruction** | | | | | |
| Preschool - Salaries of Teachers | 5,040 | 131,763 | 136,803 | 134,869 | 1,934 |
| Kindergarten - Salaries of Teachers | 1,291,820 | (54,797) | 1,237,023 | 1,227,921 | 9,102 |
| Grades 1-5 - Salaries of Teachers | 8,959,261 | 349,534 | 9,308,795 | 9,215,003 | 93,792 |
| Grades 6-8 - Salaries of Teachers | 6,517,161 | (497,068) | 6,020,093 | 6,010,266 | 9,827 |
| Grades 9-12 - Salaries of Teachers | 9,340,413 | (213,576) | 9,126,837 | 9,090,937 | 35,900 |
| **Regular Programs - Home Instruction:** | | | | | |
| Salaries of Teachers | 127,861 | (36,600) | 91,261 | 54,939 | 36,322 |
| Purchased Professional-Educational Services | 7,440 | 50,225 | 57,665 | 26,033 | 31,632 |
| **Regular Programs - Undistributed Instruction** | | | | | |
| Other Salaries for Instruction | 324,000 | 27,959 | 351,959 | 337,291 | 14,668 |
| Purchased Professional - Educational Services | 1,000 | 9,140 | 10,140 | 7,815 | 2,325 |
| Purchased Technical Services | 10,974 | 71,905 | 82,879 | 78,108 | 4,771 |
| Other Purchased Services (400-500 series) | 823,564 | (82,633) | 740,931 | 583,803 | 157,128 |
| General Supplies | 2,341,171 | (569,408) | 1,771,763 | 1,609,581 | 162,182 |
| Textbooks | 148,819 | (25,754) | 123,065 | 95,562 | 27,503 |
| Other Objects | 16,600 | (10,259) | 6,341 | 3,446 | 2,895 |
| **TOTAL REGULAR PROGRAMS - INSTRUCTION** | 29,915,124 | (849,569) | 29,065,555 | 28,475,574 | 589,981 |
| **SPECIAL EDUCATION - INSTRUCTION** | | | | | |
| **Learning and/or Language Disabilities** | | | | | |
| Salaries of Teachers | 567,873 | 158,591 | 726,464 | 716,380 | 10,084 |
| Other Salaries for Instruction | 570,131 | 214,552 | 784,683 | 778,393 | 6,290 |
| General Supplies | 14,618 | 5,774 | 20,392 | 12,680 | 7,712 |
| Textbooks | 2,000 | (2,000) | | | |
| **Total Learning and/or Language Disabilities** | 1,154,622 | 376,917 | 1,531,539 | 1,507,453 | 24,086 |
| **Behavioral Disabilities** | | | | | |
| Salaries of Teachers | 270,534 | 29,721 | 300,255 | 296,034 | 4,221 |
| Other Salaries for Instruction | 311,708 | (112,701) | 199,007 | 196,060 | 2,947 |
| General Supplies | 9,500 | 2,979 | 12,479 | 10,714 | 1,765 |
| Textbooks | 2,000 | (2,000) | | | |
| **Total Behavioral Disabilities** | 593,742 | (82,001) | 511,741 | 502,808 | 8,933 |
| **Multiple Disabilities** | | | | | |
| Salaries of Teachers | 637,359 | (20,773) | 616,586 | 615,296 | 1,290 |
| Other Salaries for Instruction | 345,724 | 48,991 | 394,715 | 381,657 | 13,058 |
| General Supplies | 18,881 | 4,085 | 22,966 | 17,921 | 5,045 |
| Textbooks | 3,000 | (3,000) | | | |
| Other Objects | | 300 | 300 | | 300 |
| **Total Multiple Disabilities** | 1,004,964 | 29,603 | 1,034,567 | 1,014,874 | 19,693 |

Exhibit C-1

**HACKENSACK BOARD OF EDUCATION**
**Budgetary Comparison Schedule**
**General Fund**
**Fiscal Year Ended June 30, 2014**

| | Original Budget | Budget Transfers/ Adjustments | Final Budget | Actual | Variance Final to Actual |
|---|---|---|---|---|---|
| **Resource Room/Resource Center:** | | | | | |
| Salaries of Teachers | 4,558,834 | (232,600) | 4,326,234 | 4,300,830 | 25,404 |
| Other Salaries for Instruction | 1,726,765 | 183,000 | 1,909,765 | 1,883,608 | 26,157 |
| Other Purchased Services (400-500 Series) | 10,000 | (10,000) | | | |
| General Supplies | 31,400 | 41,100 | 72,500 | 67,580 | 4,920 |
| Textbooks | 5,390 | 3,475 | 8,865 | 2,392 | 6,473 |
| **Total Resource Room/Resource Center** | 6,332,389 | (15,025) | 6,317,364 | 6,254,410 | 62,954 |
| **Autism:** | | | | | |
| Salaries of Teachers | 40,000 | | 40,000 | | 40,000 |
| Other Objects | | 300 | 300 | | 300 |
| **Total Preschool Disabilities - Part Time** | 40,000 | 300 | 40,300 | | 40,300 |
| **Preschool Disabilities - Part-Time:** | | | | | |
| Salaries of Teachers | 244,908 | 20,053 | 264,961 | 259,027 | 5,934 |
| Other Salaries for Instruction | 223,073 | 9,471 | 232,544 | 226,236 | 6,308 |
| General Supplies | 35,735 | 4,656 | 40,391 | 38,088 | 2,303 |
| **Total Preschool Disabilities - Part Time** | 503,716 | 34,180 | 537,896 | 523,351 | 14,545 |
| **Preschool Disabilities- Full-Time:** | | | | | |
| Salaries of Teachers | 318,946 | (81,575) | 237,371 | 226,297 | 11,074 |
| Other Salaries for Instruction | 383,722 | (54,858) | 328,864 | 325,933 | 2,931 |
| Other Purchased Services (400-500 Series) | | 2,000 | 2,000 | 300 | 1,700 |
| General Supplies | 36,646 | (7,356) | 29,290 | 24,761 | 4,529 |
| **Total Preschool Disabilities - Full-Time** | 739,314 | (141,789) | 597,525 | 577,291 | 20,234 |
| **Home Instruction** | | | | | |
| Salaries of Teachers | 127,500 | (40,000) | 87,500 | 73,945 | 13,555 |
| Purchased Professional - Educational Services | | 24,633 | 24,633 | 8,913 | 15,720 |
| **Total Home Instruction** | 127,500 | (15,367) | 112,133 | 82,858 | 29,275 |
| **TOTAL SPECIAL EDUCATION - INSTRUCTION** | 10,496,247 | 186,818 | 10,683,065 | 10,463,045 | 220,020 |
| | | | | | |
| **Bilingual Education - Instruction** | | | | | |
| Salaries of Teachers | 1,761,914 | 170,661 | 1,932,575 | 1,929,892 | 2,683 |
| Other Salaries for Instruction | 161,744 | 15,000 | 176,744 | 168,775 | 7,969 |
| Purchased Technical Services | | 1,800 | 1,800 | 1,800 | |
| General Supplies | 63,878 | (5,941) | 57,937 | 49,867 | 8,070 |
| Textbooks | 8,900 | (1,337) | 7,563 | 512 | 7,051 |
| **Total Bilingual Education - Instruction** | 1,996,436 | 180,183 | 2,176,619 | 2,150,846 | 25,773 |
| | | | | | |
| **School-Sponsored Cocurricular Activities - Instruction** | | | | | |
| Salaries | 162,150 | 2,990 | 165,140 | 138,528 | 26,612 |
| Purchased Services (300-500 series) | 18,575 | (133) | 18,442 | 12,881 | 5,561 |
| Supplies and Materials | 9,800 | 7,592 | 17,392 | 13,681 | 3,711 |
| Other Objects | 1,750 | 1,250 | 3,000 | 2,830 | 170 |
| **Total School-Sponsored Cocurricular Activities - Instruction** | 192,275 | 11,699 | 203,974 | 167,920 | 36,054 |
| **School-Sponsored Athletics - Instruction** | | | | | |
| Salaries | 738,573 | 4,010 | 742,583 | 734,669 | 7,914 |
| Purchased Services (300-500 series) | 295,299 | 48,086 | 343,385 | 315,239 | 28,146 |
| Supplies and Materials | 101,699 | (15,204) | 86,495 | 80,471 | 6,024 |
| Other Objects | 39,345 | 358 | 39,703 | 31,498 | 8,205 |
| **Total School-Sponsored Athletics - Instruction** | 1,174,916 | 37,250 | 1,212,166 | 1,161,877 | 50,289 |
| **Before/After School Programs - Instruction** | | | | | |
| Salaries of Teachers | 204,372 | | 204,372 | 4,186 | 200,186 |
| Other Salaries of Instruction | 4,405 | (4,405) | | | |
| **Total Before/After School Programs Instruction** | 208,777 | (4,405) | 204,372 | 4,186 | 200,186 |
| **Before/After School Programs - Support Services** | | | | | |
| Salaries | 22,693 | 4,405 | 27,098 | 4,405 | 22,693 |
| **Total Before/After School Programs - Support Services** | 22,693 | 4,405 | 27,098 | 4,405 | 22,693 |
| **Summer School - Instruction** | | | | | |
| Salaries of Teachers | 91,000 | | 91,000 | 21,722 | 69,278 |
| **Total Summer School Programs Instruction** | 91,000 | | 91,000 | 21,722 | 69,278 |
| **Instructional Alternative Ed Programs - Instruction** | | | | | |
| Salaries of Teachers | 359,948 | | 359,948 | 269,466 | 90,482 |
| Other Salaries of Instruction | 39,979 | 1 | 39,980 | 14,223 | 25,757 |
| **Total Instructional Alternative Ed Programs - Instruction** | 399,927 | 1 | 399,928 | 283,689 | 116,239 |
| **Instructional Alternative Ed Programs - Support Services** | | | | | |
| Salaries of Teachers | 151,970 | | 151,970 | 126,583 | 25,387 |
| Other Salaries of Instruction | | | | | |
| **Total Instructional Alternative Ed Programs - Support Services** | 151,970 | | 151,970 | 126,583 | 25,387 |
| | | | | | |
| **TOTAL INSTRUCTION** | 44,649,365 | (433,618) | 44,215,747 | 42,859,847 | 1,355,900 |

Exhibit C-1

**HACKENSACK BOARD OF EDUCATION**
**Budgetary Comparison Schedule**
**General Fund**
**Fiscal Year Ended June 30, 2014**

| | Original Budget | Budget Transfers/ Adjustments | Final Budget | Actual | Variance Final to Actual |
|---|---|---|---|---|---|
| **Undistributed Expenditures - Instruction:** | | | | | |
| Tuition to Other LEAs Within the State - Regular | 40,000 | | 40,000 | 133 | 39,867 |
| Tuition to Other LEAs Within the State - Special | 569,569 | (95,160) | 474,409 | 411,746 | 62,663 |
| Tuition to County Voc. School Dist. - Regular | 410,000 | (123,003) | 286,997 | 265,720 | 21,277 |
| Tuition to County Voc. School Dist. - Special | 558,000 | (62,170) | 495,830 | 335,329 | 160,501 |
| Tuition to CSSD & Regional Day Schools | 2,668,650 | 495,250 | 3,163,900 | 3,121,476 | 42,424 |
| Tuition to Private Schools for the Handicapped - Within State | 1,626,566 | 78,883 | 1,705,449 | 1,610,947 | 94,502 |
| Tuition - State Facilities | 93,953 | | 93,953 | 93,953 | |
| Tuition - Other | | 10,980 | 10,980 | 10,980 | |
| **Total Undistributed Expenditures - Instruction:** | 5,966,738 | 304,780 | 6,271,518 | 5,850,284 | 421,234 |
| **Undistributed Expend. - Attend. & Social Work** | | | | | |
| Salaries | | 5,000 | 5,000 | 5,000 | |
| Other Purchased Services (400-500 series) | 30,000 | (5,850) | 24,150 | 5,400 | 18,750 |
| **Total Undistributed Expend. - Attend. & Social Work** | 30,000 | (850) | 29,150 | 10,400 | 18,750 |
| **Undist. Expend. - Health Services** | | | | | |
| Salaries | 829,244 | 10,859 | 840,103 | 840,092 | 11 |
| Purchased Professional and Technical Services | | 37,500 | 37,500 | 18,600 | 18,900 |
| Other Purchased Services (400-500 series) | 2,021 | 1,267 | 3,288 | 2,222 | 1,066 |
| Supplies and Materials | 24,847 | 8,603 | 33,450 | 29,966 | 3,484 |
| **Total Undistributed Expenditures - Health Services** | 856,112 | 58,229 | 914,341 | 890,880 | 23,461 |
| **Undist. Expend. - Speech, OT, PT & Related Svcs.** | | | | | |
| Salaries | 1,443,869 | 67,776 | 1,511,645 | 1,473,157 | 38,488 |
| Purchased Prof. Services-Educational Services | 530,155 | (263,378) | 266,777 | 227,200 | 39,577 |
| Supplies and Materials | 14,491 | 5,257 | 19,748 | 15,176 | 4,572 |
| Other Objects | 1,120 | 900 | 2,020 | 1,454 | 566 |
| **Total Undist. Expend. - Speech, OT, PT, & Related Svcs** | 1,989,635 | (189,445) | 1,800,190 | 1,716,987 | 83,203 |
| **Undist. Expend. - Other Supp. Serv. Students-Extra Serv.** | | | | | |
| Salaries | 1,236,467 | (147,583) | 1,088,884 | 1,009,666 | 79,218 |
| Purchased Prof. Services-Educational Services | 650,867 | 145,157 | 796,024 | 742,473 | 53,551 |
| Supplies and Materials | 138 | 2,786 | 2,924 | 2,830 | 94 |
| Other Objects | | 598 | 598 | 598 | |
| **Total Undist. Expend. - Other Supp. Serv. Students-Extra Svcs.** | 1,887,472 | 958 | 1,888,430 | 1,755,567 | 132,863 |
| **Undist. Expend. - Guidance** | | | | | |
| Salaries of Other Professional Staff | 1,116,792 | 227,845 | 1,344,637 | 1,302,006 | 42,631 |
| Salaries of Secretarial and Clerical Assistants | 161,318 | (52,800) | 108,518 | 108,509 | 9 |
| Other Salaries | 208,981 | (208,981) | | | |
| Other Purchased Professional and Technical Services | 6,465 | 7,000 | 13,465 | 12,829 | 636 |
| Other Purchased Services (400-500 series) | 16,571 | (11,104) | 5,467 | 2,591 | 2,876 |
| Supplies and Materials | 21,058 | (4,400) | 16,658 | 10,748 | 5,910 |
| **Total Undist. Expend. - Guidance** | 1,531,185 | (42,440) | 1,488,745 | 1,436,683 | 52,062 |
| **Undist. Expend. - Child Study Teams** | | | | | |
| Salaries of Other Professional Staff | 3,081,060 | (7,596) | 3,073,464 | 3,002,901 | 70,563 |
| Salaries of Secretarial and Clerical Assistants | 267,280 | (16,500) | 250,780 | 250,723 | 57 |
| Purchased Prof. Services-Educational Services | 163,106 | 53,700 | 216,806 | 150,902 | 65,904 |
| Other Purchased Professional and Technical Services | | 42,920 | 42,920 | 39,419 | 3,501 |
| Misc. Pur Services (400-500 Series) | 22,673 | 12,306 | 34,979 | 26,314 | 8,665 |
| Supplies and Materials | 138,079 | (91,172) | 46,907 | 41,563 | 5,344 |
| Other Objects | | 1,020 | 1,020 | 1,020 | |
| **Total Undist. Expend. - Child Study Teams** | 3,672,198 | (5,322) | 3,666,876 | 3,512,842 | 154,034 |
| **Undist. Expend. - Improvement of Instructional Services** | | | | | |
| Salaries of Supervisors of Instruction | 745,932 | 160,001 | 905,933 | 865,323 | 40,610 |
| Salaries of Other Professional Staff | 317,734 | 27,788 | 345,522 | 318,211 | 27,311 |
| Salaries of Secretarial and Clerical Assistants | 154,513 | 48,600 | 203,113 | 200,534 | 2,579 |
| Salaries of Facilitators, Math & Literacy Coaches | | 100,126 | 100,126 | 84,287 | 15,839 |
| Other Purch Services (400-500) | 2,800 | 24,043 | 26,843 | 20,923 | 5,920 |
| Supplies and Materials | 45,046 | (9,654) | 35,392 | 7,016 | 28,376 |
| Other Objects | 1,210 | 3,000 | 4,210 | 3,257 | 953 |
| **Total Undist. Expend. - Improvement of Inst. Services** | 1,267,235 | 353,904 | 1,621,139 | 1,499,551 | 121,588 |
| **Undist. Expend. - Educational Media Serv./Sch. Library** | | | | | |
| Salaries | 603,592 | 10,700 | 614,292 | 521,812 | 92,480 |
| Purchased Professional and Technical Services | | 795 | 795 | | 795 |
| Other Purch Services (400-500) | 2,010 | 10,501 | 12,511 | 12,076 | 435 |
| Supplies and Materials | 58,974 | (13,470) | 45,504 | 39,217 | 6,287 |
| **Total Undist. Expend. - Educational Media Serv./Sch. Library** | 664,576 | 8,526 | 673,102 | 573,105 | 99,997 |
| **Undist. Expend. - Instructional Staff Training Serv.** | | | | | |
| Salaries-Other Prof. Staff | 1,762 | 38 | 1,800 | 1,800 | |
| Purchased Professional - Educational Services | 14,600 | 9,600 | 24,200 | 12,050 | 12,150 |
| Other Purchased Prof. and Tech. Services | | 19,905 | 19,905 | 17,596 | 2,309 |
| Other Purchased Services (400-500 series) | 50,370 | (9,516) | 40,854 | 29,042 | 11,812 |
| Supplies and Materials | 2,500 | 5,864 | 8,364 | 6,746 | 1,618 |
| Other Objects | 550 | | 550 | | 550 |
| **Total Undist. Expend. - Instructional Staff Training Serv.** | 69,782 | 25,891 | 95,673 | 67,234 | 28,439 |

Exhibit C-1

**HACKENSACK BOARD OF EDUCATION**
**Budgetary Comparison Schedule**
**General Fund**
**Fiscal Year Ended June 30, 2014**

| | Original Budget | Budget Transfers/ Adjustments | Final Budget | Actual | Variance Final to Actual |
|---|---|---|---|---|---|
| **Undist. Expend. - Supp. Serv. - General Administration** | | | | | |
| Salaries | 372,229 | 22,500 | 394,729 | 388,989 | 5,740 |
| Legal Services | 205,171 | 32,000 | 237,171 | 211,724 | 25,447 |
| Audit Fees | 95,000 | | 95,000 | 45,500 | 49,500 |
| Architectural/Engineering Services | | 4,500 | 4,500 | 4,500 | |
| Other Purchased Professional Services | 87,650 | (4,650) | 83,000 | 36,046 | 46,954 |
| Purchased Technical Services | 2,820 | | 2,820 | 158 | 2,662 |
| Communications/Telephone | 265,218 | | 265,218 | 182,573 | 82,645 |
| BOE Other Purchased Services | 16,500 | (12,000) | 4,500 | 1,364 | 3,136 |
| Misc. Purch Services (400-500 Series) | 22,772 | 4,244 | 27,016 | 20,447 | 6,569 |
| General Supplies | 7,329 | | 7,329 | 5,128 | 2,201 |
| BOE In-House Training/Meeting Supplies | 14,425 | (10,000) | 4,425 | 1,147 | 3,278 |
| Misc. Expenditures | 3,200 | (800) | 2,400 | 1,909 | 491 |
| BOE Membership Dues and Fees | 34,929 | | 34,929 | 29,586 | 5,343 |
| **Total Undist. Expend. - Supp. Serv. - General Administration** | 1,127,243 | 35,794 | 1,163,037 | 929,071 | 233,966 |
| **Undist. Expend. - Support Serv. - School Administration** | | | | | |
| Salaries of Principals/Assistant Principals | 2,566,250 | 14,100 | 2,580,350 | 2,514,761 | 65,589 |
| Salaries of Other Professional Staff | 831,998 | (831,998) | | | |
| Salaries of Secretarial and Clerical Assistants | 1,200 | 862,198 | 863,398 | 850,170 | 13,228 |
| Other Purchased Services (400-500 series) | 29,930 | 36,703 | 66,633 | 50,465 | 16,168 |
| Supplies and Materials | 85,645 | (20,719) | 64,926 | 35,952 | 28,974 |
| Other Objects | 15,395 | (3,262) | 12,133 | 2,015 | 10,118 |
| **Total Undist. Expend. - Support Serv. - School Administration** | 3,530,418 | 57,022 | 3,587,440 | 3,453,363 | 134,077 |
| **Undist. Expend. - Support Serv. - Central Services** | | | | | |
| Salaries | 907,728 | 113,319 | 1,021,047 | 905,954 | 115,093 |
| Purchased Professional Services | | 3,400 | 3,400 | 1,756 | 1,644 |
| Purchased Technical Services | 18,600 | 50,750 | 69,350 | 44,846 | 24,504 |
| Misc. Pur Services (400-500 Series) | 41,775 | (10,813) | 30,962 | 13,114 | 17,848 |
| Supplies and Materials | 22,600 | | 22,600 | 9,119 | 13,481 |
| Interest on Lease Purchase Agreement | 13,327 | | 13,327 | 13,326 | 1 |
| Interest on Bond Anticipation Notes (BANs) | 12,145 | (12,145) | | | |
| Miscellaneous | | 12,145 | 12,145 | 4,190 | 7,955 |
| **Total Undist. Expend. - Support Serv. - Central Services** | 1,016,175 | 156,656 | 1,172,831 | 992,305 | 180,526 |
| **Undist. Expend. - Admin Info. Technology** | | | | | |
| **Information Technology** | | | | | |
| Salaries | 503,677 | 44,089 | 547,766 | 547,766 | |
| Purchased Professional Services | 13,160 | 14,061 | 27,221 | 27,221 | |
| Purchased Technical Services | | 86,815 | 86,815 | 32,025 | 54,790 |
| Other Purch Services (400-500 Series) | 267,296 | (37,323) | 229,973 | 222,334 | 7,639 |
| Supplies and Materials | 4,812 | 46,271 | 51,083 | 50,957 | 126 |
| **Total Undist. Expend. - Support Serv. - Administrative Information Technology** | 788,945 | 153,913 | 942,858 | 880,303 | 62,555 |
| **Undist. Expend. - Required Maint. for School Facilities (261)** | | | | | |
| Salaries | 455,409 | (39,575) | 415,834 | 367,082 | 48,752 |
| Cleaning, Repair and Maintenance Services | 583,500 | 135,744 | 719,244 | 487,480 | 231,764 |
| General Supplies | 131,789 | (30,000) | 101,789 | 46,631 | 55,158 |
| **Undist. Expend. - Required Maint. for School Facilities** | 1,170,698 | 66,169 | 1,236,867 | 901,193 | 335,674 |
| **Undist. Expend. - Oth. Oper. & Maint. of Plant (262)** | | | | | |
| Salaries | 2,806,851 | (13,399) | 2,793,452 | 2,721,955 | 71,497 |
| Salaries of Non-Instructional Aides | 249,326 | 26,000 | 275,326 | 271,778 | 3,548 |
| Purchased Prof. And Tech. Services | 144,777 | (11,805) | 132,972 | 105,867 | 27,105 |
| Cleaning, Repair and Maintenance Services | 326,394 | (67,086) | 259,308 | 176,586 | 82,722 |
| Rental of Land & Bldg. Oth. Than Lease Pur Agrmt. | 721,500 | (60,000) | 661,500 | 612,200 | 49,300 |
| Other Purchased Property Services | 97,987 | 15,896 | 113,883 | 97,788 | 16,095 |
| Insurance | 538,300 | (147,632) | 390,668 | 390,668 | |
| Miscellaneous Purchased Services | 11,866 | | 11,866 | 6,182 | 5,684 |
| General Supplies | 266,635 | 38,650 | 305,285 | 292,825 | 12,460 |
| Energy (Energy and Electricity) | 1,494,599 | (235,565) | 1,259,034 | 850,924 | 408,110 |
| Energy (Natural Gas) | 401,000 | 99,669 | 500,669 | 422,980 | 77,689 |
| Other Objects | 250 | 996 | 1,246 | 1,223 | 23 |
| **Total Undist. Expend. - Other Oper. & Maint. Of Plant** | 7,059,485 | (354,276) | 6,705,209 | 5,950,976 | 754,233 |
| **Undist. Expend. - Care & Upkeep of Grounds (263)** | | | | | |
| Salaries | 133,516 | 7,101 | 140,617 | 125,235 | 15,382 |
| Cleaning, Repair and Maintenance Services | 24,680 | 28,824 | 53,504 | 49,545 | 3,959 |
| General Supplies | 25,934 | (300) | 25,634 | 19,248 | 6,386 |
| Other Objects | | 1,780 | 1,780 | | 1,780 |
| **Total Undist. Expend. - Care & Upkeep of Grounds** | 184,130 | 37,405 | 221,535 | 194,028 | 27,507 |
| **Undist. Expend. - Security** | | | | | |
| Salaries | 144,325 | 25,300 | 169,625 | 164,698 | 4,927 |
| Purchased Professional and Technical Services | 13,640 | 123,276 | 136,916 | 80,260 | 56,656 |
| Cleaning, Repair and Maintenance Services | | 11,000 | 11,000 | 928 | 10,072 |
| General Supplies | 3,700 | 17,684 | 21,384 | 18,935 | 2,449 |
| **Total Undist. Expend. - Security** | 161,665 | 177,260 | 338,925 | 264,821 | 74,104 |

Exhibit C-1

**HACKENSACK BOARD OF EDUCATION**
**Budgetary Comparison Schedule**
**General Fund**
**Fiscal Year Ended June 30, 2014**

| | 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. ) | 63,600 | | 63,600 | 49,485 | 14,115 |
| Management fee- ECS&CTSA Trans. | 76,000 | 2,850 | 78,850 | 78,083 | 767 |
| Other Purchased Prof. and Tech. Services | | 788 | 788 | 134 | 654 |
| Cleaning, Repair and Maintenance Services | 9,240 | 11,712 | 20,952 | 14,202 | 6,750 |
| Contract Services - Aid in lieu Pymts - Charter School | 12,376 | | 12,376 | 10,608 | 1,768 |
| Contract Services (Between Home & School)-Vendors | 70,750 | (70,000) | 750 | | 750 |
| Contract Services (Other than Between Home & School)-Vendors | 173,535 | 74,252 | 247,787 | 165,762 | 82,025 |
| Contract Services (Between Home & School)-Joint Agreements | 3,500 | 2,013 | 5,513 | 4,320 | 1,193 |
| Contract Services (Sp. Ed. Students)-Vendors | 320,210 | (35,000) | 285,210 | 199,385 | 85,825 |
| Contract Services (Sp. Ed. Students)-Joint Agreements | | 7,000 | 7,000 | 2,137 | 4,863 |
| Contract Services (Spl. Ed. Students)-ESCs&CTSAs | 1,405,262 | 158,500 | 1,563,762 | 1,446,239 | 117,523 |
| Miscellaneous Purchased Services - Transportation | 750 | (150) | 600 | 183 | 417 |
| General Supplies | | 5,500 | 5,500 | 2,141 | 3,359 |
| Transportation Supplies | 2,500 | (1,500) | 1,000 | 862 | 138 |
| Other Objects | | 1,650 | 1,650 | 659 | 991 |
| **Total Undist. Expend. - Student Transportation Services** | 2,137,723 | 157,615 | 2,295,338 | 1,974,200 | 321,138 |
| **Regular Programs-Instruction-Employee Benefits** | | | | | |
| Health Benefits | 7,709,681 | 920,000 | 8,629,681 | 8,397,609 | 232,072 |
| **TOTAL ALLOCATED BENEFITS** | 7,709,681 | 920,000 | 8,629,681 | 8,397,609 | 232,072 |
| **UNALLOCATED BENEFITS** | | | | | |
| Group Insurance | | 437 | 437 | 437 | |
| Social Security Contributions | 1,182,427 | 90,000 | 1,272,427 | 1,181,345 | 91,082 |
| Other Retirement Contributions-PERS | 1,306,480 | | 1,306,480 | 1,137,911 | 168,569 |
| Other Retirement Contributions-Regular | 44,100 | (6,600) | 37,500 | 26,201 | 11,299 |
| Unemployment Compensation | 141,964 | (107,000) | 34,964 | 34,964 | |
| Workmen's Compensation | 585,500 | (164,437) | 421,063 | 419,245 | 1,818 |
| Health Benefits | 3,933,563 | (1,600,562) | 2,333,001 | 2,139,592 | 193,409 |
| Tuition Reimbursement | 8,000 | | 8,000 | 1,000 | 7,000 |
| Other Employee Benefits | 92,650 | 24,950 | 117,600 | 15,988 | 101,612 |
| **TOTAL UNALLOCATED BENEFITS** | 7,294,684 | (1,763,212) | 5,531,472 | 4,956,683 | 574,789 |
| On-behalf TPAF Post-Retirement Medical (non-budgeted) | | | | 3,079,166 | (3,079,166) |
| On-behalf TPAF Pension and NCGI Premium (non-budgeted) | | | | 1,877,972 | (1,877,972) |
| Reimbursed TPAF Social Security Contributions (non-budgeted) | | | | 3,246,321 | (3,246,321) |
| **TOTAL ON-BEHALF CONTRIBUTIONS** | | | | 8,203,459 | (8,203,459) |
| **TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS** | 15,004,365 | (843,212) | 14,161,153 | 21,557,751 | (7,396,598) |
| **TOTAL UNDISTRIBUTED EXPENDITURES** | 50,115,780 | 158,577 | 50,274,357 | 54,411,544 | (4,137,187) |
| **TOTAL GENERAL CURRENT EXPENSE** | 94,765,145 | (275,041) | 94,490,104 | 97,271,391 | (2,781,287) |
| **Equipment** | | | | | |
| **Regular Programs - Instruction:** | | | | | |
| Grades 6-8 | 26,000 | (574) | 25,426 | 25,426 | |
| Grades 9-12 | 209,990 | 83,938 | 293,928 | 218,157 | 75,771 |
| **Special Education - Instruction:** | | | | | |
| Preschool Disabilities - Part-Time | | 5,423 | 5,423 | | 5,423 |
| **Total Equipment** | 235,990 | 88,787 | 324,777 | 243,583 | 81,194 |
| **Undist. Expenditures:** | | | | | |
| Support Serv.-Related & Extra. | 5,000 | | 5,000 | | 5,000 |
| Central Services | | 28,156 | 28,156 | 27,369 | 787 |
| Required Maint. For School Facilities | | 6,364 | 6,364 | 6,364 | |
| Custodial Services | | 20,500 | 20,500 | | 20,500 |
| Care and Upkeep of Grounds | | 2,698 | 2,698 | 2,698 | |
| Security | | 2,990 | 2,990 | 2,990 | |
| School Buses-Reg. | 232,927 | (20,500) | 212,427 | 82,927 | 129,500 |
| Special Schools (All Programs) | | 15,137 | 15,137 | 15,137 | |
| **Total Undist. Expend.** | 237,927 | 55,345 | 293,272 | 137,485 | 155,787 |
| **Facilities Acquisition and Construction Services** | | | | | |
| Legal Services | 14,550 | | 14,550 | | 14,550 |
| Architectural/Engineering Services | 61,750 | (2,698) | 59,052 | 47,186 | 11,866 |
| Construction Services | 2,092,178 | 276,003 | 2,368,181 | 1,873,003 | 495,178 |
| Supplies and Materials | 143,862 | 175 | 144,037 | 137,835 | 6,202 |
| Principal- Lease Purchase | 272,374 | | 272,374 | 272,373 | 1 |
| Other Objects | 58,304 | | 58,304 | | 58,304 |
| Assessment for Debt Service on SDA Funding | | | | 37,812 | (37,812) |
| **Total Facilities Acquisition and Construction Services** | 2,643,018 | 273,480 | 2,916,498 | 2,368,209 | 548,289 |
| **TOTAL CAPITAL OUTLAY** | 3,116,935 | 417,612 | 3,534,547 | 2,749,277 | 785,270 |
| **Transfer of Funds to Charter Schools** | 1,895,254 | 591,610 | 2,486,864 | 2,478,864 | 8,000 |
| **TOTAL EXPENDITURES** | 99,777,334 | 734,181 | 100,511,515 | 102,499,532 | (1,988,017) |

Exhibit C-1

**HACKENSACK BOARD OF EDUCATION**
**Budgetary Comparison Schedule**
**General Fund**
**Fiscal Year Ended June 30, 2014**

| | Original Budget | Budget Transfers/ Adjustments | Final Budget | Actual | Variance Final to Actual |
|---|---|---|---|---|---|
| **Excess (Deficiency) of Revenues Over (Under) Expenditures** | (7,877,892) | (734,181) | (8,612,073) | (87,750) | 8,524,323 |
| **Other Financing Sources/(Uses):** | | | | | |
| Operating Transfers Out: | | | | | |
| Special Revenue Fund - Preschool Education Aid | (162,230) | | (162,230) | (162,230) | |
| **Total Other Financing Sources/(Uses):** | (162,230) | | (162,230) | (162,230) | |
| **Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)** | (8,040,122) | (734,181) | (8,774,303) | (249,980) | 8,524,323 |
| **Fund Balance, July 1** | 11,288,502 | | 11,288,502 | 11,288,502 | |
| **Fund Balance, June 30** | 3,248,380 | (734,181) | 2,514,199 | 11,038,522 | 8,524,323 |
| **Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures** | | | | | |
| **Adjustment for Prior Year Encumbrances** | (2,385,810) | | (2,385,810) | (2,385,810) | |
| **Increase in Capital Reserve:** | | | | | |
| **Principal** | | | | 1,350,000 | (1,350,000) |
| **Interest Deposit to Capital Reserve** | | | | 320 | (320) |
| **Increase in Emergency Reserve** | | | | 650,000 | (650,000) |
| **Increase in Maintenance Reserve** | | | | 500,000 | (500,000) |
| **Additional State Aid** | | | | | |
| **Withdrawal from Capital Reserve** | (69,418) | | (69,418) | (69,418) | |
| **Budgeted Fund Balance** | (5,584,894) | (734,181) | (6,319,075) | (295,072) | 11,024,643 |
| | (8,040,122) | (734,181) | (8,774,303) | (249,980) | 8,524,323 |
| **Recapitulation:** | | | | | |
| **Restricted Fund Balance:** | | | | | |
| **Excess Surplus - Current Year** | | | | 1,174,868 | |
| **Excess Surplus - Designated for Subsequent Year's Expenditures** | | | | 750,445 | |
| **Capital Reserve** | | | | 1,354,950 | |
| **Maintenance Reserve** | | | | 500,000 | |
| **Emergency Reserve** | | | | 650,000 | |
| **Assigned Fund Balance:** | | | | | |
| **Year-end Encumbrances** | | | | 1,490,759 | |
| **Designated for Subsequent Year's Expenditures** | | | | 2,800,437 | |
| **Unassigned Fund Balance** | | | | 2,317,063 | |
| **Total Fund Balance per Governmental Funds (Budgetary)** | | | | 11,038,522 | |
| **Recapitulation to Governmental Fund Statement (GAAP):** | | | | | |
| **Less: Last State Aid Payment not Recognized GAAP Basis** | | | | 1,016,485 | |
| **Total Fund Balance per Governmental Funds (GAAP)** | | | | 10,022,037 | |

Exhibit C-2

**HACKENSACK BOARD OF EDUCATION**
**Budgetary Comparison Schedule**
**Special Revenue Fund**
**Fiscal Year Ended June 30, 2014**

| | Original Budget | Budget Transfers/ Adjustments | Final Budget | Actual | Variance Final to Actual |
|---|---|---|---|---|---|
| **REVENUES:** | | | | | |
| Local Sources | 7,500 | (4,116) | 3,384 | 884 | (2,500) |
| State Sources | 1,022,723 | (108,176) | 914,547 | 872,592 | (41,955) |
| Federal Sources | 2,067,636 | 1,342,592 | 3,410,228 | 3,162,229 | (247,999) |
| **Total Revenues** | **3,097,859** | **1,230,300** | **4,328,159** | **4,035,705** | **(292,454)** |
| **EXPENDITURES:** | | | | | |
| **Instruction:** | | | | | |
| Salaries of Teachers | 866,041 | 90,273 | 956,314 | 912,570 | 43,744 |
| Other Salaries for Instruction | 138,639 | 8,077 | 146,716 | 146,429 | 287 |
| Purchased Professional and Technical Services | 97,000 | (24,041) | 72,959 | 49,965 | 22,994 |
| Other Purchased Services (400-500 series) | 1,100,000 | 226,651 | 1,326,651 | 1,273,769 | 52,882 |
| General Supplies | 68,495 | 265,141 | 333,636 | 313,817 | 19,819 |
| Textbooks | 12,000 | (4,650) | 7,350 | 6,833 | 517 |
| Other Objects | | 100 | 100 | - | 100 |
| **Total instruction** | 2,282,175 | 561,551 | 2,843,726 | 2,703,383 | 140,343 |
| **Support services:** | | | | | |
| Salaries of Program Directors | 577,763 | 282,157 | 859,920 | 825,696 | 34,224 |
| Personal Services - Employee Benefits | 205,307 | 216,841 | 422,148 | 415,618 | 6,530 |
| Other Purchased Professional Services | 120,600 | 27,649 | 148,249 | 98,395 | 49,854 |
| Travel | | 4,910 | 4,910 | 3,946 | 964 |
| Other Purchased Services (400-500 series) | 8,244 | 96,240 | 104,484 | 76,058 | 28,426 |
| Supplies & Materials | 66,000 | 31,616 | 97,616 | 66,707 | 30,909 |
| Other Objects | | 1,000 | 1,000 | 742 | 258 |
| **Total support services** | 977,914 | 660,413 | 1,638,327 | 1,487,162 | 151,165 |
| **Facilities acquisition and const. serv.:** | | | | | |
| Instructional Equipment | | 8,336 | 8,336 | 7,390 | 946 |
| **Total facilities acquisition and const. serv.** | - | 8,336 | 8,336 | 7,390 | 946 |
| Total Expenditures | 3,260,089 | 1,230,300 | 4,490,389 | 4,197,935 | 292,454 |
| **Other Financing Sources (Uses)** | | | | | |
| Operating Transfer In: | | | | | |
| General Fund - Preschool Education Aid | 162,230 | | 162,230 | 162,230 | |
| **Total Other Financing Sources (Uses)** | 162,230 | - | 162,230 | 162,230 | - |
| **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, 2014**

**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]** | 102,411,782 | 4,035,705 |
| Difference - budget to GAAP: | | | |
| Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized. | | | |
| Prior Year | | | 10,776 |
| Current Year | | | (31,984) |
| State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes. | | 1,004,581 | |
| 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). | | (1,016,485) | |
| Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds. | **[B-2]** | 102,399,878 | 4,014,497 |
| **Uses/outflows of resources** | | | |
| Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule | **[C-1]&[C-2]** | 102,661,762 | 4,197,935 |
| 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 | | | (31,984) |
| Prior Year | | | 10,776 |
| Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds | **[B-2]** | 102,661,762 | 4,176,727 |

# 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, 2014**

| | Total Brought Forward (Ex. E-1a) | MSG Grant | IDEA Part - B | IDEA Part - B Preschool | NCLB Title I | Title II, Part A Training & Recruiting | Totals 2014 |
|---|---|---|---|---|---|---|---|
| **REVENUES** | | | | | | | |
| Local Sources | - | 884 | | | | | 884 |
| State Sources | 872,592 | | | | | | 872,592 |
| Federal Sources | 295,790 | | 1,304,164 | 7,320 | 1,369,756 | 185,199 | 3,162,229 |
| **Total Revenues** | **1,168,382** | **884** | **1,304,164** | **7,320** | **1,369,756** | **185,199** | **4,035,705** |
| **EXPENDITURES:** | | | | | | | |
| **Instruction:** | | | | | | | |
| Salaries of Teachers | 435,071 | | | | 477,384 | 115 | 912,570 |
| Other Salaries for Instruction | 146,429 | | | | | | 146,429 |
| Purchased Professional and Technical Services | 27,790 | | | | 22,175 | | 49,965 |
| Other Purchased Services (400-500 series) | 2,376 | | 1,264,983 | 6,410 | | | 1,273,769 |
| General Supplies | 96,773 | 884 | 1,944 | | 214,216 | | 313,817 |
| Textbooks | 6,734 | | | 99 | | | 6,833 |
| **Total instruction** | 715,173 | 884 | 1,266,927 | 6,509 | 713,775 | 115 | 2,703,383 |
| **Support services:** | | | | | | | |
| Salaries of Program Directors | 348,086 | | | | 377,820 | 99,790 | 825,696 |
| Personal Services - Employee Benefits | 184,861 | | | | 200,400 | 30,357 | 415,618 |
| Other Purchased Professional Services | 33,549 | | 1,408 | 811 | 32,083 | 30,544 | 98,395 |
| Travel | 1,654 | | | | | 2,292 | 3,946 |
| Other Purchased Services (400-500 series) | 20,036 | | 33,825 | | 9,199 | 12,998 | 76,058 |
| Supplies & Materials | 21,125 | | | | 36,479 | 9,103 | 66,707 |
| Other Objects | 742 | | | | | | 742 |
| **Total support services** | 610,053 | - | 35,233 | 811 | 655,981 | 185,084 | 1,487,162 |
| **Facilities acquisition and const. serv.:** | | | | | | | |
| Instructional Equipment | 5,386 | | 2,004 | | | | 7,390 |
| **Total facilities acquisition and const. serv.** | 5,386 | - | 2,004 | - | - | - | 7,390 |
| **Total Expenditures** | **1,330,612** | **884** | **1,304,164** | **7,320** | **1,369,756** | **185,199** | **4,197,935** |
| **Other Financing Sources (Uses)** | | | | | | | |
| Operating Transfer In: | | | | | | | |
| General Fund - Preschool Education Aid | 162,230 | | | | | | 162,230 |
| **Total Other Financing Sources (Uses)** | **162,230** | - | - | - | - | - | **162,230** |
| **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, 2014**

| | Total Brought Forward (Ex. E-1b) | 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 | 872,592 | | | | | | 872,592 |
| Federal Sources | - | 120,861 | 18,087 | (11) | 48,872 | 107,981 | 295,790 |
| **Total Revenues** | **872,592** | **120,861** | **18,087** | **(11)** | **48,872** | **107,981** | **1,168,382** |
| **EXPENDITURES:** | | | | | | | |
| **Instruction:** | | | | | | | |
| Salaries of Teachers | 360,543 | 73,498 | | | 1,030 | | 435,071 |
| Other Salaries for Instruction | 146,429 | | | | | | 146,429 |
| Purchased Professional and Technical Services | 27,790 | | | | | | 27,790 |
| Other Purchased Services (400-500 series) | - | | | | 2,376 | | 2,376 |
| General Supplies | 18,549 | 41,370 | 2,670 | | 34,184 | | 96,773 |
| Textbooks | 6,734 | | | | | | 6,734 |
| **Total instruction** | 560,045 | 114,868 | 2,670 | - | 37,590 | - | 715,173 |
| **Support services:** | | | | | | | |
| Salaries of Program Directors | 252,947 | | | (11) | | 95,150 | 348,086 |
| Personal Services - Employee Benefits | 170,320 | 5,368 | | | | 9,173 | 184,861 |
| Other Purchased Professional Services | 33,549 | | | | | | 33,549 |
| Travel | - | | | | 1,654 | | 1,654 |
| Other Purchased Services (400-500 series) | 12,566 | 625 | 4,905 | | 1,100 | 840 | 20,036 |
| Supplies & Materials | 4,653 | | 10,512 | | 3,142 | 2,818 | 21,125 |
| Other Objects | 742 | | | | | | 742 |
| **Total support services** | 474,777 | 5,993 | 15,417 | (11) | 5,896 | 107,981 | 610,053 |
| **Facilities acquisition and const. serv.:** | | | | | | | |
| Instructional Equipment | - | | | | 5,386 | | 5,386 |
| **Total facilities acquisition and const. serv.** | - | - | - | - | 5,386 | - | 5,386 |
| **Total Expenditures** | **1,034,822** | **120,861** | **18,087** | **(11)** | **48,872** | **107,981** | **1,330,612** |
| **Other Financing Sources (Uses)** | | | | | | | |
| Operating Transfer In: | | | | | | | |
| General Fund - Preschool Education Aid | 162,230 | | | | | | 162,230 |
| **Total Other Financing Sources (Uses)** | **162,230** | - | - | - | - | - | **162,230** |
| **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, 2014**

| | 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 | 504,428 | 10,422 | 2,460 | 296,342 | 47,070 | 6,734 | 5,136 | 872,592 |
| Federal Sources | - | | | | | | | - |
| **Total Revenues** | **504,428** | **10,422** | **2,460** | **296,342** | **47,070** | **6,734** | **5,136** | **872,592** |
| **EXPENDITURES:** | | | | | | | | |
| **Instruction:** | | | | | | | | |
| Salaries of Teachers | 336,761 | | | | 23,782 | | | 360,543 |
| Other Salaries for Instruction | 142,460 | | | | 3,969 | | | 146,429 |
| Purchased Professional and Technical Services | 13,081 | 9,573 | | | | | 5,136 | 27,790 |
| Other Purchased Services (400-500 series) | - | | | | | | | - |
| General Supplies | 5,235 | | | | 13,314 | | | 18,549 |
| Textbooks | - | | | | | 6,734 | | 6,734 |
| **Total instruction** | 497,537 | 9,573 | - | - | 41,065 | 6,734 | 5,136 | 560,045 |
| **Support services:** | | | | | | | | |
| Salaries of Program Directors | - | | | 249,943 | 3,004 | | | 252,947 |
| Personal Services - Employee Benefits | 148,594 | | | 19,350 | 2,376 | | | 170,320 |
| Other Purchased Professional Services | 20,527 | 849 | 2,460 | 9,088 | 625 | | | 33,549 |
| Travel | - | | | | | | | - |
| Other Purchased Services (400-500 series) | - | | | 12,566 | | | | 12,566 |
| Supplies & Materials | - | | | 4,653 | | | | 4,653 |
| Other Objects | - | | | 742 | | | | 742 |
| **Total support services** | 169,121 | 849 | 2,460 | 296,342 | 6,005 | - | - | 474,777 |
| **Facilities acquisition and const. serv.:** | | | | | | | | |
| Instructional Equipment | - | | | | | | | - |
| **Total facilities acquisition and const. serv.** | - | - | - | - | - | - | - | - |
| **Total Expenditures** | **666,658** | **10,422** | **2,460** | **296,342** | **47,070** | **6,734** | **5,136** | **1,034,822** |
| **Other Financing Sources (Uses)** | | | | | | | | |
| Operating Transfer In: | | | | | | | | |
| General Fund - Preschool Education Aid | 162,230 | | | | | | | 162,230 |
| **Total Other Financing Sources (Uses)** | **162,230** | - | - | - | - | - | - | **162,230** |
| **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, 2014**

| | 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 | 6,285 | 8,742 | 11,785 | 6,796 | 470,820 | 504,428 |
| Federal Sources | | | | | | - |
| **Total Revenues** | **6,285** | **8,742** | **11,785** | **6,796** | **470,820** | **504,428** |
| **EXPENDITURES:** | | | | | | |
| **Instruction:** | | | | | | |
| Salaries of Teachers | | | | | 336,761 | 336,761 |
| Other Salaries for Instruction | | | | | 142,460 | 142,460 |
| Purchased Professional and Technical Services | 6,285 | | | 6,796 | | 13,081 |
| Other Purchased Services (400-500 series) | | | | | | - |
| General Supplies | | | | | 5,235 | 5,235 |
| Textbooks | | | | | | - |
| **Total instruction** | 6,285 | - | - | 6,796 | 484,456 | 497,537 |
| **Support services:** | | | | | | |
| Salaries of Program Directors | | | | | | - |
| Personal Services - Employee Benefits | | | | | 148,594 | 148,594 |
| Other Purchased Professional Services | | 8,742 | 11,785 | | | 20,527 |
| Travel | | | | | | - |
| Other Purchased Services (400-500 series) | | | | | | - |
| Supplies & Materials | | | | | | - |
| **Total support services** | - | 8,742 | 11,785 | - | 148,594 | 169,121 |
| **Facilities acquisition and const. serv.:** | | | | | | |
| Instructional Equipment | | | | | | - |
| **Total facilities acquisition and const. serv.** | - | - | - | - | - | - |
| **Total Expenditures** | **6,285** | **8,742** | **11,785** | **6,796** | **633,050** | **666,658** |
| **Other Financing Sources (Uses)** | | | | | | |
| Operating Transfer In: | | | | | | |
| General Fund - Preschool Education Aid | | | | | 162,230 | 162,230 |
| **Total Other Financing Sources (Uses)** | | | | | **162,230** | **162,230** |
| **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, 2014**

| | District Wide Total | | |
|---|---|---|---|
| | **Budget** | **Actual** | **Variance** |
| **Expenditures:** | | | |
| **Instruction:** | | | |
| Salaries of teachers | 336,761 | 336,761 | |
| Other salaries for instruction | 142,460 | 142,460 | |
| General supplies | 5,262 | 5,235 | 27 |
| **Total instruction** | 484,483 | 484,456 | 27 |
| **Support services:** | | | |
| Personal Services - Employee Benefits | 148,594 | 148,594 | |
| Other purchased professional services | 11,451 | | 11,451 |
| **Total support services** | 160,045 | 148,594 | 11,451 |
| **Facility Acquisition and Construction Services:** | | | |
| Instructional equipment | 831 | | 831 |
| **Total expenditures** | 645,359 | 633,050 | 12,309 |

**Summary of Location Totals**

| | |
|---|---|
| Total revised 2013-14 Preschool Education Aid | 423,180 |
| Add: Actual Carryover (June 30, 2013) | 59,949 |
| Add: Budgeted Transfer from the General Fund 2013-14 | 162,230 |
| Total Preschool Education Aid Funds Available for 2013-14 Budget | 645,359 |
| Less: 2012-13 Budgeted Preschool Education Aid prior year budgeted carryover) | 645,359 |
| Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2014 | |
| Add: June 30, 2015 Unexpended Preschool Education Aid | 12,309 |
| 2013-14 Carryover - Preschool Education Aid/Preschool | 12,309 |
| 2013-14 Preschool Education Aid Carryover Budgeted for Preschool Programs 2014-15 | |

# 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, 2014**

| | |
|---|---|
| **Revenues and Other Financing Sources** | |
| Interest on Investments | 18 |
| | 18 |
| **Expenditures and Other Financing Uses** | |
| Construction services | 12,457 |
| Total expenditures | 12,457 |
| Excess (deficiency) of revenues over (under) expenditures | (12,439) |
| **Other Finance Sources (Uses)** | |
| Transfers out: | |
| Debt Service Fund | (18) |
| Total other financing sources (uses) | (18) |
| Net change in fund balance | (12,457) |
| Fund balance - beginning | 12,457 |
| Fund balance - ending | - |

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, 2014**

| | 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 | 1,845,221 | 12,457 | 1,857,678 | 1,857,678 |
| Equipment purchases | 87,322 | | 87,322 | 87,322 |
| | 1,932,543 | 12,457 | 1,945,000 | 1,945,000 |
| Excess (deficiency) of revenues over (under) expenditures | 12,457 | (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 | 100% |
| 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, 2014**

| Project Title/Issue | Date | Appropriations | Expenditures to Date Prior Years | Expenditures to Date Current Year | Unexpended Balance June 30, 2014 |
|---|---|---|---|---|---|
| Various School Improvements | | | | | |
| Other Improvements | | | | | |
| Other Improvements | February 9, 1999 | 1,945,000 | 1,932,543 | 12,457 | - |
| | | 1,945,000 | 1,932,543 | 12,457 | - |

# PROPRIETARY FUNDS

Exhibit G-1

**HACKENSACK BOARD OF EDUCATION**
**Combining Statement of Net Position**
**Enterprise Funds**
**June 30, 2014**

| | Food Service Program | Totals |
|---|---|---|
| **ASSETS** | | |
| Current assets: | | |
| Cash and cash equivalents | 122,526 | 122,526 |
| Accounts receivable: | | |
| State | 4,723 | 4,723 |
| Federal | 137,016 | 137,016 |
| Other | 94,168 | 94,168 |
| Inventories | 14,937 | 14,937 |
| Total current assets | 373,370 | 373,370 |
| Noncurrent assets: | | |
| Capital assets: | | |
| Building and building improvements | 188,123 | 188,123 |
| Equipment | 398,251 | 398,251 |
| Less accumulated depreciation | (240,210) | (240,210) |
| Total capital assets (net of accumulated depreciation) | 346,164 | 346,164 |
| Total assets | 719,534 | 719,534 |
| **LIABILITIES** | | |
| Current Liabilities: | | |
| Accounts Payable | 223,666 | 223,666 |
| Total Liabilities | 223,666 | 223,666 |
| **NET POSITION** | | |
| Invested in capital assets net of related debt | 346,164 | 346,164 |
| Unrestricted | 149,704 | 149,704 |
| Total net assets | 495,868 | 495,868 |

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, 2014**

| | Food Service Program | Totals |
|---|---|---|
| Operating revenues: | | |
| Charges for services: | | |
| Daily sales - reimbursable programs | 275,454 | 275,454 |
| Daily sales - non-reimbursable programs | 202,724 | 202,724 |
| Total operating revenues | 478,178 | 478,178 |
| Operating expenses: | | |
| Cost of food | 1,046,947 | 1,046,947 |
| Salaries | 818,839 | 818,839 |
| Supplies and materials | 100,831 | 100,831 |
| Employee benefits | 225,397 | 225,397 |
| Depreciation | 27,023 | 27,023 |
| Repairs and other expenses | 180,921 | 180,921 |
| Purchased services | 297,090 | 297,090 |
| CCD Fees | 2,286 | 2,286 |
| Total Operating Expenses | 2,699,334 | 2,699,334 |
| Operating income (loss) | (2,221,156) | (2,221,156) |
| Nonoperating revenues (expenses): | | |
| State sources: | | |
| School lunch program | 25,004 | 25,004 |
| School snack program | 52,279 | 52,279 |
| Federal sources: | | |
| School lunch program | 1,159,302 | 1,159,302 |
| School breakfast program | 632,022 | 632,022 |
| U.S.D.A. Commodities | 109,049 | 109,049 |
| Miscellaneous Income | 1,671 | 1,671 |
| Interest Income | 199 | 199 |
| Total nonoperating revenues (expenses) | 1,979,526 | 1,979,526 |
| Income (loss) before contributions & transfers | (241,630) | (241,630) |
| Total net position—beginning | 737,498 | 737,498 |
| Total net position—ending | 495,868 | 495,868 |

Exhibit G-3

**HACKENSACK BOARD OF EDUCATION**
**Combining Statement of Cash Flows**
**Enterprise Funds**
**Fiscal Year Ended June 30, 2014**

| | Food Service Program | Totals |
|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | |
| Receipts from customers | 413,109 | 413,109 |
| Payments to suppliers | (2,695,546) | (2,695,546) |
| Net cash provided by (used for) operating activities | (2,282,437) | (2,282,437) |
| **CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES** | | |
| State Sources | 77,956 | 77,956 |
| Federal Sources | 1,794,580 | 1,794,580 |
| Miscellaneous Income | 1,671 | 1,671 |
| Interest Income | 199 | 199 |
| Net cash provided by (used for) non-capital financing activities | 1,874,406 | 1,872,536 |
| **CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES** | | |
| Acquisition of Capital Assets | (28,203) | (28,203) |
| Net cash used for capital and related financing activities | (28,203) | (28,203) |
| Net increase (decrease) in cash and cash equivalents | (436,234) | (436,234) |
| Balances—beginning of year | 558,760 | 558,760 |
| Balances—end of year | 122,526 | 122,526 |
| **Reconciliation of operating income (loss) to net cash provided (used) by operating activities:** | | |
| Operating income (loss) | (2,221,156) | (2,221,156) |
| Adjustments to reconcile operating income (loss) to net cash provided by | | |
| Depreciation and net amortization | 27,023 | 27,023 |
| Food distribution program | 109,049 | 109,049 |
| (Increase) decrease in accounts receivable | (65,069) | (65,069) |
| (Increase) decrease in inventories | 1,989 | 1,989 |
| Increase (decrease) in accounts payable | (134,273) | (134,273) |
| Total adjustments | (61,281) | (61,281) |
| Net cash provided by (used for) operating activities | (2,282,437) | (2,282,437) |

# FIDUCIARY FUND

Exhibit H-1

# HACKENSACK BOARD OF EDUCATION
## Combining Statement of Fiduciary Net Position
## Fiduciary Funds
## June 30, 2014

| | Unemployment Compensation Trust Fund | Scholarship and Memorial Funds | Agency Funds |
|---|---|---|---|
| **ASSETS** | | | |
| Cash and cash equivalents | 289,134 | 137,678 | 252,497 |
| Total assets | 289,134 | 137,678 | 252,497 |
| **LIABILITIES** | | | |
| Payable to student groups | | | 228,479 |
| Due to State of NJ - Unemployment | 10,055 | | |
| Payroll deductions and withholdings | | | 24,018 |
| Total liabilities | 10,055 | - | 252,497 |
| **NET POSITION** | | | |
| Held in trust for unemployment claims and other purposes | 279,079 | | |
| Reserved for scholarships | | 137,678 | |
| | 289,134 | 137,678 | |

Exhibit H-2

**HACKENSACK BOARD OF EDUCATION**
**Combining Statement of Changes in Fiduciary Net Position**
**Fiduciary Funds**
**Fiscal Year Ended June 30, 2014**

| | Unemployment Compensation Trust Fund | Scholarship and Memorial Funds |
|---|---|---|
| **ADDITIONS** | | |
| Contributions: | | |
| Donations | | 31,080 |
| Payroll withholdings | 80,642 | |
| Budget Contributions | 33,337 | |
| Total Contributions | 113,979 | 31,080 |
| Investment earnings: | | |
| Interest | 1,186 | 259 |
| Net investment earnings | 1,186 | 259 |
| Total additions | 115,165 | 31,339 |
| **DEDUCTIONS** | | |
| Quarterly contribution reports | 77,426 | |
| Scholarships awarded | | 19,026 |
| Total deductions | 77,426 | 19,026 |
| Change in net assets | 37,739 | 12,313 |
| Net position—beginning of the year | 241,340 | 125,365 |
| Net position—end of the year | 279,079 | 137,678 |

Exhibit H-3

**HACKENSACK BOARD OF EDUCATION**
**Student Activity Agency Fund**
**Schedule of Receipts and Disbursements**
**Fiscal Year Ended June 30, 2014**

| | Balance July 1, 2013 | Cash Receipts | Cash Disbursed | Balance June 30, 2014 |
|---|---|---|---|---|
| Elementary Schools: | | | | |
| Fairmount Avenue School | 6,532 | 2,679 | 4,956 | 4,255 |
| Jackson Avenue School | 3,715 | 4,107 | 5,672 | 2,150 |
| Fanny M. Hillers School | 3,173 | 2,060 | 3,926 | 1,307 |
| Nellie Parker School | 4,861 | 3,064 | 4,497 | 3,428 |
| Nellie Parker School Donation | 1,470 | | | 1,470 |
| Total Elementary Schools | 19,751 | 11,910 | 19,051 | 12,610 |
| Middle School: | | | | |
| Middle School | 9,764 | 60,323 | 49,242 | 20,845 |
| Total Middle Schools | 9,764 | 60,323 | 49,242 | 20,845 |
| High School: | | | | |
| High School | 148,348 | 206,196 | 188,349 | 166,195 |
| Varsity H | 8,621 | 22,673 | 22,786 | 8,508 |
| Total High Schools | 156,969 | 228,869 | 211,135 | 174,703 |
| Athletic Departments: | | | | |
| Athletic Department | 28,124 | 6,218 | 14,021 | 20,321 |
| Total Athletic Department | 28,124 | 6,218 | 14,021 | 20,321 |
| Total All Schools | 214,608 | 307,320 | 293,449 | 228,479 |

Exhibit H-4

**HACKENSACK BOARD OF EDUCATION**
**Payroll Agency Fund**
**Schedule of Receipts and Disbursements**
**Fiscal Year Ended June 30, 2014**

| | Balance July 1, 2013 | Cash Receipts | Cash Disbursed | Balance June 30, 2014 |
|---|---|---|---|---|
| Net Payroll | 5,543 | 36,691,465 | 36,689,458 | 7,550 |
| Payroll Deductions and Withholdings | 15,917 | 27,214,182 | 27,213,631 | 16,468 |
| | 21,460 | 63,905,647 | 63,903,089 | 24,018 |

# 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, 2014**

| Issue | Date of Issue | Amount of Issue | Annual Maturities Date | Annual Maturities Amount | Interest Rate | Balance, July 1, 2013 | Retired | Balance, June 30, 2014 |
|---|---|---|---|---|---|---|---|---|
| Refunding School Improvement bonds | Sept. 9, 2009 | 5,550,000 | 5/1/2015 | 610,000 | 3.250 | 4,160,000 | 615,000 | 3,545,000 |
| | | | 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 | | | |
| | | | | | | $ 4,160,000 | 615,000 | 3,545,000 |

Exhibit I-2

**HACKENSACK BOARD OF EDUCATION**
**General Long-Term Debt Account Group**
**Schedule of Capital Leases Payable**
**Fiscal Year Ended June 30, 2014**

| Issue | Date of Lease | Amount of Lease | Principal Payment Date | Principal Payment Amount | Interest Rate | | Issued | Retired | Balance, June 30, 2014 |
|---|---|---|---|---|---|---|---|---|---|
| Various Equipment | Nov. 2010 | 1,338,250 | 1/1/15 | 139,001 | 2.75% | $ | 552,286 | 272,373 | 279,913 |
| | | | 7/1/15 | 140,912 | 2.75% | | | | |
| | | | | | | $ | 552,286 | 272,373 | 279,913 |

Exhibit I-3

**HACKENSACK BOARD OF EDUCATION**
**Budgetary Comparison Schedule**
**Debt Service Fund**
**Fiscal Year Ended June 30, 2014**

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Positive (Negative) Final to Actual |
|---|---|---|---|---|---|
| **REVENUES:** | | | | | |
| Local Sources: | | | | | |
| Local Tax Levy | 654,712 | - | 654,712 | 654,712 | |
| **Total Revenues** | **654,712** | - | **654,712** | **654,712** | - |
| **EXPENDITURES:** | | | | | |
| Regular Debt Service: | | | | | |
| Interest | 168,863 | - | 168,863 | 168,863 | - |
| Redemption of Principal | 615,000 | - | 615,000 | 615,000 | - |
| Total Regular Debt Service | 783,863 | - | 783,863 | 783,863 | - |
| **Total expenditures** | **783,863** | - | **783,863** | **783,863** | - |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (129,151) | - | (129,151) | (129,151) | - |
| Other Financing Sources: | | | | | |
| Operating Transfers In: | | | | | |
| Interest earned in Capital Projects Fund | | | | 18 | 18 |
| Total Operating Transfers In | - | - | - | 18 | 18 |
| Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures | (129,151) | - | (129,151) | (129,133) | 18 |
| Fund Balance, July 1 | 129,270 | - | 129,270 | 129,270 | - |
| Fund Balance, June 30 | 119 | - | 119 | 137 | 18 |
| **Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures** | | | | | |
| Budgeted Fund Balance | (129,151) | | (129,151) | (129,151) | |
| Operating Transfers In | | | | 18 | |
| Total | (129,151) | - | (129,151) | (129,133) | - |

# STATISTICAL SECTION

# STATISTICAL SECTION (UNAUDITED)

## Introduction to the Statistical Section

## Financial Trends


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


## Revenue Capacity


J-6 Assessed Value and Estimated Actual Value of Taxable Property
J-7 Direct and Overlapping Property Tax Rates
J-8 Principal Property Taxpayers
J-9 Property Tax Levies and Collections


## Debt Capacity


J-10 Ratios of Outstanding Debt by Type
J-11 Ratios of General Bonded Debt Outstanding
J-12 Direct and Overlapping Governmental Activities Debt
J-13 Legal Debt Margin Information


## Demographic and Economic Information


J-14 Demographic and Economic Statistics
J-15 Principal Employers


## Operating Information


J-16 Full-time Equivalent District Employees by Function/Program
J-17 Operating Statistics
J-18 School Building Information*
J-19 Schedule of Allowable Maintenance Expenditures by School Facility
J-20 Insurance Schedule

## STATISTICAL SECTION (UNAUDITED) - INTRODUCTION

## J SERIES

**Contents** **Page**


**Financial Trends**

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

**Revenue Capacity**

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

**Debt Capacity**

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

**Demographic and Economic Information**

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

**Operating Information**

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


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

| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|---|---|---|---|---|---|---|---|---|---|---|
| Governmental activities | | | | | | | | | | |
| Invested in capital assets, net of related debt | $ (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 | $ 17,935,592 |
| Restricted | 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 | 8,721,596 |
| Unrestricted | (794,984) | (540,537) | (168,906) | (465,466) | (1,411,880) | (1,319,876) | (501,070) | (1,321,681) | (1,264,109) | (1,577,122) |
| Total governmental activities net position | $ 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 | $ 25,080,066 |
| Business-type activities | | | | | | | | | | |
| Invested in capital assets, net of related debt | $ 42,143 | $ 76,284 | $ 123,386 | $ 119,071 | $ 113,064 | $ 143,633 | $ 156,752 | $ 190,280 | $ 344,984 | $ 346,164 |
| Restricted | | | | | | | | | | |
| Unrestricted | 248,499 | 238,751 | 269,586 | 338,693 | 421,609 | 614,875 | 652,095 | 687,511 | 392,514 | 149,704 |
| Total business-type activities net position | $ 290,642 | $ 315,035 | $ 392,972 | $ 457,764 | $ 534,673 | $ 758,508 | $ 808,847 | $ 877,791 | $ 737,498 | $ 495,868 |
| District-wide | | | | | | | | | | |
| Invested in capital assets, net of related debt | $ (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 | $ 18,281,756 |
| Restricted | 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 | 8,721,596 |
| Unrestricted | (546,485) | (301,786) | 100,680 | (126,773) | (990,271) | (705,001) | 151,025 | (634,170) | (871,595) | (1,427,418) |
| Total district net position | $ 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 | $ 25,575,934 |

Source: CAFR Scehdule A-1

Exhibit J-2

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

| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Expenses** | | | | | | | | | | |
| Governmental activities | | | | | | | | | | |
| Instruction | | | | | | | | | | |
| Regular | $ 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 | $ 33,354,824 |
| Special education | 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 | 11,333,736 |
| Other special education | 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 | 2,328,603 |
| Other instruction | 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 | 1,881,660 |
| Support Services: | | | | | | | | | | |
| Tuition | 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 | 5,850,284 |
| Student & instruction related services | 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 | 13,795,797 |
| General administrative services | 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 | 962,018 |
| School administrative services | 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 | 3,738,373 |
| 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 | 1,995,738 |
| Business administrative services | | | | | | | | | | |
| Plant operations and maintenance | 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 | 7,620,236 |
| Pupil transportation | 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 | 1,978,391 |
| Unallocated Benefits | 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 | 8,331,799 |
| Allocated Benefits | | | | | 5,477,494 | 5,785,254 | 5,932,855 | 5,817,476 | 6,305,195 | 8,397,609 |
| Special Schools | 45,995 | 51,551 | | | | | | | | |
| Charter Schools | | | | 405,936 | 565,787 | 691,043 | 663,317 | 881,134 | 1,287,670 | 2,478,864 |
| Interest on long-term debt | 451,157 | 430,364 | 402,196 | 372,506 | 343,314 | 174,538 | 233,263 | 206,380 | 186,561 | 165,390 |
| Unallocated depreciation | 1,505,836 | 1,565,246 | 460,613 | 326,819 | 595,148 | 644,696 | 686,487 | 914,767 | 976,090 | 1,104,117 |
| Amortization & Capital Lease Obligations | | | | | | 471,560 | 1,041,263 | (33,956) | (33,956) | (33,956) |
| Capital Outlay - nondepreciable | 1,052,006 | 492,516 | 646,188 | 608,561 | 391,229 | 258,309 | 76,830 | 52,665 | 125,489 | 243,549 |
| Total governmental activities expenses | 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 | 105,527,032 |
| Business-type activities: | | | | | | | | | | |
| Food service | 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 | 2,699,334 |
| Academy School | | | | | | | | | | |
| Total business-type activities expense | 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 | 2,699,334 |
| Total district expenses | $ 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 | $ 108,226,366 |
| **Program Revenues** | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| Operating grants and contributions | 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 | 4,007,107 |
| Capital grants and contributions | - | - | - | - | - | 305,552 | 106,337 | 232,061 | 125,124 | 7,390 |
| Total governmental activities program revenues | 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 | 4,014,497 |

Exhibit J-2

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

| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|---|---|---|---|---|---|---|---|---|---|---|
| Business-type activities: | | | | | | | | | | |
| Charges for services | | | | | | | | | | |
| Food service | 585,142 | 569,155 | 501,936 | 523,087 | 464,452 | 447,814 | 420,974 | 428,259 | 424,644 | 478,178 |
| Operating grants and contributions | 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 | 1,977,656 |
| Capital grants and contributions | | | | | | | | | | |
| Total business type activities program revenues | 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 | 2,455,834 |
| Total district program revenues | $ 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 | $ 6,470,331 |
| **Net (Expense)/Revenue** | | | | | | | | | | |
| Governmental activities | $ (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) | $ (101,512,535) |
| Business-type activities | 84,251 | 24,413 | 77,937 | 64,792 | 76,909.00 | 229,374.00 | 50,261.00 | 68,821.00 | (173,826.00) | (243,500.00) |
| Total district-wide net expense | $ (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) | $ (101,756,035) |
| **General Revenues and Other Changes in Net Position** | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Property taxes levied for general purposes, net | $ 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 | $ 71,216,667 |
| Taxes levied for debt service | 1,084,591 | 1,082,034 | 1,053,774 | 820,098 | 994,912 | 792,436 | 1,064,132 | 804,445 | 572,182 | 654,712 |
| Unrestricted grants and contributions | 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 | 21,970,153 |
| Tuition Received | 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 | 8,543,020 |
| Investment earnings | 318,333 | 606,367 | 763,868 | 387,639 | 100,057 | 95,646 | 58,647 | 966 | 4,630 | 320 |
| Miscellaneous income | 743,123 | 930,780 | 318,740 | 301,309 | 381,670 | 312,863 | 154,399 | 275,782 | 608,385 | 669,736 |
| Excess Refinanced Loan Proceeds | 23,800 | | | | | | | | | |
| Local Aid - Port Authority Grant | | 6,426,366 | | | | | | | | |
| Total governmental activities | 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 | 103,054,608 |
| Business-type activities: | | | | | | | | | | |
| Investment earnings | | | | | | | 78 | 123 | 163 | 199 |
| Miscellaneous Income | | | | | | | | | 33,370 | 1,671 |
| Total business-type activities | - | - | - | - | - | - | 78 | 123 | 33,533 | 1,870 |
| Total district-wide | $ 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 | $ 103,056,478 |
| **Change in Net Position** | | | | | | | | | | |
| Governmental activities | $ 1,622,421 | $ 7,797,604 | $ 310,131 | $ 1,028,237 | $ (78,825) | $ (2,856,536) | $ (468,882) | $ 1,430,618 | $ 3,700,722 | $ 1,542,073 |
| Business-type activities | 84,251 | 24,413 | 77,937 | 64,792 | 76,909 | 229,374 | 50,339 | 68,944 | (140,293) | (241,630) |
| Total district | $ 1,706,672 | $ 7,822,017 | $ 388,068 | $ 1,093,029 | $ (1,916) | $ (2,627,162) | $ (418,543) | $ 1,499,562 | $ 3,560,429 | $ 1,300,443 |

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)*

| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|---|---|---|---|---|---|---|---|---|---|---|
| General Fund | | | | | | | | | | |
| Reserved | $ 8,653,573 | $ 9,589,036 | $ 7,095,676 | $ 8,121,428 | $ 8,232,971 | $ 4,909,752 | | | | |
| Unreserved | 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 | 4,430,263 |
| Committed | | | | | | | 510,533 | 262,350 | | |
| Assigned | | | | | | | 889,496 | 1,855,896 | 6,884,100 | 4,291,196 |
| Unassigned | | | | | | | 1,598,726 | 1,306,634 | 1,488,724 | 1,300,578 |
| Total general fund | $ 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 | $ 10,022,037 |
| All Other Governmental Funds | | | | | | | | | | |
| Reserved | | | | | | | | | | |
| Unreserved, reported in: | | | | | | | | | | |
| Special revenue fund | (43,950) | (72,318) | (67,009) | (98,186) | - | - | | | | |
| Capital projects fund | 2,427,919 | 2,454,283 | 3,704,594 | 3,451,675 | 1,925,343 | 756,247 | | | | |
| Debt service fund | 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 | 137 |
| Total all other governmental funds | $ 2,413,991 | $ 2,681,195 | $ 4,004,605 | $ 3,579,265 | $ 2,094,313 | $ 832,446 | $ 956,554 | $ 888,881 | $ 559,750 | $ 137 |

Source: CAFR Schedule B-1

Exhibit J-4

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

| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Revenues** | | | | | | | | | | |
| Tax levy | $ 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 | $ 71,871,379 |
| Tuition | 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 | 8,543,020 |
| Interest earnings | 265,266 | 606,367 | 763,868 | 387,639 | 100,057 | 95,646 | 58,647 | 966 | 4,630 | 320 |
| Miscellaneous | 846,631 | 7,357,146 | 352,267 | 312,741 | 393,411 | 321,074 | 162,610 | 279,599 | 621,355 | 670,620 |
| State sources | 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 | 22,731,077 |
| Federal sources | 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 | 3,252,689 |
| Total revenue | 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 | 107,069,105 |
| **Expenditures** | | | | | | | | | | |
| Instruction | | | | | | | | | | |
| Regular Instruction | 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 | 31,158,011 |
| Special education instruction | 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 | 10,463,045 |
| Other special instruction | 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 | 2,150,846 |
| Other instruction | 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 | 1,770,382 |
| Support Services: | | | | | | | | | | |
| Instruction | 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 | 5,850,284 |
| Attendance and social work services | 22,438 | 21,756 | 22,035 | 22,759 | 548,261 | 426,066 | 180,928 | 170,564 | 9,045 | 10,400 |
| Health Services | 549,478 | 597,869 | 604,129 | 668,384 | 743,941 | 903,832 | 913,268 | 855,428 | 861,884 | 890,880 |
| Student & instruction related services | 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 | 12,048,869 |
| General administrative services | 983,500 | 1,037,811 | 1,229,298 | 1,070,555 | 1,165,577 | 1,135,434 | 1,065,655 | 899,140 | 835,180 | 3,453,363 |
| School Administrative services | 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 | 929,071 |
| Business and other support services | 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 | 1,872,608 |
| Plant operations and maintenance | 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 | 7,311,018 |
| Pupil transportation | 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 | 1,974,200 |
| Allocated employee benefits | | | | | 4,478,053 | 5,785,254 | 5,932,855 | 5,817,476 | 6,305,195 | 8,397,609 |
| Unallocated employee benefits | 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 | 4,956,683 |
| TPAF Pension / Social Security | 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 | 8,203,459 |
| Charter Schools | 45,995 | 51,551 | | 405,936 | 565,787 | 691,043 | 663,317 | 881,134 | 1,287,670 | 2,478,864 |
| Capital outlay | 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 | 3,187,147 |
| Debt service: | | | | | | | | | | |
| Principal | 595,380 | 643,298 | 672,835 | 707,485 | 742,328 | 710,000 | 630,000 | 630,000 | 620,000 | 615,000 |
| Interest and other charges | 459,191 | 438,735 | 410,960 | 381,820 | 350,395 | 188,273 | 237,988 | 209,637 | 190,100 | 168,863 |
| Total expenditures | 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 | 107,890,602 |
| Excess (Deficiency) of revenues over (under) expenditures | 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 | (821,497) |

Exhibit J-4

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

| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Other Financing sources (uses)** | | | | | | | | | | |
| Transfers in | | 269,209 | 2,214,710 | 127,963 | 41,005 | 3,065 | 768 | | 219,312 | 162,248 |
| Transfers out | (410,000) | (269,209) | (2,214,710) | (127,963) | (41,005) | (3,065) | (768) | | (219,312) | (162,248) |
| Capital leases (non-budgeted) | | | | | | | 1,338,250 | | | |
| Total other financing sources (uses) | (410,000) | - | - | - | - | - | 1,338,250 | - | - | - |
| Net change in fund balances | $ 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 | $ (821,497) |
| Debt service as a percentage of noncapital expenditures | 1.4% | 1.4% | 1.3% | 1.2% | 1.2% | 1.0% | 0.9% | 0.9% | 0.8% | 0.7% |

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 |
|---|---|---|---|---|---|---|
| 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 |
| 2014 | 320 | 8,543,020 | 40,104 | 119,359 | 510,255 | 9,213,058 |

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 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 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% |
| 2013 | $ 48,369,100 | $ 1,995,196,200 | | | $ 1,718,956,070 | $ 288,435,400 | $ 879,727,000 | $ 4,930,683,770 | $ - | $ 21,534,684 | $ 4,952,218,454 | 1.424 | $ 5,607,198,120 | 88.32% |

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 | |
| 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 |
| 2013 | 1.41 | 0.01 | 1.42 | 1.54 | 0.26 | 3.217 |

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**

| | 2014 | | | 2005 | | |
|---|---|---|---|---|---|---|
| Taxpayer | Taxable Assessed Value | Rank [Optional] | % of Total District Net Assessed Value | Taxable Assessed Value | Rank [Optional] | % of Total District Net Assessed Value |
| Riverside Sqare Ltd | $ 156,048,800 | 1 | 3.15% | $ 60,750,000 | 1 | 2.68% |
| 20 Prospect Ave (HUMC) | $ 126,774,000 | 2 | 2.56% | $ 44,500,000 | 2 | 1.97% |
| Hackensack VF, LLC | $ 66,000,000 | 3 | 1.33% | $ 25,796,800 | 7 | 1.14% |
| Stellar Capital Mgmt | $ 54,455,400 | 4 | 1.10% | $ 35,707,000 | 3 | 1.58% |
| Hackensack University Medical | $ 50,000,000 | 5 | 1.01% | | | |
| Equity One Riverfront | $ 40,050,300 | 6 | 0.81% | | | |
| GSG Res Prospect Towers | $ 38,902,800 | 7 | 0.79% | | | |
| Pierre Towers LLC | $ 37,000,000 | 8 | 0.75% | | | |
| Bloomingdale's Inc | $ 35,917,300 | 9 | 0.73% | $ 22,377,500 | 8 | 0.99% |
| 10 Hackensack Ave LLC | $ 35,631,700 | 10 | 0.72% | | | |
| Excelsior I | | | | $ 18,500,000 | 9 | 0.82% |
| Three University Plaza | | | | $ 17,559,000 | 10 | 0.78% |
| Quail Heights | | | | $ 30,770,500 | 4 | 1.36% |
| Court Plaza Assoc. | | | | $ 28,771,400 | 5 | 1.27% |
| Stellar Continental | | | | $ 26,151,500 | 6 | 1.16% |
| Total | $ 640,780,300 | | 12.94% | $ 310,883,700 | | 13.74% |
| | Net Assessed Valuation: | | $ 4,952,218,454 | | | $ 2,262,748,000 |

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 | |
| 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% | $ - |
| 2014 | $71,871,379 | $71,871,379 | 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 | 9,383,946 | - | 223,100 | - | - | 9,607,046 | 0.58% | $ 55,322 |
| 2005 | 8,740,648 | - | 168,700 | - | - | 8,909,348 | 0.65% | $ 57,745 |
| 2006 | 8,067,814 | - | 122,378 | - | - | 8,190,192 | 0.77% | $ 63,166 |
| 2007 | 7,360,328 | - | - | - | - | 7,360,328 | 0.92% | $ 67,606 |
| 2008 | 6,618,000 | - | - | - | - | 6,618,000 | 1.02% | $ 67,375 |
| 2009 | 6,040,000 | - | - | - | - | 6,040,000 | 1.06% | $ 63,862 |
| 2010 | 5,410,000 | - | 1,075,219 | - | - | 6,485,219 | 0.99% | $ 63,950 |
| 2011 | 4,780,000 | - | 817,322 | - | - | 5,597,322 | 1.20% | $ 67,240 |
| 2012 | 4,160,000 | - | 552,286 | - | - | 4,712,286 | 1.48% | $ 69,919 |
| 2013 | 3,545,000 | - | 279,913 | - | - | 3,824,913 | 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] |
|---|---|---|---|---|---|
| 2005 | $ 9,383,946 | - | 9,383,946 | 0.41% | $ 163 |
| 2006 | $ 8,740,648 | - | 8,740,648 | 0.39% | $ 138 |
| 2007 | $ 8,067,814 | - | 8,067,814 | 0.13% | $ 119 |
| 2008 | $ 7,360,328 | - | 7,360,328 | 0.12% | $ 109 |
| 2009 | $ 6,618,000 | - | 6,618,000 | 0.11% | $ 104 |
| 2010 | $ 6,040,000 | - | 6,040,000 | 0.10% | $ 94 |
| 2011 | $ 5,410,000 | - | 5,410,000 | 0.11% | $ 80 |
| 2012 | $ 4,780,000 | - | 4,780,000 | 0.10% | $ 68 |
| 2013 | $ 4,160,000 | - | 4,160,000 | 0.08% | Not Available |
| 2014 | $ 3,545,000 | - | 3,545,000 | Not Available | 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, 2013**

| Governmental Unit | Estimated Percentage Applicable [a] | Debt Outstanding | Estimated Share of Overlapping Debt |
|---|---|---|---|
| **Direct Debt of School District as of June 30, 2014** | | | $ 3,545,000 |
| **Net overlapping debt of School District:** | | | |
| City of Hackensack | 100.000% | $ 28,090,799 | |
| County of Bergen - City's Share | 3.211% | $ 27,270,958 | |
| Bergen County Utility Authority-City's Share | 9.235% | $ 20,366,445 | |
| **Subtotal, overlapping debt** | | | $ 75,728,202 |
| **Total direct and overlapping debt** | | | $ 79,273,202 |

**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 2014**

| | | Equalized valuation basis |
|---|---|---|
| | 2013 | $ 5,607,198,120 |
| | 2012 | $ 5,746,741,785 |
| | 2011 | $ 5,781,824,970 |
| | [A] | $ 11,528,566,755 |
| Average equalized valuation of taxable property | [A/3] | $ 3,842,855,585 |
| Debt limit (4 % of average equalization value) | [B] | 153,714,223 a |
| Net bonded school debt | [C] | 3,545,000 |
| Legal debt margin | [B-C] | $ 150,169,223 |

| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|---|---|---|---|---|---|---|---|---|---|---|
| Debt limit | $ 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 | 153,714,223 |
| Total net debt applicable to limit | 9,383,946 | 8,740,648 | 8,067,814 | 7,360,328 | 6,618,000 | 6,040,000 | 5,410,000 | 4,780,000 | 4,160,000 | 3,545,000 |
| Legal debt margin | $ 12,809,482 | $ 166,096,633 | $ 193,652,331 | $ 148,614,135 | $ 149,356,463 | $ 160,662,491 | $ 163,857,854 | $ 155,557,216 | $ 154,534,581 | $ 150,169,223 |
| Total net debt applicable to the limit as a percentage of debt limit | 42.28% | 5.00% | 4.00% | 4.72% | 4.24% | 3.62% | 3.20% | 2.98% | 2.62% | 2.31% |

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] |
|---|---|---|---|---|
| 2004 | 43,101 | $ 2,384,433,522 | 55,322 | 5.30% |
| 2005 | 43,041 | $ 2,485,402,545 | 57,745 | 4.60% |
| 2006 | 42,788 | $ 2,702,746,808 | 63,166 | 4.60% |
| 2007 | 42,634 | $ 2,882,314,204 | 67,606 | 4.60% |
| 2008 | 42,637 | $ 2,872,667,875 | 67,375 | 4.60% |
| 2009 | 42,839 | $ 2,735,784,218 | 63,862 | 9.70% |
| 2010 | 43,060 | $ 2,753,687,000 | 63,950 | 9.80% |
| 2011 | 43,285 | $ 2,910,483,400 | 67,240 | 9.50% |
| 2012 | 43,845 | $ 3,065,598,555 | 69,919 | 9.40% |
| 2013 | 44,113 | Not Available | Not Available | 8.20% |

**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 ****

| | 2013 | | | 2004 | | |
|---|---|---|---|---|---|---|
| **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 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|---|---|---|---|---|---|---|---|---|---|---|
| Instruction | | | | | | | | | | |
| Regular | 543 | 530 | 533 | 533 | 536 | 413 | 375 | 304 | 310 | 284 |
| Special education | 23 | 24 | 26 | 27 | 30 | 143 | 135 | 216 | 220 | 184 |
| Other special education | - | - | - | - | - | - | - | - | - | - |
| Vocational | - | - | - | - | - | - | - | - | - | - |
| Other instruction | - | - | - | - | - | - | - | - | - | - |
| Nonpublic school programs | - | - | - | - | - | - | - | - | - | - |
| Adult/continuing education programs | - | - | - | - | - | - | - | - | - | - |
| Support Services: | | | | | | | | | | |
| Tuition | - | - | - | - | - | - | - | - | - | - |
| Student & instruction related services | 16 | 17 | 17 | 17 | 18 | 74 | 17 | 85 | 87 | 87 |
| General adminsitrative services | 5 | 5 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| School administrative services | 39 | 40 | 40 | 40 | 37 | 39 | 42 | 52 | 60 | 63 |
| Business adminsitrative services | 12 | 13 | 13 | 13 | 15 | 16 | 15 | 16 | 14 | 14 |
| Plant operations and maintenance | 57 | 56 | 57 | 57 | 55 | 56 | 51 | 62 | 81 | 68 |
| Pupil transportation | - | 1 | | | | | | | | |
| Total | 695 | 686 | 692 | 693 | 697 | 747 | 641 | 741 | 778 | 706 |

**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 | | | | |
| 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 | 5,384.0 | 100,081,331 | 18,589 | 1.96% | 531 | 1:10 | 1:10 | 1:12 | 5,406 | 5,261 | 3.48% | 97.32% |
| 2014 | 5,506.0 | 103,919,592 | 18,874 | 1.53% | 467 | 1:12 | 1:12 | 1:12 | 5,463 | 5,232 | 1.05% | 95.77% |

**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**

| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|---|---|---|---|---|---|---|---|---|---|---|
| **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 | 442 | 426 | 415 | 415 | 440 | 440 | 499 | 531 | 568 | 541 |
| 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 | 532 | 544 | 539 | 539 | 559 | 559 | 599 | 665 | 670 | 601 |
| 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) | 434 | 454 | 494 | 494 | 516 | 516 | 564 | 568 | 562 | 504 |
| 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 | 407 | 417 | 398 | 398 | 430 | 430 | 479 | 468 | 454 | 399 |
| ECDC | | | | | | | | | | |
| Square Feet | | | | | | | | | | 40,309 |
| Capacity (students) | | | | | | | | | | 490 |
| Enrollment a | | | | | | | | | | 280 |
| **Middle School** | | | | | | | | | | |
| Middle School | | | | | | | | | | |
| Square Feet | 103,293 | 103,293 | 103,293 | 103,293 | 103,293 | 103,293 | 103,293 | 103,293 | 103,293 | 141,932 |
| Capacity (students) | 1,445 | 1,445 | 1,445 | 1,445 | 1,445 | 1,161 | 1,161 | 1,161 | 1,161 | 1,161 |
| Enrollment | 715 | 684 | 654 | 654 | 673 | 673 | 633 | 630 | 1,327 | 1,406 |
| **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 | 267,349 |
| Capacity (students) | 2,064 | 2,064 | 2,064 | 2,064 | 2,064 | 2,064 | 2,064 | 2,064 | 2,064 | 2,064 |
| Enrollment | 1,848 | 1,812 | 1,748 | 1,783 | 1,712 | 1,712 | 1,715 | 1,729 | 1,803 | 1,775 |
| **Other** | | | | | | | | | | |
| Administration Building | | | | | | | | | | |
| Square Feet | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 7,516 |
| 5/6 School | | | | | | | | | | |
| Square Feet | 29,977 | 29,977 | 29,977 | 29,977 | 29,977 | 29,977 | 29,977 | | | |
| Capacity (students) | 525 | 525 | 525 | 525 | 525 | 525 | 525 | | | |
| Enrollment a | 646 | 645 | 654 | 619 | 589 | 589 | 625 | | | |

Number of Schools at June 30, 2014
Elementary = 5
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) | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Hackensack High School | N/A | 325,944 | 277,050 | 218,177 | 206,518 | 235,489 | 499,850 | 398,937 | 323,981 | 384,195 | 279,830 |
| Middle School | N/A | 173,039 | 158,843 | 130,216 | 347,638 | 323,929 | 242,878 | 430,508 | 468,897 | 80,812 | 246,242 |
| Nellie K. Parker School | N/A | 97,875 | 66,681 | 52,481 | 64,689 | 88,767 | 153,104 | 65,913 | 99,440 | 52,727 | 118,104 |
| Fairmount School | N/A | 74,369 | 66,083 | 35,413 | 70,851 | 97,089 | 136,496 | 66,577 | 138,421 | 68,837 | 53,768 |
| Fanny M. Hillers School | N/A | 97,534 | 145,988 | 109,118 | 89,141 | 173,251 | 208,755 | 51,664 | 60,088 | 62,998 | 84,768 |
| Jackson Avenue School | N/A | 74,125 | 113,845 | 57,598 | 75,812 | 45,469 | 95,343 | 26,608 | 61,580 | 297,344 | 48,256 |
| ECDC | N/A | 49,144 | | | | | | | | | |
| Administration Building | N/A | 9,163 | 3,966 | 63,035 | 37,797 | 54,389 | 44,683 | 39,258 | 47,454 | 44,596 | 61,167 |
| Total School Facilities | | 901,193 | 832,456 | 666,038 | 892,446 | 1,018,383 | 1,381,109 | 1,079,465 | 1,199,861 | 991,509 | 892,135 |
| Other Facilities | | | | | | | | | | | |
| Grand Total | | $ 901,193 | $ 832,456 | $ 666,038 | $ 892,446 | $ 1,018,383 | $ 1,381,109 | $ 1,079,465 | $ 1,199,861 | $ 991,509 | $ 892,135 |

Exhibit J-20

**Hackensack Board of Education**
**Insurance Schedule**
**For the Fiscal Year Ended June 30, 2014**
**Unaudited**

| Company | Type of Coverage | Coverage | Deductible |
|---|---|---|---|
| NJ School Board Association Insurance Group/North Jersey Educational Insurance Fund | School package policy - | | |
| | Property - Blanket Building and Contents | $ 166,128,820 | $ 5,000 |
| | Comprehensive General Liability | 31,000,000 | 5,000 |
| | Comprehensive Automobile Liability | 1,000,000 | 5,000 |
| | Comprehensive Crime Coverage | 500,000 | 1,000 |
| | 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 | | |
| | Position Bond - Board Secretary | 405,000 | |
| | Pollution | 1,000,000 | 15,000 |

Source: District Records

# SINGLE AUDIT SECTION

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

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

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

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




## 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, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated September 19, 2014.

### *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.

FWCC

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 September 19, 2014.

***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.
Certified Public Accountants
Pompton Lakes, New Jersey

September 19, 2014

FWCC

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

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

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

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




## INDEPENDENT AUDITOR'S REPORT 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, 2014. 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

FWCC

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, 2014.

**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.

FWCC

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, 2014, and have issued our report there dated September 19, 2014 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

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

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

September 19, 2014

FWCC

**HACKENSACK**
**BOARD OF EDUCATION**

**Schedule of Expenditures of Federal Awards**

**Year ended June 30, 2014**

| Federal Grantor/Pass-through Grantor/ Program Title | Federal CFDA Number | Grant Period | Award Amount | Balance at June 30, 2013 | Carryover Amount | Cash Received | Budgetary Expenditures | Adjustments | Repayment of Prior Years' Balances | Balance at June 30, 2014 (Accounts Receivable) | Balance at June 30, 2014 Deferred Revenue/ Interfund Payable | Balance at June 30, 2014 Due to Grantor |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| U.S. Department of Agriculture | | | | | | | | | | | | |
| Passed-through State Department of Education: | | | | | | | | | | | | |
| Enterprise Fund: | | | | | | | | | | | | |
| USDA Commodities | 10.550 | 7/1/13-6/30/14 | $ 109,049 | | | 109,049 | 109,049 | | | | | |
| National School Lunch Program | 10.555 | 7/1/13-6/30/14 | 1,159,302 | | | 1,077,687 | 1,159,302 | | | (81,615) | | |
| National School Lunch Program | 10.555 | 7/1/12-6/30/13 | 1,130,399 | (88,896) | | 88,896 | | | | | | |
| National Breakfast Program | 10.553 | 7/1/13-6/30/14 | 632,022 | | | 576,621 | 632,022 | | | (55,401) | | |
| National Breakfast Program | 10.553 | 7/1/12-6/30/13 | 635,570 | (51,376) | | 51,376 | | | | | | |
| Total Enterprise Fund | | | | (140,272) | | 1,903,629 | 1,900,373 | | | (137,016) | | |
| U.S. Department of Education | | | | | | | | | | | | |
| General Fund: | | | | | | | | | | | | |
| Education Jobs Fund | 84.410A | 7/1/12-6/30/13 | 1,210 | (1,210) | | 1,210 | | | | | | |
| Medical Assistance Program (SEMI) | 93.778 | 7/1/13-6/30/14 | 87,121 | | | 87,121 | 87,121 | | | | | |
| Total General Fund | | | | (1,210) | | 88,331 | 87,121 | | | | | |
| U.S. Department of Education | | | | | | | | | | | | |
| Passed-through State Department of Education: | | | | | | | | | | | | |
| Special Revenue Fund: | | | | | | | | | | | | |
| Title I Part A, Improving Basic Programs | 84.010 | 7/1/13-6/30/14 | 1,018,027 | | (521,717) | 1,650,776 | 1,369,756 | (777) | | (241,474) | | |
| Title I Part A, Improving Basic Programs | 84.010 | 9/1/12-8/31/13 | 1,179,661 | (521,717) | 521,717 | | | | | | | |
| | | | | (521,717) | | 1,650,776 | 1,369,756 | (777) | | (241,474) | | |
| I.D.E.A. Part B | 84.027 | 7/1/13-6/30/14 | 1,264,916 | | (402,759) | 1,127,485 | 1,304,164 | | | (579,438) | | |
| I.D.E.A. Part B | 84.027 | 9/1/12-8/31/13 | 1,220,676 | (402,759) | 402,759 | | | | | | | |
| I.D.E.A. Part B Preschool | 84.173 | 7/1/13-6/30/14 | 47,197 | | (64,028) | 78,823 | 7,320 | | | | 7,475 | |
| I.D.E.A. Part B Preschool | 84.173 | 9/1/12-8/31/13 | 48,833 | (64,028) | 64,028 | | | | | | | |
| | | | | (466,787) | | 1,206,308 | 1,311,484 | | | (579,438) | 7,475 | |
| Title II Part A | 84.367A | 7/1/13-6/30/14 | 182,493 | | (62,114) | 200,735 | 185,199 | (24,618) | | (71,196) | | |
| Title II Part A | 84.367A | 9/1/12-8/31/13 | 182,499 | (62,114) | 62,114 | | | | | | | |
| | | | | (62,114) | | 200,735 | 185,199 | (24,618) | | (71,196) | | |
| Title III | 84.365A | 7/1/13-6/30/14 | 97,340 | | (34,651) | 96,701 | 120,861 | (14,015) | | (72,826) | | |
| Title III | 84.365A | 9/1/12-8/31/13 | 102,614 | (34,651) | 34,651 | | | | | | | |
| Title III, Immigrant | 84.365A | 7/1/13-6/30/14 | 40,037 | | | 5,575 | 18,087 | | | (12,512) | | |
| Title III, Immigrant | 84.365A | 9/1/12-8/31/13 | 135,381 | | | | | | | | | |
| | | | | (34,651) | | 102,276 | 138,948 | (14,015) | | (85,338) | | |

**HACKENSACK**
**BOARD OF EDUCATION**

**Schedule of Expenditures of Federal Awards**

**Year ended June 30, 2014**

| Federal Grantor/Pass-through Grantor/ Program Title | Federal CFDA Number | Grant Period | Award Amount | Balance at June 30, 2013 | Carryover Amount | Cash Received | Budgetary Expenditures | Adjustments | Repayment of Prior Years' Balances | Balance at June 30, 2014 (Accounts Receivable) | Balance at June 30, 2014 Deferred Revenue/ Interfund Payable | Balance at June 30, 2014 Due to Grantor |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| (continue from prior page) | | | | | | | | | | | | |
| Vocational Education - Perkins | 84.048 | 7/1/13-6/30/14 | 46,188 | | (50,231) | 53,682 | 48,872 | (309) | | (45,730) | | |
| Vocational Education - Perkins | 84.048 | 9/1/12-8/31/13 | 53,682 | (50,231) | 50,231 | | | | | | | |
| | | | | (50,231) | | 53,682 | 48,872 | (309) | | (45,730) | | |
| Workforce Year Round Youth Program - Drop-in | 17.259 | 7/1/12-6/30/13 | 15,000 | (7,502) | | 7,499 | (11) | (8) | | | | |
| Project ACES | 17.259 | 7/1/13-6/30/14 | 108,000 | | | 45,626 | 107,226 | | | (61,600) | | |
| Project ACES | 17.259 | 7/1/12-6/30/13 | 57,600 | (34,183) | | 32,143 | 755 | | | (2,795) | | |
| | | | | (41,685) | | 85,268 | 107,970 | (8) | | (64,395) | | |
| Total Special Revenue Fund | | | | (1,177,185) | | 3,299,045 | 3,162,229 | (39,727) | | (1,087,571) | 7,475 | |
| Total Federal Financial Assistance | | | | $ (1,318,667) | | 5,291,005 | 5,149,723 | (39,727) | | (1,224,587) | 7,475 | |

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, 2014

| State Grantor/Program Title | Grant or State Project Number | Grant Period | Award Amount | Balance at June 30, 2013: Deferred Revenue (Accts Receivable) | Balance at June 30, 2013: Due to Grantor | Carryover Amount | Cash Received | Budgetary Expenditures | Adjustments | Repayment of Prior Years' Balances | Balance at June 30, 2014: (Accounts Receivable) | Balance at June 30, 2014: Deferred Revenue/ Interfund Payable | Balance at June 30, 2014: Due to Grantor | MEMO: Budgetary Receivable | MEMO: Cumulative Total Expenditures |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| State Department of Education: | | | | | | | | | | | | | | | |
| General Fund: | | | | | | | | | | | | | | | |
| Equalization Aid | 495-034-5120-078 | 7/1/13-6/30/14 | 9,445,263 | | | | 8,690,868 | 9,445,263 | | | | | * | (754,395) | 9,445,263 |
| Transportation aid | 495-034-5120-014 | 7/1/13-6/30/14 | 92,175 | | | | 84,783 | 92,175 | | | | | * | (7,392) | 92,175 |
| Special Education aid | 495-034-5120-089 | 7/1/13-6/30/14 | 2,812,756 | | | | 2,587,198 | 2,812,756 | | | | | * | (225,558) | 2,812,756 |
| Security Aid | 495-034-5120-084 | 7/1/13-6/30/14 | 363,386 | | | | 334,246 | 363,386 | | | | | * | (29,140) | 363,386 |
| Extraordinary Aid | 495-034-5120-044 | 7/1/13-6/30/14 | 977,897 | | | | | 977,897 | | | (977,897) | | * | | 977,897 |
| Extraordinary Aid | 495-034-5120-044 | 7/1/12-6/30/13 | 1,284,171 | (1,284,171) | | | 1,284,171 | | | | | | * | | 1,284,171 |
| Reimbursed TPAF Social Security | 495-034-5095-051 | 7/1/13-6/30/14 | 3,246,321 | | | | 3,083,855 | 3,246,321 | | | (162,466) | | * | | 3,246,321 |
| Reimbursed TPAF Social Security | 495-034-5095-051 | 7/1/12-6/30/13 | 3,181,764 | (161,722) | | | 161,722 | | | | | | * | | 3,181,764 |
| On Behalf TPAF Pension & NCGI Premium | 495-034-5095-001 | 7/1/13-6/30/14 | 1,877,972 | | | | 1,877,972 | 1,877,972 | | | | | * | | 1,877,972 |
| On Behalf TPAF- Post Retirement Medical | 495-034-5095-001 | 7/1/13-6/30/14 | 3,079,166 | | | | 3,079,166 | 3,079,166 | | | | | * | | 3,079,166 |
| | | | | (1,445,893) | | | 21,183,981 | 21,894,936 | | | (1,140,363) | | * | (1,016,485) | 26,360,871 |
| Special Revenue Fund: | | | | | | | | | | | | | | | |
| Preschool Education Aid | 495-034-5120-086 | 7/1/13-6/30/14 | 423,180 | | | 59,947 | 380,862 | 470,820 | | | (30,011) | | * | (42,318) | 470,820 |
| Preschool Education Aid | 495-034-5120-086 | 7/1/12-6/30/13 | 416,760 | 18,273 | | (59,947) | 41,676 | | (2) | | | | * | | 406,916 |
| Nonpublic Text Chapter 194 | 100-034-5210-064 | 7/1/13-6/30/14 | 7,350 | | | | 7,350 | 6,734 | | | | 616 | * | | 6,733 |
| Nonpublic Text Chapter 194 | 100-034-5210-064 | 7/1/12-6/30/13 | 13,369 | | 7,473 | | | | | 7,473 | | | * | | 5,896 |
| Chapter 192 - Compensatory Education | 100-034-5120-067 | 7/1/13-6/30/14 | 6,420 | | | | 6,420 | 5,136 | | | | 1,284 | * | | 5,136 |
| Chapter 192 - Compensatory Education | 100-034-5120-067 | 7/1/12-6/30/13 | 75,749 | | 1,254 | | | | | 1,254 | | | * | | 74,495 |
| Chapter 192 - ESL | 100-034-5120-067 | 7/1/13-6/30/14 | 8,642 | | | | 8,642 | 6,285 | | | | 2,357 | * | | 8,642 |
| Chapter 193 - Supplemental Instruction | 100-034-5120-066 | 7/1/13-6/30/14 | 15,403 | | | | 15,403 | 8,742 | | | | 6,661 | * | | 15,403 |
| Chapter 193 - Supplemental Instruction | 100-034-5120-066 | 7/1/12-6/30/13 | 16,306 | | 487 | | | | | 487 | | | * | | 15,819 |
| Chapter 193 - Examination and Classification | 100-034-5120-066 | 7/1/13-6/30/14 | 12,743 | | | | 12,743 | 11,785 | | | | 958 | * | | 9,401 |
| Chapter 193 - Examination and Classification | 100-034-5120-066 | 7/1/12-6/30/13 | 26,280 | | 3,186 | | | | | 3,186 | | | * | | 23,094 |
| Chapter 193 - Corrective Speech | 100-034-5120-066 | 7/1/13-6/30/14 | 9,374 | | | | 9,374 | 6,796 | | | | 2,578 | * | | 9,374 |
| Chapter 193 - Corrective Speech | 100-034-5120-066 | 7/1/12-6/30/13 | 18,046 | | 1,879 | | | | | 1,879 | | | * | | 16,167 |
| Nonpublic Nursing | 100-034-5120-070 | 7/1/13-6/30/14 | 10,422 | | | | 10,422 | 10,422 | | | | | * | | 10,422 |
| Non Public Technology Grant | 100-034-5120-373 | 7/1/13-6/30/14 | 2,680 | | | | 2,680 | 2,460 | | | | 220 | * | | 2,460 |
| Non Public Technology Grant | 100-034-5120-373 | 7/1/12-6/30/13 | 4,934 | | 2,574 | | | | | 2,574 | | | * | | 2,360 |
| Friendly Family | FF07015 | 7/1/13-6/30/14 | 45,462 | | | | 45,462 | 45,341 | | | | 121 | * | | 45,341 |
| Friendly Family | FF07015 | 7/1/12-6/30/13 | 45,462 | 1,741 | | | | 1,729 | (12) | | | | * | | 45,450 |
| School Based Youth Service Program | 13 AMBP | 7/1/13-6/30/14 | 299,940 | | | | 299,940 | 296,920 | | | | 3,020 | * | | 296,920 |
| School Based Youth Service Program | 12 AMBP | 7/1/12-6/30/13 | 304,740 | (2,300) | | | 2,300 | (578) | (578) | | | | * | | 304,162 |
| Anti-Bullying Bill of Rights | | 7/1/13-6/30/14 | 6,931 | | | | 6,931 | | | | | 6,931 | * | | |
| | | | | 17,714 | 16,853 | | 850,205 | 872,592 | (592) | 16,853 | (30,011) | 10,072 | 14,674 * | (42,318) | 1,775,011 |
| Enterprise Fund: | | | | | | | | | | | | | | | |
| National School Lunch Program (State Share) | 100-010-3350-023 | 7/1/13-6/30/14 | 25,004 | | | | 23,253 | 25,004 | | | (1,751) | | * | | 25,004 |
| National School Lunch Program (State Share) | 100-010-3350-023 | 7/1/12-6/30/13 | 25,020 | (1,921) | | | 1,921 | | | | | | * | | 25,020 |
| National School Snack Program (State Share) | 100-010-3350-022 | 7/1/13-6/30/14 | 52,279 | | | | 49,307 | 52,279 | | | (2,972) | | * | | 52,279 |
| National School Snack Program (State Share) | 100-010-3350-022 | 7/1/12-6/30/13 | 37,690 | (3,475) | | | 3,475 | | | | | | * | | 37,690 |
| | | | | (5,396) | | | 77,956 | 77,283 | | | (4,723) | | * | | 139,993 |
| Total State Financial Assistance | | | | (1,433,575) | 16,853 | | 22,112,142 | 22,844,811 | (592) | 16,853 | (1,175,097) | 10,072 | 14,674 * | (1,058,803) | 28,275,875 |

(continue to next page)

**HACKENSACK**
**BOARD OF EDUCATION**

**Schedule of Expenditures of State Awards and Other Local Awards**

**Year ended June 30, 2014**

| State Grantor/Program Title | Grant or State Project Number | Grant Period | Award Amount | Balance at June 30, 2013: Deferred Revenue (Accts Receivable) | Balance at June 30, 2013: Due to Grantor | Carryover Amount | Cash Received | Budgetary Expenditures | Adjustments | Repayment of Prior Years' Balances | Balance at June 30, 2014: (Accounts Receivable) | Balance at June 30, 2014: Deferred Revenue/ Interfund Payable | Balance at June 30, 2014: 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 | 884 | | | | 884 | | | | | | | 4,116 |
| Fairmount PTA | | 7/1/11-6/30/12 | 2,863 | 9 | | | | | (9) | | | | | | 2,854 |
| 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 |
| | | | | (3,579) | | | | 884 | (27) | | (7,000) | 2,510 | | | 21,927 |
| Total Local Sources | | | | (3,579) | | | | 884 | (27) | | (7,000) | 2,510 | | | 31,927 |
| Total State and Local Financial Assistance | | | | $ (1,437,154) | 16,853 | | 22,112,142 | 22,845,695 | (619) | 16,853 | (1,182,097) | 12,582 | 14,674 | (1,058,803) | 28,307,802 |

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 $(11,904) for the general fund and $(21,208) 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 | $87,121 | $21,883,032 | | $21,970,153 |
| Special Revenue Fund | 3,165,568 | 848,045 | 884 | 4,014,497 |
| Food Service Fund | 1,900,373 | 77,283 | | 1,977,656 |
| Total Financial Awards | $5,153,062 | $22,808,360 | $884 | $27,962,306 |

## 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, 2014. 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, 2014.

## 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, 2014

## *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? _____ yes ___X___ none reported
2. Material weakness(es) identified? _____ yes ___X___ no

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

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

Identification of major programs:

| CFDA Number(s) | | Name of Federal Program or Cluster |
|---|---|---|
| 84.027/84.173 | (A) | IDEA, Part B-Basic/IDEA, Part B-Preschool |
| 17.259 | (B) | Project ACES |

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? ___X___ yes _____ no

# CITY OF HACKENSACK SCHOOL DISTRICT
# SCHEDULE OF FINDINGS AND QUESTIONED COSTS
# FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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

**State Awards**

Dollar threshold used to distinguish between type A and type B programs: $ 536,630

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

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

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 |
|---|---|---|
| 495-034-5120-086 | (A) | Preschool Education Aid |
| 495-034-5120-089/ 495-034-5120-078/ 495-034-5120-084/ | (A) | Special Education Categorical Aid/Equalization Aid/ Security Aid |

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

# CITY OF HACKENSACK SCHOOL DISTRICT
# SCHEDULE OF FINDINGS AND QUESTIONED COSTS
# FOR THE FISCAL YEAR ENDED JUNE 30, 2014

## *Section II - Schedule of Financial Statement Findings*

NONE

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

NONE

# CITY OF HACKENSACK SCHOOL DISTRICT
# SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
# AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
# FOR THE FISCAL YEAR ENDED JUNE 30, 2014

## Status of Prior Year Findings

There were no prior year audit findings.