

**HASBROUCK HEIGHTS  
SCHOOL DISTRICT**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR FISCAL YEAR ENDED  
JUNE 30, 2015**

**HASBROUCK HEIGHTS SCHOOL DISTRICT  
OUTLINE OF CAFR**

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## **INTRODUCTORY SECTION**

HASBROUCK HEIGHTS BOARD OF EDUCATION  
379 BOULEVARD  
HASBROUCK HEIGHTS, NEW JERSEY 07604

(201) 288-6150 TEL  
(201) 288-0289 FAX

Dina Messery  
School Business Admin/Board Secretary

January 5, 2016

Honorable President and  
Members of the Board of Education  
Hasbrouck Heights School District  
County of Bergen, New Jersey 07604

Dear Board Members:

We are pleased to present to you the Comprehensive Annual Financial Report (CAFR), of the Hasbrouck Heights School District for the fiscal year ended June 30, 2015. This CAFR includes the District's Basis Financial Statements prepared in accordance with Governmental Accounting Standards Board Statement 34. The District has adopted this new financial reporting model as required by the State of New Jersey. This new reporting model will provide all users of this document with much more useful financial and statistical information. 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. 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 financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

- 1) REPORTING ENTITY AND ITS SERVICES:** The Hasbrouck Heights School District is an independent reporting entity within the criteria adopted by the GASB as established by GASB. All funds of the District are included in this report. The Hasbrouck Heights 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 for regular and special education handicapped youngsters. The District completed the 2014-2015 fiscal year with an average daily enrollment of 1,875 students, which is a decrease of 9 students compared to the previous year's average daily enrollment. The following details the changes in the student enrollment of the Hasbrouck Heights School District over the last ten years:

### Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2015	1,875	(0.48)%
2014	1,884	(1.05)%
2013	1,904	5.43%
2012	1,806	5.55%
2011	1,711	2.95%
2010	1,662	2.91%
2009	1,615	3.14%
2008	1,565	0.58%
2007	1,556	(1.30)%
2006	1,576	0.06%

**2) ECONOMIC CONDITION AND OUTLOOK:** The Hasbrouck Heights area is experiencing a period of stable economic growth and expansion, which is expected to continue. Hasbrouck Heights is almost entirely built-out, with limited land available for further residential development. The Bergen County Abstract of Ratables has indicated a decrease in ratables over the past few years; thereby, decreasing the tax base.

**3) MAJOR INITIATIVES:** The board of education members and administrative team have decided to dedicate resources to improving the technology infrastructure of the school district with wireless access throughout all school buildings, upgrades in computer labs to be PARCC ready, alignment of all curriculum to the common core standards and the purchase of internet-based software that allow teachers to align assessments to the common core standards.

**4) 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 that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal and state financial assistance, the District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. The 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.

**5) BUDGETARY CONTROLS:** In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the General Fund, Special Revenue Fund, and Debt Service Fund. The final budget amount, as amended for the fiscal year, is reflected in the financial section.

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

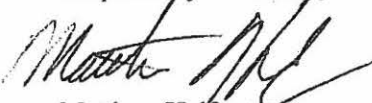
**7) CASH MANAGEMENT:** The investment policy of the District is guided in large part by State Statute as detailed in "Notes to the Financial Statements," Note 3. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUPDA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.


**8) RISK MANAGEMENT:** The Board carries various forms of insurance, including but not limited to, general liability, automobile liability and comprehensive/collision, hazard and theft insurance in property and contents, and fidelity bonds.

**9) OTHER INFORMATION:** Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of McEnerney, Brady & Company, LLC, Certified Public Accountants, was selected by the Board of Education. In addition to meeting the requirements set forth in State Statutes, the audit also was designed to meet the requirements of the Single Audit as amended and the related OMB Circular A-133 and State Treasury OMB Circular Letter 04-04. The auditor's report on the basic financial statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

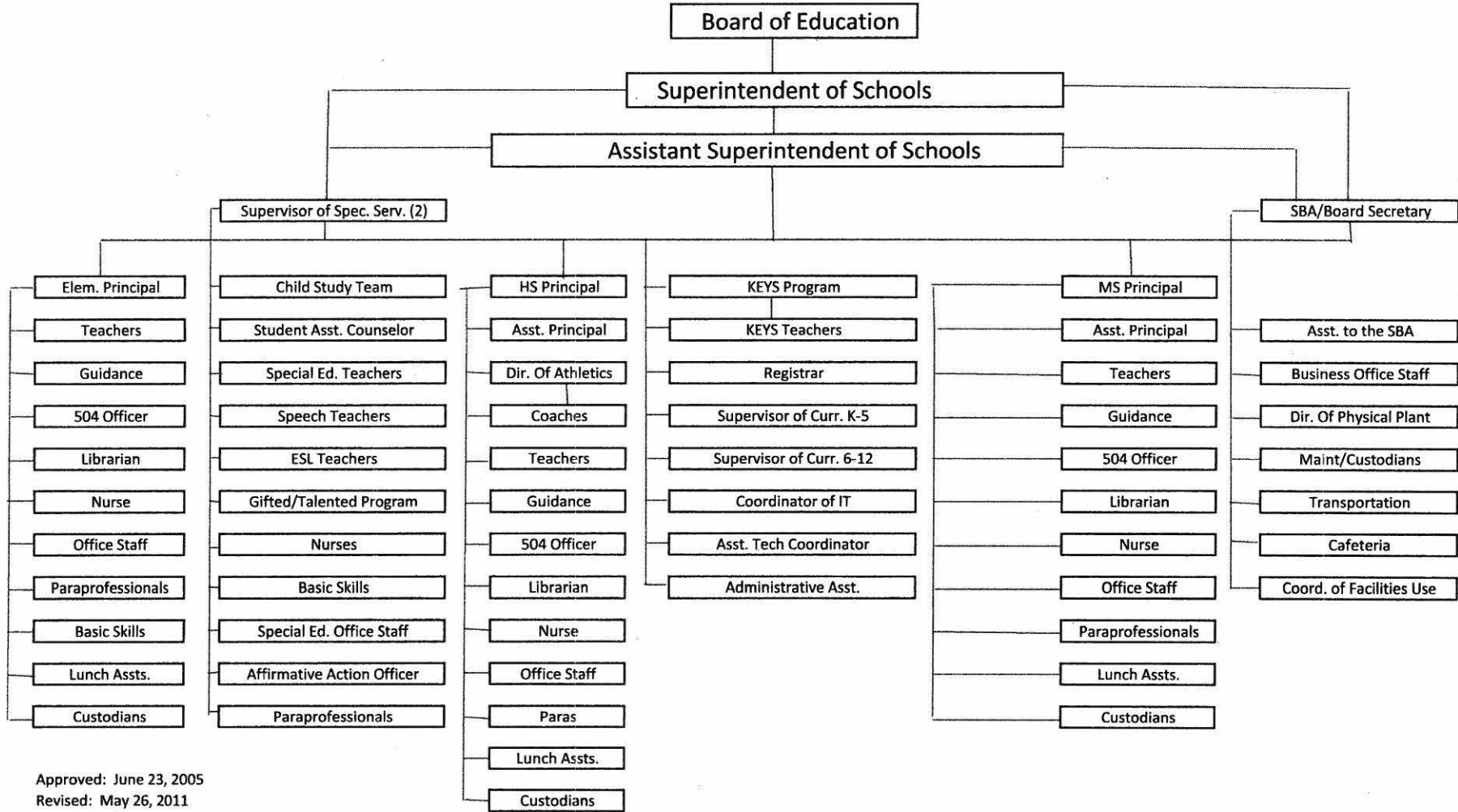
**10) ACKNOWLEDGEMENTS:** We would like to express our appreciation to the members of the Hasbrouck Heights School Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school District and, thereby, contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,

  
Matthew Helfant  
Superintendent of Schools

  
Dina Messery  
Business Admin./Board Secretary

**ORGANIZATIONAL CHART**  
 Hasbrouck Heights Public Schools



Approved: June 23, 2005  
 Revised: May 26, 2011  
 Revised: July 19, 2012

HASBROUCK HEIGHTS BOARD OF EDUCATION  
HASBROUCK HEIGHTS, NEW JERSEY

ROSTER OF OFFICIALS  
JUNE 30, 2015

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Robert Salerno– <i>President</i>	2017
Joseph Samperi - <i>Vice President</i>	2017
Debra Bruno	2017
Constance Doheny	2015
Robert LaMorte	2015
Mark Stefanelli	2015
Pat Caruso	2016
Joseph Rinke	2016
Lillian Romano	2016

Other Officials

Matthew Helfant – *Superintendent of Schools*

Dina Messery - *Board Secretary/School Business Administrator*

HASBROUCK HEIGHTS BOARD OF EDUCATION  
HASBROUCK HEIGHTS, NEW JERSEY

CONSULTANTS AND ADVISORS

**Architect**

EI Associates  
6 Ridgedale Avenue  
Cedar Knolls, New Jersey 07927

**Audit Firm**

McEnerney, Brady & Company, LLC  
293 Eisenhower Parkway, Suite 270  
Livingston, New Jersey 07039  
(A division of O'Conner Davies, LLP)

**Attorney**

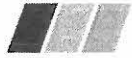
Isabel Machado, Esq.  
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Clark Parkway Place  
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Clark, NJ 07066

**Official Depository**

Valley National Bank  
1445 Valley Road  
Wayne, New Jersey 07470



**FINANCIAL SECTION**



McENERNEY, BRADY & COMPANY  
Certified Public Accountants  
A division of O'Connor Davies, LLP

## INDEPENDENT AUDITORS' REPORT

**The Honorable President and Members  
of the Board of Education  
Hasbrouck Heights School District  
County of Bergen  
Hasbrouck Heights, 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 Hasbrouck Heights School District, in the County of Bergen, State of New Jersey (the "District"), as of and for the year ended June 30, 2015 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 misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

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

An audit 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.

McENERNEY, BRADY & COMPANY  
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**The Honorable President and Members  
of the Board of Education  
Hasbrouck Heights School District  
Page 2**

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2015, 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***

In accordance with accounting principles generally accepted in the United States of America, management's discussion and analysis, pages 13 through 17, and the budgetary comparison information and long-term debt schedule of obligations under capital leases, pages 95 through 97 (collectively, "RSI"), are 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 financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the RSI in accordance with auditing principles generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information, such as the combining and individual non-major fund financial statements (this "supplemental sections") and the schedules of federal and state awards, as required by the *U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey State Office of Management and Budget Circular Letter 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying other information, such as the introductory and statistical sections, has not been subjected 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.

The information included in the supplemental sections and schedules of expenditures of federal and state awards is the responsibility of management and was 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 supplemental sections and schedules of expenditures of federal and state awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**The Honorable President and Members  
of the Board of Education  
Hasbrouck Heights School District  
Page 3**

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2015 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*McEnerney, Brady & Company*

Livingston, New Jersey  
December 21, 2015

*John Lauria*

John Lauria, RMA, PSA  
Licensed Public School Accountant #208700

**REQUIRED SUPPLEMENTARY – PART I**

**HASBROUCK HEIGHTS PUBLIC SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
UNAUDITED**

The "Management's Discussion and Analysis" is a new element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement NO. 34 - Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments issued in June 1999.

**FINANCIAL HIGHLIGHTS**

Key financial highlights for 2014-2015 are as follows:

The district general fund balance increased by \$633,430 to \$2,324,502

Out of district tuition income increased by \$100,620 to \$160,000

Total revenues increased by \$1,593,471 in comparison to revenues from June 30, 2014

Total liabilities for government activities increased by \$4,860,966 due to new pension reporting

Amount of repayment of bond loan principal was \$530,000

General revenues accounted for \$27.5 million in revenue or 84% of all revenues. Program specific revenues in the form of charges for services and sales, grants, and contributions accounted for \$5.2 million or 16% of total revenues of \$32.7 million.

Net assets increased in the enterprise fund by \$44,054 for the year ended June 30, 2015

**USING THE COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the district as a financial operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Assets and Statement of Activities provide information about the activities of the whole school district, presenting both an aggregate view of the district's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For government funds, these statements tell how services were financed in the short-term as well as what remains for the future. The fund financial statements also look at the district's most significant funds with all other non-major funds presented in total in one column.

**REPORTING THE SCHOOL DISTRICT AS A WHOLE**

**Statement of Net Assets and the Statement of Activities**

These statements include all assets, liabilities, revenues and expenses using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the district's net assets and changes in those assets. The change in net position is important because it tells the reader that, for the district as a whole, the financial position has improved or diminished due to the increase or decrease of assets, including cash and property, or liabilities, including long term indebtedness or short term accounts payable.

In the Statement of Net Assets and the Statement of Activities, the district is divided into two types of activities:

**Governmental Activities**

Includes all the district's education programs, services, administration and physical plant operations.

**Business Type Activities**

Program or functions that are conducted that require payments for goods and services.

## **REPORTING THE SCHOOL DISTRICT'S MOST SIGNIFICANT FUNDS**

### **Fund Financial Statements**

Fund financial reports provide detailed information about the District's funds. The district uses various funds to account for a multitude of financial transactions. The district's governmental funds are the General Fund, Capital Projects Fund, and Debt Service Fund. The district's business fund is the Enterprise Fund.

### **Governmental Funds**

The district's activities are reported in governmental funds, which focus of how money flows into and out of those funds and the balances left at the end of the year available for spending in the future years. These funds are reported using an accounting method called modified accrual accounting, which means cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the district's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship, or differences, between governmental activities and governmental funds is reconciled in the financial statements.

### **Enterprise Fund**

The enterprise fund uses a simpler basis of accounting than the governmental funds. While the governmental funds are strictly regulated by state laws, statutes, codes, and regulations, the enterprise fund is not. The enterprise fund is maintained on an accrual basis.

### **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.

### **The School District as a Whole**

The District's financial position is the product of several types of 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.

Table 1 provides a summary of the District's net assets on June 30, 2015

Table 1 - Net Position

**Assets**

Cash and Cash Equivalents	\$ 2,967,457
Amount to be provided for retirement of debt	-
Accounts Receivable - Net	711,139
Interfund Receivable	38,434
Capital Assets - Net	7,910,032
Contribution to Pension Plan	559,378
Total Assets	<u>\$12,186,440</u>

**Liabilities**

Cash Overdraft	\$ 233,142
Accounts Payable	342,962
Interfund Payable	38,434
Short-term Liabilities	152,913
Long-term Liabilities	14,474,469
Other Liabilities	-
Deferred Revenue	81,150
Total Liabilities	<u>\$15,323,070</u>

**Deferred Inflows of Resources**

Pension Deferrals	<u>\$ 353,215</u>
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**Net Position**

Investment in Capital Assets	\$ 845,032
Restricted	1,931,405
Unrestricted	(6,266,283)
Total Net Assets	<u>(\$3,489,846)</u>

Table 2 - Comparison of Revenues and Expenses

**Revenues**

General Revenues:	
Tax Levy	\$27,171,378
Grants and Other Entitlements	2,586,935
Other	
Miscellaneous	335,685
Total Revenues	<u>\$30,093,998</u>

**Program Expenses**

Instruction	\$12,638,888
Support Services	15,576,545
Debt Service	530,000
Depreciation & Other	1,042,630
Total Expenses	<u>\$29,788,063</u>



### Business Type Activities

The district's business type activities consist of all Enterprise Fund programs. Specifically, they are the Keys program providing before school and after school student care, summer student enrichment activities, and facilities usage fees and expenses related to community use of buildings and athletic fields. Excess revenues from these sources are partially used to offset district general obligations. This offset equates to approximately one tax point savings for taxpayers.

### The School District's Funds

The school funding laws in New Jersey call for voter approval of most school district budgets. Property taxes provided 89% of all district operating revenues in the 2014-2015 school year. Federal, state and local grants plus miscellaneous income accounted for the remaining 11%.

**Table 3 shows the distribution of all operating revenue:**

**Table 3 - Distribution of Operating Revenue by Source**

Property Taxes:	
For General Purposes	\$ 26,544,747
For Debt Service	626,631
Federal and State Aid:	
Federal and State - Non-restricted	1,606,063
Federal and State Aid - Restricted	980,872
Tuition	160,000
Other	175,685
Total	<u>\$ 30,093,998.00</u>

### General Fund Budgeting Highlights

The district's budget is prepared according to New Jersey law, statues, codes and regulations. The most significant fund is the General Fund. It accounts for most of the activities and transactions. The following is a summary of major changes from amounts budgeted vs. actual revenues or appropriations. This summary excludes payments made by the state to the pension fund or taxes on-behalf of district employees. On behalf payments amounted to \$2,636,779 for the past fiscal year.

- 1 Revenues were \$179,512 higher than anticipated due to increased income from unrestricted and miscellaneous revenues.
- 2 The district received \$61,431 in state aid for the homeless.
- 3 The district's general fund balance increased by \$626,555 to \$2,394,958

### Capital Assets

At the end of the fiscal year 2014-2015, the value of all district fixed assets before depreciation was \$13,789,354. Accumulated depreciation was \$5,879,322. Table 4 provides a breakdown of the present book value of fixed assets net of depreciation.

**Table 4 - Fixed Assets Net of Depreciation**

Land	\$3,058,776
Building and Improvements	8,783,758
Machinery and Equipment	1,946,820
Less Accumulated Depreciation	<u>(5,879,322)</u>
	<u><u>\$7,910,032</u></u>

**Contacting the District's Financial Management**

This financial report is designed to provide the District's citizens, taxpayers, parents, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Board offices at 379 Boulevard, Hasbrouck Heights, New Jersey 07604.

## **BASIC FINANCIAL STATEMENTS**

**A. DISTRICT/CHARTER SCHOOL/RENAISSANCE SCHOOL PROJECT-  
WIDE FINANCIAL STATEMENTS**

**HASBROUCK HEIGHTS SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION**  
 JUNE 30, 2015

A-1

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and equivalents	\$ 2,276,841	\$ 652,181	\$ 2,929,022
Receivables, net			
Other receivables	702,409	8,730	711,139
Restricted assets:			
Capital Reserve Account - Cash	38,434		38,434
Capital assets, net			
Nondepreciable Assets	3,058,776		3,058,776
Depreciable Assets	4,851,256		4,851,256
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Contribution to Pension Plan	559,378		559,378
	<u>\$ 11,487,094</u>	<u>\$ 660,911</u>	<u>\$ 12,148,005</u>
<b>LIABILITIES</b>			
Cash overdraft	\$ 233,142	\$	\$ 233,142
Accounts payable	298,562	44,400	342,962
Other current liabilities	434		434
Accrued interest payable	86,600		86,600
Payable to State government	65,879		65,879
Unearned revenue	14,077	67,073	81,150
Noncurrent Liabilities			
Pension liability	5,926,971		5,926,971
Due within one year	772,192		772,192
Due beyond one year	7,775,306		7,775,306
	<u>15,173,163</u>	<u>111,473</u>	<u>15,284,636</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension Deferrals	353,215		353,215
<b>NET POSITION</b>			
Net Investment in capital assets	845,032		845,032
Restricted for:			
Capital reserve	1,201,912		1,201,912
Maintenance reserve	184,504		184,504
Unassigned	(6,270,732)	549,438	(5,721,294)
	<u>(4,039,284)</u>	<u>549,438</u>	<u>(3,489,846)</u>
<b>Total Net Position</b>	<u>(4,039,284)</u>	<u>549,438</u>	<u>(3,489,846)</u>
<b>Total Liabilities, Deferred Inflows and Net Position</b>	<u>\$ 11,487,094</u>	<u>\$ 660,911</u>	<u>\$ 12,148,005</u>

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

**HASBROUCK HEIGHTS SCHOOL DISTRICT**  
**STATEMENT OF ACTIVITIES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Government Activities						
<b>Instruction:</b>						
Regular	\$ 11,118,742	\$	\$ 511,418	\$ (10,607,324)	\$	\$ (10,607,324)
Special education	3,572,400			(3,572,400)		(3,572,400)
Other special instruction	775,700			(775,700)		(775,700)
<b>Support Services:</b>						
Tuition	2,875,701		372,210	(2,503,491)		(2,503,491)
Student and instruction related services	4,236,669		67,573	(4,169,096)		(4,169,096)
School administrative services	1,232,176			(1,232,176)		(1,232,176)
General and other administrative services	940,704			(940,704)		(940,704)
Central services	428,655			(428,655)		(428,655)
Plant operations and maintenance	2,499,991			(2,499,991)		(2,499,991)
Pupil transportation	673,390		29,671	(643,719)		(643,719)
Other	250,277			(250,277)		(250,277)
Leases	264,049			(264,049)		(264,049)
Interest on long-term debt	236,038			(236,038)		(236,038)
Total Governmental Activities	<u>29,104,492</u>		<u>980,872</u>	<u>(28,123,620)</u>		<u>(28,123,620)</u>
Business-Type Activities						
Food service	508,418	360,360	142,350		(5,708)	(5,708)
Keys and other programs	417,212	468,661			51,449	51,449
Total Business-Type Activities	<u>925,630</u>	<u>829,021</u>	<u>142,350</u>		<u>45,741</u>	<u>45,741</u>
Total Primary Government	<u>\$ 30,030,122</u>	<u>\$ 829,021</u>	<u>\$ 1,123,222</u>	<u>\$ (28,123,620)</u>	<u>\$ 45,741</u>	<u>\$ (28,077,879)</u>

**HASBROUCK HEIGHTS SCHOOL DISTRICT**  
**STATEMENT OF ACTIVITIES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

A-2  
Sheet 2

	<b>Net (Expense) Revenue and Changes in Net Position</b>		
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
General Revenues and adjustments:			
Property taxes, levied for general purposes, net	\$ 26,544,747	\$	\$ 26,544,747
Taxes levied for debt service	626,631		626,631
Federal and State Aid - restricted	1,556,062		1,556,062
Tuition received	160,000		160,000
Miscellaneous income	183,688	(1,687)	182,001
Cancellation of Unfunded Capital Projects	(1,608,545)		(1,608,545)
Proceeds of Bond Sale	(1,740,000)		(1,740,000)
	25,722,583	(1,687)	25,720,896
Change in Net Position	(2,401,037)	44,054	(2,356,983)
Net Position, beginning of year - Restated	(1,638,247)	505,384	(1,132,863)
Net Position, end of year	\$ (4,039,284)	\$ 549,438	\$ (3,489,846)

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

**B. FUND FINANCIAL STATEMENTS**



**GOVERNMENTAL FUNDS**

**HASBROUCK HEIGHTS SCHOOL DISTRICT**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2015**

B-1

	<b>General Fund</b>	<b>Special Revenue Fund</b>	<b>Capital Projects Fund</b>	<b>Debt Service Fund</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>					
Cash and equivalents	\$ 2,234,187	\$	\$ 38,434	\$ 42,654	\$ 2,315,275
Receivable from State Government	344,731				344,731
Receivable from Federal Government		288,456			288,456
Interfund receivable				38,434	38,434
Other receivables	69,221				69,221
	<u>69,221</u>	<u>288,456</u>	<u>38,434</u>	<u>38,434</u>	<u>69,221</u>
Total Assets	<u>\$ 2,648,139</u>	<u>\$ 288,456</u>	<u>\$ 38,434</u>	<u>\$ 81,088</u>	<u>3,056,118</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities</b>					
Cash overdraft	\$	\$ 233,142	\$	\$	\$ 233,142
Accounts payable	275,683	22,879			298,562
Other current liabilities		434			434
Interfund payable			38,434		38,434
Payable to Federal government					-
Unearned revenue	7,500	6,577			14,077
	<u>7,500</u>	<u>6,577</u>			<u>14,077</u>
Total Liabilities	<u>323,638</u>	<u>288,456</u>	<u>38,434</u>	<u>81,088</u>	<u>650,528</u>
<b>Fund Balances:</b>					
<b>Restricted for:</b>					
Capital reserve	1,201,912				1,201,912
Maintenance reserve	184,504				184,504
Subsequent Year's Exp	247,841				247,841
Excess surplus - designated for subsequent year's expenditures					-
<b>Assigned to:</b>					
Debt service				81,088	81,088
<b>Unassigned:</b>					
General fund	474,184				474,184
	<u>474,184</u>				<u>474,184</u>
Total Fund Balances	<u>2,324,502</u>			<u>81,088</u>	<u>2,405,590</u>
Total Liabilities and Fund Balances	<u>\$ 2,648,139</u>	<u>\$ 288,456</u>	<u>\$ 38,434</u>	<u>\$ 81,088</u>	<u>\$ 3,056,118</u>

Amounts reported for *governmental activities* in the statement of net position (A-1) are different because:

Total fund balances - Governmental Funds \$ 2,405,590

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$13,789,354 and the accumulated depreciation is \$5,879,322. 7,910,032

Accrued interest is a current liability that will be paid from the debt service fund. Therefore, the liability decreases that fund balance. (86,600)

Some liabilities, including net pension obligations, are not due and payable in the current period and therefore are not reported in the funds.

Net pension liability (5,926,971)

Deferred outflows and inflows or resources related to pension are applicable to future periods and therefore are not reported in the funds.

Deferred outflows of resources related to pensions 559,378

Deferred inflows of resources related to pensions (353,215)

Long-term liabilities, including capital leases payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. (8,547,498)

Net assets of governmental activities \$ (4,039,284)

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

**HASBROUCK HEIGHTS SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

B-2

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES</b>					
Local Sources					
Local Tax Levy	\$ 26,544,747	\$	\$	\$ 626,631	\$ 27,171,378
Tuition Charges	160,000				160,000
Interest	8,770		21		8,791
Rentals	1,150				1,150
Refund Prior Year Expenditure	26,957				26,957
Miscellaneous	138,787				138,787
Total - Local Sources	26,880,410		21	626,631	27,507,062
On-behalf Payments	2,636,779				2,636,779
Local Sources		50,000			50,000
State Sources	1,417,889	313,146		188,174	1,919,209
Federal Sources		617,726			617,726
Total Revenues	30,935,078	980,872	21	814,805	32,730,776
<b>EXPENDITURES</b>					
Current					
Instruction					
Regular Instruction	8,597,979	511,418			9,109,397
Special Education Instruction	2,906,417				2,906,417
Other Special Instruction	623,074				623,074
Total Instruction	12,127,470	511,418			12,638,888
Support Services and Undistributed Costs					
Tuition	2,503,491	372,210			2,875,701
Student and Instruction Related Services	3,577,338	67,573			3,644,911
General Administrative Services	654,037				654,037
School Administrative Services	974,595				974,595
Central Services	308,020				308,020
Other Administrative Services	114,855				114,855
Plant Operations and Maintenance	2,089,633				2,089,633
Pupil Transportation	660,067				660,067
Unallocated Benefits	4,195,448	29,671			4,225,119
On-behalf Payments	2,636,779				2,636,779
Debt Service					
Principal				530,000	530,000
Interest and Other Charges				272,077	272,077
Transfer to Charter School	29,608				29,608
Capital Lease Payments					
Principal	368,907				368,907
Interest and Other Charges	13,336				13,336
Capital Outlay	388,310				388,310
Total Expenditures	30,641,893	980,872		802,077	32,424,842
Excess of Revenues over Expenditures	293,186		21	12,728	305,935
Other Financing Sources (Uses):					
Bond Issued			1,740,000		1,740,000
Transfer to Debt service Fund			(1,740,000)		(1,740,000)
Write off of uncollectible Accounts Receivable	(19,963)				(19,963)
Write off of accounts payable adjustments	10,735				10,735
Amount due to State due to Monitoring Report	(32,770)				(32,770)
Capital Leases (non-budgeted)	382,243				382,243
Transfer from Capital Projects Fund			(32,042)	32,042	
Cancellation of Unfunded Capital Projects			(1,608,545)		(1,608,545)
Total other financing sources and uses	340,245		(1,640,587)	32,042	(1,268,300)
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and other Uses	633,430		(1,640,566)	44,770	(962,366)
Fund Balances, Beginning of Year	1,691,072		1,640,566	36,318	3,367,956
Fund Balances, End of Year	\$ 2,324,502	\$	\$	\$ 81,088	\$ 2,405,590

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

**HASBROUCK HEIGHTS SCHOOL DISTRICT**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE WITH THE DISTRICT-WIDE STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Total net change in fund balances - governmental funds (B-2) \$ (962,366)

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.

Capital Outlays	\$ 1,260,650	
Depreciation Expense/ Adjustment to capital assets	<u>(1,120,178)</u>	140,472

Repayment of bond principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the statement of net assets and does not affect the statement of activities.

530,000

Issuance of Bonds

(1,740,000)

Repayment of Lease Principal is 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:

Issued and Adjusted	382,236	
Matured	<u>(118,187)</u>	(264,049)

Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.

33,600

Governmental funds report district pension contributions as expenditures.

However in the statement of activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.

District pension contributions	\$ 260,972	
Cost of benefits earned net of employee contributions	<u>(373,154)</u>	(112,182)

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 the financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-); when the paid amount exceeds the earned amount, the difference is an addition to the reconciliation (+).

(26,512)

Change in net assets of governmental activities (A-2)

\$ (2,401,037)

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

**PROPRIETARY FUNDS**

**HASBROUCK HEIGHTS SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

B-4

	<b>Business-Type Activities - Enterprise Funds</b>			<b>Total Enterprise</b>
	<b>Keys Program</b>	<b>Other Programs</b>	<b>Food Service</b>	
<b>ASSETS</b>				
Current Assets				
Cash and equivalents	\$ 426,695	\$ 102,670	\$ 122,817	\$ 652,181
Accounts receivable			8,730	8,730
Total Current Assets	<u>426,695</u>	<u>102,670</u>	<u>131,546</u>	<u>660,911</u>
<b>LIABILITIES</b>				
Current Liabilities				
Accounts payable	\$ 4,325	\$	\$ 40,075	\$ 44,400
Unearned revenue	67,073			67,073
Total Current Liabilities	71,398		40,075	111,473
<b>NET POSITION</b>				
Unassigned	<u>355,297</u>	<u>102,670</u>	<u>91,471</u>	<u>\$ 549,438</u>
Total Liabilities and Net Assets	<u>\$ 426,695</u>	<u>\$ 102,670</u>	<u>\$ 131,546</u>	<u>\$ 660,911</u>

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

**HASBROUCK HEIGHTS SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

B-5

	Business-Type Activities - Enterprise Fund			Total Enterprise
	Keys Program	Other Programs	Food Service	
Operating Revenues:				
Charges for services:				
Daily sales - reimbursable programs	\$ 444,888	\$ 23,774	\$ 360,360	\$ 360,360
Daily sales - non-reimbursable programs				468,662
<b>Total Operating Revenues</b>	<b>444,888</b>	<b>23,774</b>	<b>360,360</b>	<b>829,022</b>
Operating Expenses				
Salaries and wages	244,197	23,650		267,847
Employee benefits	16,408	1,846		18,254
Other purchased professional services			9,760	9,760
Utilities	30,164			30,164
Rent	48,000			48,000
Supplies and materials	52,105	242	498,659	551,006
Miscellaneous		600		600
<b>Total Operating Expenses</b>	<b>390,874</b>	<b>26,338</b>	<b>508,418</b>	<b>925,631</b>
<b>Operating Income (Loss)</b>	<b>54,013</b>	<b>(2,564)</b>	<b>(148,058)</b>	<b>(96,609)</b>
Nonoperating Revenues				
State Sources			4,579	4,579
Federal Sources			137,772	137,772
<b>Total Nonoperating Revenues</b>			<b>142,350</b>	<b>142,350</b>
<b>Change in Net Position</b>	<b>54,013</b>	<b>(2,564)</b>	<b>(5,707)</b>	<b>45,742</b>
Net Position, Beginning of Year	300,428	107,777	97,179	505,383
Net Position, - Adjustments	856	(2,543)		(1,687)
<b>Net Position, End of Year</b>	<b>\$ 355,297</b>	<b>\$ 102,670</b>	<b>\$ 91,471</b>	<b>\$ 549,438</b>

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

**HASBROUCK HEIGHTS SCHOOL DISTRICT**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

B-6

	<b>Business-Type Activities - Enterprise Funds</b>			
	<b>Keys Program</b>	<b>Other Programs</b>	<b>Food Service</b>	<b>Total Enterprise</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	\$ 511,961	\$ 23,774	\$ 360,360	\$ 896,095
Salaries and benefits	(260,605)	(25,496)		(286,101)
Recognition of prior years unearned revenue	(74,072)			(74,072)
Payments to suppliers	(132,758)	(842)	(468,343)	(601,943)
Writeoff of Accounts payable	856			856
	<u>45,382</u>	<u>(2,564)</u>	<u>(107,983)</u>	<u>(65,165)</u>
Net Cash Provided By (Used In) Operating Activities				
<b>CASH FLOWS FROM NON CAPITAL FINANCING ACTIVITIES</b>				
Federal and State sources			141,561	141,561
			<u>141,561</u>	<u>141,561</u>
Net Cash Provided by Non Capital Financing Activities				
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Transfer to general fund		(2,543)		(2,543)
		<u>(2,543)</u>		<u>(2,543)</u>
Net Cash Used in Investing Activities				
Net Increase (Decrease) in Cash and Cash Equivalents	45,382	(5,107)	33,579	73,853
Cash and cash equivalents, beginning of year	381,313	107,777	89,238	578,328
Cash and cash equivalents, end of year	<u>\$ 426,695</u>	<u>\$ 102,670</u>	<u>\$ 122,817</u>	<u>\$ 652,181</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used In) Operating Activities:</b>				
Operating Income (Loss)	54,013	(2,564)	(148,058)	(96,609)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities				
Increase (Decrease) in Unearned Revenue	(6,999)			(6,999)
Increase (Decrease) in Accounts Payable	(1,633)		40,075	38,442
Total Adjustments	<u>(8,632)</u>		<u>40,075</u>	<u>31,443</u>
Net Cash Provided By (Used In) Operating Activities	<u>\$ 45,382</u>	<u>\$ (2,564)</u>	<u>\$ (107,983)</u>	<u>\$ (65,165)</u>

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



**FIDUCIARY FUNDS**

**HASBROUCK HEIGHTS SCHOOL DISTRICT**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

B-7

	<u>Private Purpose Scholarship Funds</u>	<u>Student Activity</u>	<u>Payroll Agency</u>	<u>Total Agency Funds</u>
<b>ASSETS</b>				
Cash	<u>\$ 70,292</u>	<u>\$ 100,037</u>	<u>\$ 231,449</u>	<u>\$ 401,778</u>
<b>LIABILITIES</b>				
Payroll Deductions and Withholdings Due to Student Groups	<u>\$</u>	<u>\$ 100,037</u>	<u>\$ 231,449</u>	<u>\$ 231,449</u> <u>100,037</u>
Total Liabilities	<u>\$</u>	<u>\$ 100,037</u>	<u>\$ 231,449</u>	<u>\$ 331,486</u>
<b>NET ASSETS</b>				
Reserved for Scholarships	<u>\$ 70,292</u>			<u>\$ 70,292</u>

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

**HASBROUCK HEIGHTS SCHOOL DISTRICT**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30,2015**

B-8

	<b>Private Purpose Scholarship Fund</b>
<b>ADDITIONS</b>	
Investment earnings:	
Interest	24
<b>DEDUCTIONS</b>	
Scholarships awarded	2,250
Change in net position	(2,226)
Net position, beginning of year	72,518
Net position, end of year	\$ 70,292

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

**HASBROUCK HEIGHTS SCHOOL DISTRICT  
STUDENT ACTIVITY AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

B-9

	<u>Balance July 1, 2014</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance, June 30, 2015</u>
Elementary Schools:				
Euclid	\$ 6,522	\$ 16,312	\$ 16,883	\$ 5,951
Lincoln	2,899	27,955	17,155	13,699
High School	82,801	275,321	278,529	79,592
Athletic account	<u>332</u>	<u>35,600</u>	<u>35,138</u>	<u>794</u>
Total All Schools	<u>\$ 92,554</u>	<u>\$ 355,188</u>	<u>\$ 347,705</u>	<u>\$ 100,037</u>

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

**HASBROUCK HEIGHTS SCHOOL DISTRICT  
PAYROLL AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

B-10

	<u>Balance July 1, 2014</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance, June 30, 2015</u>
<b>ASSETS:</b>				
Cash and cash equivalents	\$ 240,555	\$ 8,681,344	\$ 8,690,451	\$ 231,449
Total assets	<u>\$ 240,555</u>	<u>\$ 8,681,344</u>	<u>\$ 8,690,451</u>	<u>\$ 231,449</u>
<b>LIABILITIES:</b>				
Payroll deductions and withholdings	\$ 240,555	\$ 8,681,344	\$ 8,690,451	\$ 231,449
Total liabilities	<u>\$ 240,555</u>	<u>\$ 8,681,344</u>	<u>\$ 8,690,451</u>	<u>\$ 231,449</u>

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

**NOTES TO THE FINANCIAL STATEMENTS**

# HASBROUCK HEIGHTS SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2015

### 1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

The Hasbrouck Heights School District (the "District") is a Type II District located in the County of Bergen, State of New Jersey. As a Type II District, the District functions independently through a Board of Education (the "Board"). The Board is comprised of nine members elected to three-year terms. The purpose of the District is to educate students in grades K-12. The District had an approximate enrollment at June 30, 2015 of 1,900 students.

A reporting entity is comprised of the primary government, component units, and other organizations that are included to insure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the District. For the District, this includes general operations, food service and student related activities of the District.

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 District holds the corporate powers of the organization
- . the District appoints a voting majority of the organization's board
- . the District is able to impose its will on the organization
- . the organization has the potential to impose a financial benefit/burden on the District
- . there is a fiscal dependency by the organization on the District

Based on the aforementioned criteria, the District has no component units.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the 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 most significant of the District's accounting policies are described below.

#### **Basis of Presentation**

The District's basic financial statements consist of government-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.

#### **Government-Wide Financial Statements**

The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

The statement of net position presents the financial condition of the governmental activities of the District at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the District's governmental activities.

# HASBROUCK HEIGHTS SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2015

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

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 District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

#### **Fund Financial Statements**

During the year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance.

Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column.

#### **Fund Accounting**

The District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts.

#### **Governmental Funds**

Governmental funds are those through which most governmental functions typically 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 District's major governmental funds:

**General Fund** - The General Fund is the general operating fund of the District. 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 and non-instructional equipment which are classified in the Capital Outlay sub-fund.

As required by the New Jersey State Department of Education ("DOE"), the District includes budgeted Capital Outlay in this fund. Generally accepted accounting principles 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.



## HASBROUCK HEIGHTS SCHOOL DISTRICT

### NOTES TO FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2015

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

**Special Revenue Fund** - The Special Revenue Fund is used to account for the proceeds of specific revenue from the 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 temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

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

#### **Proprietary Fund Type**

The focus of Proprietary Fund measurement is upon determination of net income, financial position and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the Proprietary Fund of the District.

**Enterprise Fund** - The Enterprise Fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the District 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 District 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 District's Enterprise Fund is comprised of the Food Service Fund, After School Program and other Minor Funds.

All Proprietary Funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities, whether current or noncurrent, associated with their activity are included on their balance sheets. Their reported fund equity (net total position) is segregated into contributed capital and unreserved retained earnings, if applicable. Proprietary Fund type operating statements present increases (revenues) and decreases (expenses) in net total position.

#### **Fiduciary Funds**

Fiduciary Fund reporting focuses on net position and changes in net position. They are used to account for assets held in a trustee or agency capacity for others and therefore cannot be used to support the District's own programs. There are four fiduciary fund types - pension (and other employee benefit) trust funds, investment trust funds, private-purpose trusts and agency funds. The overarching rule for these funds is that they should never be used to report resources that can be used for programs of the reporting district.

## HASBROUCK HEIGHTS SCHOOL DISTRICT

### NOTES TO FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2015

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

**Unemployment Insurance Trust ("SUI Fund")** - The SUI Fund is an employee benefit trust fund which accounts for resources held and administered, while acting in a fiduciary capacity for individuals or other government agencies. Assets are held in trust for members of the defined contribution plan.

**Private Purpose Scholarship and Partnership Program** - These are a private-purpose trust funds under which principal and income benefit individuals, private organizations or other governments. It is a default fund type for assets held in trust for others outside the reporting district.

**Agency Funds** - Agency Funds are used to account for the assets that the District holds on behalf of others as their agent. These funds are custodial in nature and do not involve measurement of results of operations. Agency Funds include payroll and student activities funds.

#### **Measurement Focus**

##### **Government-Wide Financial Statements**

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and liabilities associated with the operation of the District are included in the Statement of Net Position.

##### **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 government-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.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total position) is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total position.

Fiduciary funds are reported using the economic resources measurement focus.

## HASBROUCK HEIGHTS SCHOOL DISTRICT

### NOTES TO FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2015

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

##### **Basis of Accounting**

The modified accrual basis of accounting is used for measuring financial position and operating results of all governmental fund types, expendable trust funds and agency funds. Under the modified accrual basis of accounting, another comprehensive basis of accounting other than accounting principles generally accepted in the United States of America, revenues are recognized when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. State equalization monies are recognized as revenue during the period in which they are appropriated. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recognized in the accounting period in which the fund liability is incurred, except for principal and interest on general long-term debt, which are recorded when due.

Ad Valorem (Property) Taxes are susceptible to accrual and, under New Jersey State Statute, a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available.

The District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be an "accounts receivable".

In its accounting and financial reporting, the District follows the pronouncements of the GASB.

The accrual basis of accounting is used for measuring financial position and operating results of proprietary fund types and nonexpendable trust funds. Under this method, revenues are recognized in the accounting period in which they are earned and expenses are recognized when they are incurred.

##### **Budgets/Budgetary Control**

Annual appropriated budgets are prepared in the spring of each year for the General, Special Revenue and Debt Service Funds. The budgets are submitted to the County Office for approval and are voted upon at the annual school election on the third Tuesday in April. 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. 6:20-2A.2(m)1. Transfers of appropriations may be made by Board resolution at any time during the fiscal year. The transfer of appropriations was changed under N.J.S.A. 1701. Any transfers of advertised line item appropriations over 10% must be approved by the County Office and the State of New Jersey Department of Education.

**HASBROUCK HEIGHTS SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015**

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

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

Explanation of Differences Between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures Fund	General Fund	Special Revenue
Sources/Inflows of Resources:		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule.	\$ 30,928,203	\$ 980,872
Difference - Budget-to-GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures and the related revenue is recognized.		
2013-2014 State aid payment recognized in 2014-2015 for GAAP statements.	77,331	
State Aid payment recognized for budgetary purposes not recognized for GAAP statements.	(70,456)	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	\$ 30,935,078	\$ 980,872
Uses/Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule.	\$ 30,634,207	\$ 980,872
Difference - Budget-to-GAAP:		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund expenditures, and changes in fund balances - balances - governmental funds.	\$ 30,634,207	\$ 980,872

## HASBROUCK HEIGHTS SCHOOL DISTRICT

### NOTES TO FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2015

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

##### 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 District has received advances, are reflected in the balance sheet as deferred revenues at fiscal year end.

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

##### 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 to the types of investments and types of financial institutions they may invest in. N.J.S.A. 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

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

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

##### Tuition Receivable

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

##### Tuition Payable

Tuition charges for the fiscal years 2013-14 and 2014-15 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.



# HASBROUCK HEIGHTS SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2015

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

#### Short-Term Interfund Receivables/Payables

Short-term interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund, in the District and that are due within one year.

#### Capital Assets

General capital assets result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position, but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received.

The District maintains a capitalization threshold of \$2,000. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

All reported capital assets, except for land, are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets.

Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings and Improvements	20 - 50 Years
Furniture and Equipment	5 - 25 Years
Vehicles	8 - 12 Years

#### Compensated Absences

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

The total sick leave and vacation leave liabilities are reported on the government-wide financial statements.

For governmental fund financial statements, the current portion of unpaid compensated absences is in the amount expected to be paid using expendable available resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The noncurrent portion of the liability is not reported.

In proprietary and similar trust funds, compensated absences are recorded as an expense and liability of the fund that will pay for them.

## HASBROUCK HEIGHTS SCHOOL DISTRICT

### NOTES TO FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2015

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

##### **Accrued Liabilities and Long-Term Obligations**

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

In general, 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 governmental funds. However, the noncurrent portion of capital leases, compensated absences and loans payable that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable, available financial resources.

##### **Net Position**

Net position represents the difference between assets and liabilities. Net investment in capital assets, 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 District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

##### **Unearned Revenue**

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

##### **Fund Equity**

Reserves represent those portions of fund equity not available for appropriation for expenditure or legally segregated for a specific future use. Subsequent year fund balances represent plans for future use of financial resources.

##### **Fund Balance**

The State Department of Education has established a policy of classifying fund balances in accordance with GASB #54:

**Committed Fund Balance** – amounts constrained to specific purposes by the DOE itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the DOE takes the highest level action to remove or change the constraint. Presently committed are funds Designated for Subsequent Year's Expenditures and Excess Surplus.

**Assigned Fund Balance** – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body which the governing body delegates the authority.

**Restricted** – includes amounts that can be spent only for the specific purposes stipulated by external resource providers or through enabling legislation. Effectively, restrictions may be changed or lifted only with the consent of the provider. The Permanent Fund includes restricted fund balance.

## HASBROUCK HEIGHTS SCHOOL DISTRICT

### NOTES TO FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2015

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

Unassigned Fund Balance – amounts that are available for any purpose; these amounts are reported only in the General and Debt Service Funds.

The DOE has the authority to express intended use resources in the assignment and restriction of fund balance.

#### **Proprietary Funds Revenues and Expenses**

Proprietary Funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with a Proprietary Fund's principal ongoing operations. The principal operating revenues of the District Enterprise Fund the Food Service, are charges to customers for sales of food service. Operating expenses for Enterprise Funds include the cost of sales and services, administrative expense and depreciation on Capital Assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

#### **Rebatable Arbitrage**

Rebatable arbitrage results from investing the proceeds of borrowed funds either directly or indirectly into investments that are higher in yield than the bond yield incurred on the borrowed funds. In accordance with GASB 34, rebatable arbitrage is treated like a claim or judgment. All interest income is reported as revenue of the capital projects fund. The liability, if any, is recorded in the "Statement of Net Position".

#### **Non-Monetary Transactions**

Commodities received under the Federal Food Distribution Program are received by the District and are recorded as nonoperating revenue when received in the food service enterprise fund at market value. The use of the commodities is included in cost of sales.

#### **Allocation of 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. Employee benefits, including the employer's share of social security, workers compensation and medical and dental benefits, are allocated based on salaries of that program. Depreciation expense, where practicable, is specifically identified by function and is included in the direct expense column of the Statement of Activities.

Depreciation expense that could not be attributed to a specific function is reported separately on the Statement of Activities. No expenses were allocated as "Indirect Expenses".

#### **Extraordinary and Special Items**

Extraordinary items are transactions or events that are unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence. Neither of these types of transactions occurred during the fiscal year.



## HASBROUCK HEIGHTS SCHOOL DISTRICT

### NOTES TO FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2015

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

##### Accounting Pronouncements

GASB has issued the following statements:

**GASB Statement No. 77, *Tax Abatement Disclosures***

Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2015.

**GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments***

Effective Date: The provisions in Statement 76 are effective for reporting periods beginning after June 15, 2015. Earlier application is encouraged.

**Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions***

Effective Date: The provisions in Statement 75 are effective for fiscal years beginning after June 15, 2017. Earlier application is encouraged.

**Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans***

Effective Date: The provisions in Statement 74 are effective for fiscal years beginning after June 15, 2016. Earlier application is encouraged.

**Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68***

Effective Date: The provisions in Statement 73 are effective for fiscal years beginning after June 15, 2015—except those provisions that address employers and governmental non-employer contributing entities for pensions that are not within the scope of Statement 68, which are effective for fiscal years beginning after June 15, 2016. Earlier application is encouraged.

**Statement No. 72, *Fair Value Measurement and Application***

Effective Date: The requirements of this Statement are effective for financial statements for reporting periods beginning after June 15, 2015. Earlier application is encouraged.

**Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68***

Effective Date: The provisions of this Statement should be applied simultaneously with the provisions of Statement 68.

**Statement No. 70, *Accounting and Financial Reporting for Non-exchange Financial Guarantees***

Effective Date: The provisions of Statement 70 are effective for financial statements for reporting beginning after June 15, 2013. Earlier application is encouraged.

**Statement No. 69, *Government Combinations and Disposals of Government Operations***

Effective Date: The provisions of Statement 69 are effective for government combinations and disposals of government operations occurring in financial reporting periods beginning after December 15, 2013, and should be applied on a prospective basis. Early application is encouraged.

HASBROUCK HEIGHTS SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The State Department of Education has no provided guidance on these statements as of issuance date of this report.

3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents include petty cash, change funds, amounts in deposits, and short-term investments with original maturities of three months or less.

Investments are stated at cost, which approximates market. The District classifies certificates of deposit that have original maturity dates of more than three months but less than 12 months from the date of purchase, as investments. The District is in compliance with GASB Statement No. 3, as amended by GASB Statement No. 40.

**Deposits**

New Jersey statutes require that school districts deposit public funds in public depositories located in New Jersey that are insured by the Federal Deposit Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed depository insurance limits as follows:

The market value of the collateral must equal at least 5% of the average daily balance of collected public funds on deposit.

In addition to the above collateral requirement, if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

All collateral must be deposited with the Federal Reserve Bank of New York, the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

As of June 30, 2015, cash and cash equivalents on deposit of the District consisted of the following:

Checking Accounts, Interest Bearing	<u>\$ 4,051,627</u>
-------------------------------------	---------------------

**Investments**

New Jersey statutes permit the School District to purchase the following types of securities:

- Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America. This includes instruments such as Treasury bills, notes and bonds.
- Government money market mutual funds.

## HASBROUCK HEIGHTS SCHOOL DISTRICT

### NOTES TO FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2015

#### 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (continued)

- Any federal agency or instrumentality obligation authorized by Congress that matures within 397 days from the date of purchase, and has a fixed rate of interest not dependent on any index or external factors.
- Bonds or other obligations of the school district or local unit which the school district is a part.
- Any other obligations with maturities not exceeding 397 days, as permitted by the Division of Investments, New Jersey State Department of Treasury.
- Local government investment pools.
- New Jersey State Cash Management Fund.
- Repurchase agreements of fully collateralized securities, subject to special conditions.

As of June 30, 2015, the District did not have any investments on hand.

#### 4. CAPITAL RESERVE/MAINTENANCE ACCOUNT

A capital reserve account was established by the District by inclusion of \$1.00 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the Governmental Fund and its activity is included in the General Fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the DOE, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23.A-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.

Beginning balance, July 1, 2014	<u>\$ 700,912</u>
Ending balance, June 30, 2015	<u>\$ 1,201,912</u>

Funds were transferred in as of June 17, 2014. The withdrawals from the capital reserve were for use in a DOE approved facilities project, consistent with the District's LRFP.

A maintenance reserve account was established in the amount of \$126,287 on June 21, 2012. The balance as of June 30, 2015 is \$184,504.

**HASBROUCK HEIGHTS SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015**

**5. CAPITAL ASSETS**

The following schedule is a summarization of the changes in capital assets by source for the fiscal year ended June 30, 2015:

	<u>Balance June 30, 2014</u>	<u>Additions/ Adjustments</u>	<u>Balance June 30, 2015</u>
Capital Assets not Being Depreciated			
Land	\$ 3,058,776	\$	\$ 3,058,776
Capital Assets Being Depreciated			
Building & Site Improvements	8,589,748	194,010	8,783,758
Equipment	<u>880,180</u>	<u>1,066,640</u>	<u>1,946,820</u>
Total Capital Assets Being Depreciated	<u>9,469,928</u>	<u>1,260,650</u>	<u>10,730,578</u>
Total Assets - Historical Cost	12,528,704	1,260,650	13,789,354
Less: Accumulated Depreciation	<u>(4,759,144)</u>	<u>(1,120,178)</u>	<u>(5,879,322)</u>
Capital Assets - Net	<u>\$ 7,769,560</u>	<u>\$ 140,472</u>	<u>\$ 7,910,032</u>

Net Capital Assets reflect an independent appraisal as of the end of the 2014-15 school year.

**6. LONG-TERM DEBT**

During the fiscal year ended June 30, 2015, the following changes occurred in liabilities reported in long-term debt:

	<u>Balance June 30, 2014</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2015</u>
Bonds Payable	\$ 5,855,000	\$ 1,740,000	\$ 530,000	\$ 7,065,000
Capital Leases	135,474	382,236	118,187	399,523
Pension Liability		5,926,971		5,926,971
Compensated Absences Payable	<u>1,056,463</u>	<u>26,512</u>		<u>1,082,975</u>
	<u>\$ 7,046,937</u>	<u>\$ 8,075,719</u>	<u>\$ 648,187</u>	<u>\$ 14,474,469</u>

## HASBROUCK HEIGHTS SCHOOL DISTRICT

### NOTES TO FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2015

#### 6. LONG-TERM DEBT (continued)

##### Bonds Payable

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

The proceeds from these bonds were used to finance the construction of additions and renovations to the Euclid Elementary School, the Lincoln Elementary School, the Hasbrouck Heights Junior High School, including construction of a full size gymnasium at the Junior Senior High School, and acquisition and installation of furnishings and equipment and site work.

Some of these bonds were retired and refunded in the June 30, 2005 fiscal year, as explained further in the next section.

During the fiscal year ended June 30, 2005, the Board voted and authorized the issuance of Refunding School Bonds in the amount of \$8,370,000.

The purpose of the Bonds is to (i) advance refund all of the \$7,610,000 aggregate principal amount of School Bonds of the Board dated August 1, 1998, originally issued in the principal amount of \$9,650,000 maturing on or after August 15, 2009 (the "1998 Refunded Bonds") and callable on or after August 15, 2008 (the "1998 Redemption Date"), a 100% of par (the "1998 Redemption Price") plus unpaid accrued interest to the 1998 Redemption Date, (ii) advance refund of all of the \$357,000 aggregate principal amount of School Bonds of the Board dated January 1, 1999, originally issued in the principal amount of \$772,000, maturing on or after August 15, 2009 (the "1999 Refunded Bonds" and together with the 1998 Refunded Bonds, the "Refunded Bonds") and callable on or after August 15, 2008 at 100% of par, plus unpaid accrued interest to the 1999 Redemption Date and (iii) pay the costs of issuance associated with the Bonds.

A portion of the proceeds of the Bonds were deposited upon delivery thereof in an escrow account for the Bonds with The Bank of New York; West Paterson, New Jersey (the "Escrow Agent") and such proceeds will be invested in direct non-callable obligations of the United States of America, the principal of which, together with cash and any investments earnings thereon, will be sufficient to pay, when due, the interest on the Refunded Bonds to the Redemption Date and the principal of and redemption premium, if any, on the Refunded Bonds on the Redemption Date. The Board will give irrevocable instructions to the Escrow Agent on the delivery date to have the Refunded Bonds called for redemption on their Redemption Date.

On July 1, 2014 The Board issued \$1,740,000 of serial bonds with interest rates between 2.00% and 2.5% with payment due through 2024. This bonds were used to pay off short term notes issued in prior years for capital improvements.

**HASBROUCK HEIGHTS SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015**

**6. LONG-TERM DEBT (continued)**

The total amount of principal and interest due annually on the two issues of serial bonds outstanding is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
June 30, 2016	\$ 645,000	\$ 226,957	\$ 871,957
June 30, 2016	675,000	205,157	880,157
June 30, 2017	700,000	182,406	857,406
June 30, 2018	725,000	158,807	858,807
June 30, 2019	755,000	134,256	859,256
June 30, 2020	790,000	108,172	863,172
June 30, 2021	820,000	80,538	870,538
June 30, 2022	860,000	51,300	871,300
June 30, 2023	895,000	19,812	879,812
June 30, 2024	200,000	2,500	897,500
	<u>\$ 7,065,000</u>	<u>\$ 1,169,905</u>	<u>\$ 8,234,905</u>

**Bonds Authorized but Not Issued**

As of June 30, 2015, there were no bonds or notes authorized but not issued.

**Capital Leases Payable**

The District is leasing several copiers and computer equipment under capital leases. The following is a schedule of the future minimum lease payments under these capital leases and the net minimum lease payments at June 30, 2015.

2016	\$ 138,643
2017	105,845
2018	77,410
2019	77,400
2020	25,070
Total Minimum Lease Payments	<u>424,368</u>
Less: Amount Representing	
Interest Expense	24,845
Principal Payments Due	<u>\$ 399,523</u>

**Short Term Notes Payable:**

On August 15, 2013, the District entered into a short term note agreement for the purpose of funding certain capital projects. The note was issued in the amount of \$2,475,000, bearing an interest rate of 1.25% per annum and matured on August 15, 2014. These notes were retired with the above bond issue.



## HASBROUCK HEIGHTS SCHOOL DISTRICT

### NOTES TO FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2015

#### 7. PENSION PLANS

##### Description of Plans

All required employees of the District are covered by either the Public Employees' Retirement System ("PERS") or the Teachers' Pension and Annuity Fund ("TPAF"), which have been established by State statute and are administered by the New Jersey Division of Pension and Benefits (the "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, P. O. Box 295, Trenton, New Jersey 08625.

##### Teachers' Pension and Annuity Fund (TPAF)

The TPAF 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 TPAF 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 noncontributing 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 DOE who have titles that are unclassified, professional and certified.

##### Public Employees' Retirement System (PERS)

The 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 PERS 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.

##### Vesting and Benefit Provisions

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

Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

**HASBROUCK HEIGHTS SCHOOL DISTRICT**

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015

**7. PENSION PLANS (continued)**

**Significant Legislation**

During the year ended June 30, 1997, legislation was enacted (Chapter 114, P.L. 1997) authorizing the New Jersey Economic Development Authority to issue bonds, notes or other obligations for the purpose of financing, in full or in part, the State of New Jersey's portion of the unfunded accrued liability under the State of New Jersey retirement systems. Additional legislation enacted during the year ended June 30, 1997 (Chapter 115, P.L. 1997) changed the asset valuation method from market related value to full-market value. This legislation also contained a provision to reduce the employee contribution rate by 2 of 1% to 4.5% for calendar years 1998 and 1999, and to allow for a reduction in the employee's rate after calendar year 1999, providing excess valuation assets are available. The legislation also provided that the Districts' normal contributions to the Fund may be reduced based on the revaluation of assets. Due to recognition of the bond proceeds and the change in asset valuation method as a result of enactment of Chapters 114 and 115, all unfunded accrued liabilities were eliminated, except for the unfunded liability for local early retirement incentive benefits, accordingly, the pension costs for PERS and TPAF were reduced.

**Contribution Requirements**

The contribution policy is set by New Jersey State statutes and, in most retirement systems, contributions are required by active members and contribution employers. Plan member and employer contributions may be amended by State of New Jersey legislation.

The various pension funds provide for employee contributions based on percentages ranging from 3% to 6.5% increasing to 7.5% over the next seven years of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both PERS and TPAF. 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 premium.

During the year ended June 30, 2014 for PERS, which is a cost sharing multi-employer pension plan, the annual pension costs equals the annual required contribution due to the enactment of Chapter 114, P.L. 1997. For TPAF, which is a cost sharing plan with special funding situations, the annual pension costs equals annual required contribution.

<u>Year Funding</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Cost to District</u>
June 30, 2014	\$ 221,117	100%	\$ 221,117
June 30, 2013	242,255	100%	242,255
June 30, 2012	246,764	100%	246,764



**HASBROUCK HEIGHTS SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015**

**7. PENSION PLANS (continued)**

**Three-Year Trend Information for TPAF  
(Paid On-Behalf of the School District)**

<u>Year Funding</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Total On-Behalf Payments</u>
June 30, 2014		0%	\$ 1,293,041
June 30, 2013		0%	1,553,966
June 30, 2012		0%	1,051,678

During the year ended June 30, 2015, the State of New Jersey contributed \$662,878 to the TPAF for normal pension and \$1,152,320 for post-retirement medical benefits on-behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66, the State of New Jersey reimbursed the District \$921,581 during the year ended June 30, 2015 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the basic financial statements, and the combining and individual fund and account group statements and schedules as a revenue and expenditure in accordance with GASB 24.

Legislation enacted during 1993 provided early retirement incentives for certain members of PERS and TPAF who met certain age and service requirements and who applied for retirement between certain dates in the 1994 fiscal year. The early retirement incentives included: (a) an additional five years of service credit for employees at least age 50 with a minimum of 25 years of service; (b) free health benefits for employees at least 60 years old with at least 20 years of service; and (c) an additional \$500 per month for two years for employees at least age 60 with 10 but less than 20 years of service. The Board assumed the increased cost for the early retirement as it affected their district.

**8. PENSION PLANS**

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions	186,376	-
Net difference between projected and actual earnings on pension plan investments	-	353,215
Changes in proportion and differences between District contributions and proportionate share of contributions	373,002	-
District contributions subsequent to the measurement date		-
	<b><u>\$ 559,378</u></b>	<b><u>\$ 353,215</u></b>

**HASBROUCK HEIGHTS SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015**

**8. PENSION PLANS (continued)**

\$261,198 is reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year ended June 30:</b>	
2016	\$ 14,523
2017	14,523
2018	14,523
2019	15,523
2020	102,828
Thereafter	44,245
	<u>\$ 206,165</u>

**Actuarial Assumptions**

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013, which was rolled forward to June 30, 2014. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate	3.01%
Salary increases	
2012-2021	2.15 - 4.40% based on age
Thereafter	3.15 - 5.40% based on age
Investment rate of return	7.90%

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011.

**Mortality Rates**

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA.

**HASBROUCK HEIGHTS SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015**

**8. PENSION PLANS (continued)**

*Long-Term Rate of Return*

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.80%
Core Bonds	1.00%	2.49%
Intermediate-Term Bonds	11.20%	2.26%
Mortgages	2.50%	2.17%
High Yield Bonds	5.50%	4.82%
Inflation-Indexed Bonds	2.50%	3.51%
Broad US Equities	25.90%	8.22%
Developed Foreign Markets	12.70%	8.12%
Emerging Market Equities	6.50%	9.91%
Private Equity	8.25%	13.02%
Hedge Funds / Absolute Return	12.25%	4.92%
Real Estate (Property)	3.20%	5.80%
Commodities	2.50%	5.35%
	<u>100.00%</u>	

*Discount rate*

The discount rate used to measure the total pension liability was 5.39% as of June 30, 2014. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 4.29% as of June 30, 2014 based on the Bond Buyer GO 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**HASBROUCK HEIGHTS SCHOOL DISTRICT**

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015

**8. PENSION PLANS (continued)**

*Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate*

The following presents the District's proportionate share of the net pension liability as of June 30, 2014 calculated using the discount rate as disclosed above as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.39 percent) or 1-percentage-point higher (6.39 percent) than the current rate:

	At 1% Decrease (4.39%)	At Current Discount Rate (5.39%)	At 1% Increase (6.39%)
District's proportionate share of the net pension liability	\$ 7,456,331	\$ 4,642,698	\$ 5,926,971

*Pension Plan Fiduciary Net Position*

Detailed information about the pension plan's fiduciary net position is available in the separately issued financial report for the State of New Jersey Public Employees Retirement System.

*Additional Information*

Collective balances at June 30, 2014 are as follows:

Collective deferred outflows of resources	\$ 1,452,705,538
Collective deferred inflows of resources	\$ 2,135,560,656
Collective net pension liability - Local Group	\$ 18,722,735,003
District's Proportion	0.0316564510%

Collective pension expense for the Local Group for the measurement period ended June 30, 2014 is \$968,532,408.

The average of the expected remaining service lives of all employees that are provided with pension through the pension plan (active and inactive employees) determined at July 1, 2013 (the beginning of the measurement period ended June 30, 2014) is 6.44 years.

*Teachers Pensions and Annuity Fund (TPAF)*

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer.

## HASBROUCK HEIGHTS SCHOOL DISTRICT

### NOTES TO FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2015

#### 8. PENSION PLANS (continued)

The State's proportionate share of the TPAF net pension liability associated with the District as of June 30, 2014 was \$18,635,646. The District's proportionate share was \$0.

The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2013, which was rolled forward to June 30, 2014. The State's proportionate share of the net pension liability associated with the District was based on a projection of the State's long-term contributions to the pension plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2014, the State's proportionate share of the TPAF net pension liability associated with the District was 0.0115794552 percent, which was a increase of 0.002310334 from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the District recognized on-behalf pension expense and revenue in the government wide financial statements of \$2,636,779 for contributions incurred by the State.

#### *Actuarial assumptions*

The actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate	2.50%
Salary increases	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment rate of return	7.90%

Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement.

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2012.

#### *Long-Term Expected Rate of Return*

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2014 are summarized in the following table:

**HASBROUCK HEIGHTS SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015**

**8. PENSION PLANS (continued)**

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Cash	6.00%	0.50%
Core Fixed Income	0.00%	2.19%
Core Bonds	1.00%	1.38%
Short-Term Bonds	0.00%	1.00%
Intermediate-Term Bonds	11.20%	2.60%
Long-Term Bonds	0.00%	3.23%
Mortgages	2.50%	2.84%
High Yield Bonds	5.50%	4.15%
Non-US Fixed Income	0.00%	1.41%
Inflation-Indexed Bonds	2.50%	1.30%
Broad US Equities	25.90%	5.88%
Large Cap US Equities	0.00%	5.62%
Mid Cap US Equities	0.00%	6.39%
Small Cap US Equities	0.00%	7.39%
Developed Foreign Equities	12.70%	6.05%
Emerging Market Equities	6.50%	8.90%
Private Equity	8.25%	9.15%
Hedge Fund / Absolute Return	12.25%	3.85%
Real Estate (Property)	3.20%	4.43%
Real Estate (REITS)	0.00%	5.58%
Commodities	2.50%	3.60%
Long Credit Bonds	0.00%	3.74%
	<u>100.00%</u>	

*Discount Rate*

The discount rate used to measure the total pension liability was 4.68% as of June 30, 2014. This single blended discount rate was based on the long-term rate of return on pension plan investments of 7.90%, and a municipal bond rate of 4.29% as of June 30, 2014 based on the Bond Buyer GO 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2027. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2027, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**HASBROUCK HEIGHTS SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015**

**8. PENSION PLANS (continued)**

*Sensitivity of the State's proportionate share of the net pension liability associated with the District to changes in the discount rate*

The following presents the State's proportionate share of the net pension liability associated with the District as of June 30, 2015 calculated using the discount rate as disclosed above as well as what the State's proportionate share of the net pension liability associated with the District would be if it were calculated using a discount rate that is 1-percentage-point lower (3.68 percent) or 1-percentage-point higher (5.68 percent) than the current rate:

	<b>At 1% Decrease (3.68%)</b>	<b>At Current Discount Rate (4.68%)</b>	<b>At 1% Increase (5.68%)</b>
State's proportionate share of the net pension liability associated with the District	\$ 74,435,493	\$ 16,888,404	\$ 51,452,508

Detailed information about the pension plan's fiduciary net position is available in the separately issued TPAF financial report.

**Additional Information**

Collective balances at June 30, 2014 are as follows:

Collective deferred outflows of resources	\$ 2,389,959,068
Collective deferred inflows of resources	\$ 1,846,540,800
Collective net pension liability - Local Group	\$ 53,813,067,539
 State's proportionate share associated with the District	 0.0115794523%

Collective pension expense for the plan for the measurement period ended June 30, 2014 is \$2,906,835,786.

The average of the expected remaining service lives of all employees that are provided with pension through the pension plan (active and inactive employees) determined at July 1, 2013 (the beginning of the measurement period ended June 30, 2014) is 8.5 years.

**9. POST-RETIREMENT BENEFITS**

P.L. 1987, c. 384 and P.L. 1990, c.6 required PERS and TPAF, 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 PERS and TPAF. 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, 2014, there were 103,432 retirees receiving post-retirement medical benefits and the State contributed \$1.04 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in fiscal year 1994.



## HASBROUCK HEIGHTS SCHOOL DISTRICT

### NOTES TO FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2015

#### 9. POST-RETIREMENT BENEFITS (continued)

The State is also responsible for the cost attributable to P.L. 1992 c.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. The State paid \$165.8 million toward Chapter 126 benefits for 18,122 eligible retired members in fiscal year 2014.

#### 10 HEALTH BENEFITS

P.L. 2011 Ch. 78 Section 39 established guidelines for implementing employee contributions to the cost of their health insurance coverage.

The benefit cost of coverage is the premium. For State Health Benefit Plan ("SHBP") employers, the cost of coverage is the cost of medical and prescription coverage. For non-SHBP employers, the law requires that the cost of coverage includes all health care benefits; medical, prescription, dental, vision, etc.

The base salary of the employees determines the percent of premium cost that is contributed.

The contribution is phased in at 25% per year:

- a) Immediately, for employees hired on June 28, 2011 and not subject to Collective Negotiations Agreement ("CNA") that is in effect.
- b) when a CNA that is in effect on June 28, 2011 expires or is in almost any way modified.

Full contribution (Year 4) takes effect immediately for employees hired after June 28, 2011 who are not covered by a CNA or would be covered by a CNA that has expired.

When contributions begin, if the 1.5% of base salary calculation under Ch. 2 is greater than the standard contribution, that amount is paid until the new contribution percentage is greater.

#### 11. COMPENSATED ABSENCES

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16, "Accounting for Compensated Absences". A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy. Upon termination, employees are paid for accrued vacation. The District's policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement employees shall be paid by the District for the unused sick leave in accordance with the District's agreements with the various employee unions.

The liability for vested compensated absences of the governmental fund types is recorded in the Statement of Net Position. The current portion of the compensated absences balance of the governmental funds is reported separately on the Statement of Net Position.



**HASBROUCK HEIGHTS SCHOOL DISTRICT**

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015

**12. DEFERRED COMPENSATION**

The District offers its employees a choice of the following deferred compensation plans (the "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:

The Variable Annuity Life Insurance Company  
Faculty Services Corporation  
AXA Equitable Life Insurance Company  
Metropolitan Life & Affiliated Companies  
Primerica Financial Services

**13. 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.

**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 district is billed quarterly for amounts due to the State.

**14. INTERFUND RECEIVABLES AND PAYABLES**

The following interfund balances remained on the balance sheet at June 30, 2015:

	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Debt Service Fund	\$ 38,434	\$
Capital Projects Fund	<u>                    </u>	<u>38,434</u>
Total	<u>\$ 38,434</u>	<u>\$ 38,434</u>

**15. FUND BALANCE APPROPRIATED**

**General Fund** - Of the \$2,306,487 General Fund, balance at June 30, 2015, \$1,201,912 is restricted for capital reserve; \$247,841 is restricted for excess surplus – designated for subsequent year's expenditures; \$184,504 is restricted for maintenance reserve; \$216,060 is committed to other purposes and \$456,169 is unreserved and undesignated.

## HASBROUCK HEIGHTS SCHOOL DISTRICT

### NOTES TO FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2015

#### 15. FUND BALANCE APPROPRIATED (continued)

**Capital Projects Fund** – There was no fund balance in the Capital Projects Fund at June 30, 2015.

**Debt Service Fund** - There is a fund balance in the Debt Service Fund at June 30, 2015 of \$81,088; \$27,704 has been designated for subsequent year expenditures.

#### 16. CALCULATION OF EXCESS SURPLUS

In accordance with N.J.S.A. 18:7F-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 surplus fund balance at June 30, 2015 was zero.

#### 17. CONTINGENT LIABILITIES

##### **Litigation**

In the opinion of the District's legal counsel, there were no litigation, pending litigation, claims, contingent liabilities, unasserted claims or assessments or statutory violations which involve the Board of Education of the Borough of Hasbrouck Heights and which might materially affect the District's financial position or results of operations.

##### **Federal and State Awards**

The District participates in federally and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The 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.

#### 18. Change in Accounting Principle

Effective in the fiscal year ended June 30, 2015, the District Implemented Governmental Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions and Governmental Accounting Standards Board Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment to GASB Statement No. 68. The implementation of the Statements required a restatement of prior year net position in the government-wide financial statements.

	<b>Governmental Activities</b>
Beginning Net Position - June 30, 2014	\$ 4,037,579
Adjustments:	
Recognition of Net Pension Liability	(2,399,332)
Deferred outflow for PERS FY2015 Pension Payment	260,972
Accounts Payable for PERS FY2015 Pension Payment	(260,972)
Adjustment	(2,399,332)
Beginning Net Position - June 30, 2014 (as restated)	\$ 1,638,247

**HASBROUCK HEIGHTS SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015**

**19. SUBSEQUENT EVENTS**

The District has evaluated subsequent events occurring after June 30, 2015 through the date of December 21, 2015; the District has determined the subsequent event having occurred requires disclosure in the financial statements.

On August 15, 2015 the District issued refunding bonds of \$4,740,000 maturing in 2023 at interest rates from 3.0% to 4.0%. The purpose of this sale was to refund the remaining portion of the 2005 bond issue.

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**REQUIRED SUPPLEMENTARY INFORMATION – PART II**

**C. BUDGETARY COMPARISON SCHEDULES**

**HASBROUCK HEIGHTS SCHOOL DISTRICT**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

C-1  
Sheet #1

<b>REVENUES:</b>	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Local Sources:					
Local Tax Levy	\$ 26,544,747	\$	\$ 26,544,747	\$ 26,544,747	\$ 1
Tuition				160,000	(160,000)
Interest on Investments				8,770	(8,770)
Rentals				1,150	(1,150)
Refund Prior Year Expenditure				26,957	(26,957)
Unrestricted Miscellaneous	156,151		156,151	138,787	17,364
<b>Total Local Sources</b>	<u>26,700,898</u>		<u>26,700,898</u>	<u>26,880,410</u>	<u>(179,512)</u>
State Sources:					
Special Education Aid	1,089,908		1,089,908	1,089,908	
Extraordinary Aid	321,106		321,106	321,106	
TPAF Pension (On-Behalf - Non-Budgeted)				662,878	662,878
TPAF Post Retirement Med. Contrib.(On Behalf- Non Budgeted)				1,052,320	1,052,320
TPAF Social Security (Reimbursed - Non-Budgeted)				921,581	921,581
<b>Total - State Sources</b>	<u>1,411,014</u>		<u>1,411,014</u>	<u>4,047,793</u>	<u>2,636,779</u>
<b>Total Revenues</b>	<u>28,111,912</u>		<u>28,111,912</u>	<u>30,928,203</u>	<u>2,457,267</u>
<b>EXPENDITURES:</b>					
Current Expense:					
Instruction - Regular Programs:					
Salaries of Teachers					
Kindergarten	473,350	8,320	481,670	481,348	322
Grades 1 - 5	3,061,474	13,530	3,075,004	3,073,367	1,637
Grades 6 - 8	1,510,211	211,735	1,721,946	1,721,945	1
Grades 9-12	3,282,490	(367,627)	2,914,863	2,914,862	1
Regular Programs - Undistributed Instruction:					
Purchased Professional-Educational Services	54,506	(19,313)	35,193	35,193	
Purchased Technical Services	39,210	41,375	80,585	78,447	2,138
Other Purchased Services - Travel		2,902	2,902	2,787	115
General Supplies	189,500	150,414	339,914	248,087	91,827
Textbooks	52,000	(9,364)	42,636	36,948	5,688
Other Objects	7,000	(192)	6,808	4,995	1,813
<b>Total Regular Programs</b>	<u>8,669,741</u>	<u>31,780</u>	<u>8,701,521</u>	<u>8,597,979</u>	<u>103,542</u>

**HASBROUCK HEIGHTS SCHOOL DISTRICT**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

(Continued from Prior Page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Special Education - Learning and/or Language Disabilities:					
Salaries of Teachers	\$ 117,670	(9,210)	\$ 108,460	\$ 108,460	\$
Other Salaries for Instruction	102,410	(20,482)	81,928	81,928	
General Supplies	1,000		1,000		1,000
Textbooks	500		500		500
<b>Total Learning and/or Language Disabilities</b>	<b>221,580</b>	<b>(29,692)</b>	<b>191,888</b>	<b>190,388</b>	<b>1,500</b>
Special Education Instruction -Resource Room/Resource Center					
Salaries of Teachers	1,799,040	28,339	1,827,379	1,817,649	9,731
Other Salaries for Instruction	348,194	66,059	414,253	413,982	271
General Supplies	9,000	(725)	8,275	4,752	3,523
Textbooks	1,500	(300)	1,200		1,200
Other Objects	850	1,025	1,875	1,470	405
<b>Total Resource Room/Resource Center</b>	<b>2,158,584</b>	<b>94,398</b>	<b>2,252,982</b>	<b>2,237,852</b>	<b>15,130</b>
Special Education Instruction - Preschool Disabilities Full Time					
Salaries of Teachers	129,460		129,460	129,460	
Other Salaries for Instruction	81,928		81,928	81,928	
General Supplies	5,000	(1,618)	3,382	2,067	1,315
Other Objects	1,000		1,000		1,000
<b>Total Preschool Disabilities Full Time</b>	<b>217,388</b>	<b>(1,618)</b>	<b>215,770</b>	<b>213,455</b>	<b>2,315</b>
Special Education - Home Instruction					
Salaries of Teachers	60,000		60,000	54,080	5,920
	60,000		60,000	54,080	5,920
Special Education Instruction - Extended School Year					
Personal Services Salaries	27,500	36	27,536	27,536	
Other Salaries for Instruction	15,500	2,624	18,124	18,123	1
Purchased Professional - Educational Services	20,000	(2,661)	17,339	17,130	209
General Supplies	500		500	308	192
<b>Total Special Education Instruction-Extended School Year</b>	<b>63,500</b>	<b>(1)</b>	<b>63,499</b>	<b>63,097</b>	<b>402</b>
<b>Total Special Education</b>	<b>2,721,052</b>	<b>63,087</b>	<b>2,784,139</b>	<b>2,758,872</b>	<b>25,267</b>
Basic Skills/Remedial - Instruction					
Salaries of Teachers		47,276	47,276	47,275	1
Other Salaries for Instruction					
Purchased Professional/Educational Services					
General Supplies					
<b>Total Basic Skill / Remedial - Instruction</b>		<b>47,276</b>	<b>47,276</b>	<b>47,275</b>	<b>1</b>
Bilingual Education - Instruction					
Salaries of Teachers	100,270		100,270	100,270	
Supplies and Materials	1,100		1,100		1,100
Textbooks	200		200		200
<b>Total Bilingual Education - Instruction</b>	<b>101,570</b>		<b>101,570</b>	<b>100,270</b>	<b>1,300</b>
School Sponsored Co-Curricular Activities - Instruction					
Personal Services Salaries	195,707	-	195,707	160,964	34,743
General Supplies	9,500	(3,150)	6,350	5,238	1,113
<b>Total School Sponsored Co-Curricular Activities - Instruction</b>	<b>205,207</b>	<b>(3,150)</b>	<b>202,057</b>	<b>166,201</b>	<b>35,856</b>
School Sponsored Athletics - Instruction					
Personal Services Salaries	315,217	531	315,748	313,702	2,046
Purchased Services	35,000	10,202	45,202	44,359	843
Supplies and Materials	78,000	1,732	79,732	69,290	10,442
Other Objects	30,000	632	30,632	29,522	1,110
<b>Total School Sponsored Athletics - Instruction</b>	<b>458,217</b>	<b>13,097</b>	<b>471,314</b>	<b>456,873</b>	<b>14,441</b>
<b>Total Other Instruction</b>	<b>764,994</b>	<b>57,223</b>	<b>822,217</b>	<b>770,619</b>	<b>51,598</b>
<b>Total Instruction</b>	<b>12,155,787</b>	<b>152,090</b>	<b>12,307,877</b>	<b>12,127,470</b>	<b>180,408</b>

**HASBROUCK HEIGHTS SCHOOL DISTRICT**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

(Continued from Prior Page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Instruction					
Tuition to CSSD & Reg. Day Schools	\$ 612,540	\$ (83,003)	\$ 529,537	\$ 524,901	\$ 4,636
Tuition to Private Schools for the Handicapped - Within State	1,134,627	(230,943)	903,684	894,932	8,752
Tuition - Other LEAs Instate Special	521,826	111,106	632,932	632,932	
Tuition - Co Vocational - Special	208,800	(51,570)	157,230	156,600	630
Tuition - Co Vocational - Regular	398,695	(104,568)	294,127	294,127	
Tuition - Other (Charter Schools)	52,517	(22,909)	29,608	29,608	
<b>Total Undistributed Expenditures - Instruction</b>	<b>2,929,005</b>	<b>(381,887)</b>	<b>2,547,118</b>	<b>2,533,099</b>	<b>14,019</b>
Undistributed Expenditures - Attendance & Social Work					
Salaries	47,476	11,404	58,880	58,880	
<b>Total Undistributed Attendance &amp; Social Work</b>	<b>47,476</b>	<b>11,404</b>	<b>58,880</b>	<b>58,880</b>	
Undistributed Expenditures - Health Services					
Salaries	208,180		208,180	162,271	45,909
Purchased Professional and Technical Services	10,000	(2,601)	7,399	7,399	
Supplies and Materials	9,000	10,649	19,649	18,425	1,224
Other Objects	3,000	934	3,934	3,460	474
<b>Total Undistributed Expenditures - Health Services</b>	<b>230,180</b>	<b>8,982</b>	<b>239,162</b>	<b>184,156</b>	<b>55,006</b>
Unidist. Expend. - Other Supp. Serv. Students - Speech					
Salaries	248,820		248,820	248,820	
Purchased Professional - Educational Services	668,258	341,203	1,009,461	1,006,656	2,806
Supplies and Materials	4,000	3,800	7,800	7,539	261
Other Objects					
<b>Total Unidist. Exp. - Other Supp. Serv. Students - Speech</b>	<b>921,078</b>	<b>345,003</b>	<b>1,266,081</b>	<b>1,263,014</b>	<b>3,067</b>
Unidist. Expend. - Other Supp. Serv. Students - Extra Serv.					
Salaries	326,926	(22,616)	304,310	304,309	1
Purchased Professional - Educational Services	90,000	(5,500)	84,500	84,499	1
Miscellaneous					
<b>Total Other Supp. Serv. Students - Regular</b>	<b>416,926</b>	<b>(28,116)</b>	<b>388,810</b>	<b>388,809</b>	<b>1</b>
Unidist. Expend. - Guidance					
Salaries of Other Professional Staff	408,800	7,160	415,960	415,960	
Salaries of Secretarial and Clerical Assistants	52,263	(15,722)	36,541	36,541	
Other Purchased Services		759	759	759	
Supplies and Materials	1,500	(1,017)	483	483	
Other Objects		258	258	258	
<b>Total Unidist. Expend. - Guidance</b>	<b>462,563</b>	<b>(8,562)</b>	<b>454,001</b>	<b>453,517</b>	<b>484</b>
Unidist. Expend. - Child Study Teams					
Salaries of Other Professional Staff	722,963	(139,052)	583,911	572,754	11,157
Salaries of Secretarial and Clerical Assistants	95,926	(9,065)	86,861	85,826	1,035
Purchased Prof Ed Services		2,700	2,700	2,700	
Misc Pur Serv (400-500)	500	250	750	739	11
Supplies and Materials	14,500	(4,942)	9,558	6,420	3,138
Other Objects	1,500	1,138	2,638	2,327	311
<b>Total Unidist. Expend. - Child Study Teams</b>	<b>835,389</b>	<b>(148,971)</b>	<b>686,418</b>	<b>670,765</b>	<b>15,653</b>
Unidist. Expend. - Curriculum					
Salaries Supervisors of Instruction		136,902	136,902	136,901	1
<b>Total Curriculum</b>		<b>136,902</b>	<b>136,902</b>	<b>136,901</b>	<b>1</b>
Unidist. Expend. - Educational Media Serv./School Library					
Salaries	435,448	(37,304)	398,144	390,166	7,978
Other Purchased Services	6,000	15,000	21,000	20,938	62
Supplies and Materials	20,000	(18,070)	1,930	1,761	169
Other Objects	700	(92)	608	271	337
<b>Total Unidist. Expenditures - Edu. Media Serv./School Library</b>	<b>462,148</b>	<b>(40,466)</b>	<b>421,682</b>	<b>413,137</b>	<b>8,545</b>
Unidist. Expend. - Instructional Staff Training Services					
Other Purchased Services (400 - 500 series)	3,000	4,965	7,965	7,215	750
Other Objects	3,000	(1,307)	1,693	943	750
<b>Total Instructional Staff Training Services</b>	<b>6,000</b>	<b>3,658</b>	<b>9,658</b>	<b>8,158</b>	<b>1,500</b>



**HASBROUCK HEIGHTS SCHOOL DISTRICT**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

C-1  
Sheet #4

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Undist. Expend. - Support Services - General Administration					
Salaries	\$ 269,157	\$ 35,546	\$ 304,703	\$ 304,702	\$ 1
Legal Services	75,000		75,000	74,631	369
Audit Fees	30,000	(15,028)	14,972	13,986	986
Purchased Technical Services	18,500	29,852	48,352	47,089	1,262
Communications/Telephone	143,832	(12,075)	131,757	126,230	5,527
BOE Other Purchased Services	2,500	(270)	2,230	891	1,339
Miscellaneous Purchased Services	45,700	4,388	50,088	49,648	440
General Supplies	3,000	7,000	10,000	9,701	299
Miscellaneous Expenditures	20,190	(4,710)	15,480	15,170	310
BOE Membership Dues and Fees	13,250		13,250	11,987	1,263
<b>Total Undist. Exp. - Support Services - General Administration</b>	<b>621,129</b>	<b>44,703</b>	<b>665,832</b>	<b>654,036</b>	<b>11,795</b>
Undist. Expend. - Support Services - School Administration					
Salaries of Principals/Assistant Principals	592,915	1	592,916	592,915	1
Salaries of Other Professional Staff	113,531	1	113,532	113,531	1
Salaries of Secretarial and Clerical Assistants	227,390	1,269	228,659	228,657	2
Other Purchased Services - Travel					
Supplies and Materials	37,381	269	37,650	22,924	14,726
Miscellaneous Expenditure	18,000	(935)	17,065	16,568	497
<b>Total Undist. Expend. - Support Serv. - School Administration</b>	<b>989,217</b>	<b>605</b>	<b>989,822</b>	<b>974,595</b>	<b>15,227</b>
Undistributed Expenditures - Central Services					
Personal Services Salaries	290,567	(9,750)	280,817	277,684	3,133
Other Purchased Professional Services		14,125	14,125	1,375	12,750
Purchased Technical Services	18,304	(3,975)	14,329	7,470	6,859
Misc. Purchased Services (400 -500 series)	500		500	247	253
Supplies and Materials	15,000		15,000	14,661	339
Interest on Current Loans					
Interest Lease Purchase Agreement					
Miscellaneous Expenditures	4,500	2,600	7,100	6,584	516
<b>Total Undistributed Expenditures - Central Services</b>	<b>328,871</b>	<b>3,000</b>	<b>331,871</b>	<b>308,020</b>	<b>23,851</b>
Undistributed Expenditures - Admin. Info. Tech.					
Salaries	22,632	1	22,633	22,632	1
Purchased Technical Services	10,000	(1)	9,999	6,189	3,811
Other Purchased Services	20,000	13,364	33,364	32,923	441
Supplies and Materials	70,000	(14,025)	55,975	53,111	2,864
Other Objects	5,000	(1,364)	3,636		3,636
<b>Total Undistributed Expenditures - Admin. Info. Tech</b>	<b>127,632</b>	<b>(2,025)</b>	<b>125,607</b>	<b>114,855</b>	<b>10,752</b>

**HASBROUCK HEIGHTS SCHOOL DISTRICT**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>Undistributed Expenditures - Required Maint for School Facilities</b>					
Salaries	\$ 101,541	\$ (8,124)	\$ 93,417	\$ 93,416	\$ 1
Cleaning, Repair, and Maintenance Services	150,000	68,125	218,125	200,975	17,150
General Supplies	2,500	(2,500)			
Other Objects	500	(500)			
<b>Total Undist. Expend - Required Maint for School Facilities</b>	<b>254,541</b>	<b>57,001</b>	<b>311,542</b>	<b>294,391</b>	<b>17,151</b>
<b>Undistributed Expenditures - Custodial</b>					
Salaries	751,026	14,342	765,368	723,391	41,977
Salaries of Non-Instructional Aides	201,247	(66,370)	134,877	127,779	7,098
Cleaning, Repair, and Maintenance	100,000	(63,689)	36,311	33,385	2,926
Other Purchased Property Services	33,000		33,000	16,972	16,028
Insurance	124,860	1,572	126,432	126,432	
Miscellaneous Purchased Services	87,979	(1,268)	86,711	85,590	1,121
General Supplies	130,000	78,000	208,000	193,643	14,357
Energy (Natural Gas)	138,500	(30,586)	107,914	105,975	1,939
Energy (Electricity)	190,000	47,302	237,302	214,301	23,001
Other Objects	14,200	3,229	17,429	17,383	46
<b>Total Undist. Exp. - Custodial services</b>	<b>1,770,812</b>	<b>(17,468)</b>	<b>1,753,344</b>	<b>1,644,850</b>	<b>108,494</b>
<b>Undistributed Expenditures - Care &amp; Upkeep of Grounds</b>					
Cleaning, Repair, and Maintenance	36,000	3,646	39,646	34,695	4,951
General Supplies	500		500	225	275
Other Objects	500	(500)			
<b>Total - Care &amp; Upkeep of Grounds</b>	<b>37,000</b>	<b>3,146</b>	<b>40,146</b>	<b>34,920</b>	<b>5,226</b>
<b>Undistributed Expenditures - Security</b>					
Purchased Prof Services	76,000		76,000	76,000	
Cleaning, Repair, and Maintenance	60,214	(20,846)	39,368	38,573	795
General Supplies	500	400	900	899	2
Other Objects	500	(200)	300		300
<b>Total Security</b>	<b>137,214</b>	<b>(20,646)</b>	<b>116,568</b>	<b>115,472</b>	<b>1,096</b>
<b>Undistributed Expenditures - Student Transportation Services</b>					
Sal for Pupil Trans (Betwn. Home & School) - Regular	16,645	3,883	20,528	20,528	
Sal for Pupil Trans (Betwn. Home & School) - Sp Ed	16,645	(3,883)	12,762		12,762
Sal for Pupil Trans (Betwn. Home & School) - Other	25,000		25,000	10,139	14,861
Cleaning, Repair, & Maint. Services	11,500		11,500	10,469	1,031
Lease Purchase Payments - School Buses					
Aid in Lieu Charter Schools	2,652		2,652		2,652
Contract Serv. (Betwn. Home and School) - Vendors	62,000	(5,136)	56,864	54,587	2,277
Contract Serv. (Betwn. Home & School) - Joint Agrmnts	97,153	(29,000)	68,153	62,574	5,579
Contract Serv. (Special Ed Students) - Joint Agrmnts	486,233	5,136	491,369	494,225	(2,856)
Transportation Supplies	16,000		16,000	7,208	8,792
Other Objects	1,000		1,000	337	663
<b>Total Undistributed Expend. - Student Transportation Expenses</b>	<b>734,828</b>	<b>(29,000)</b>	<b>705,828</b>	<b>660,067</b>	<b>45,761</b>

**HASBROUCK HEIGHTS SCHOOL DISTRICT**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

C-1  
Sheet #6

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>Unallocated Benefits - Employee Benefits</b>					
Social Security Contributions	\$ 328,100.00	\$	\$ 328,100.00	\$ 299,274.73	\$ 28,825.27
Other Retirement Contributions - PERS	273,397		273,397	266,320	7,077
Unemployment Compensation	50,000		50,000		50,000
Workmen's Compensation	178,765		178,765	130,531	48,234
Health Benefits	3,850,290	(188,971)	3,661,319	3,427,040	234,279
Tuition Reimbursement	50,000		50,000	50,000	
Other Employee Benefits		16,614	16,614	14,597	2,017
<b>Total Unallocated Benefits - Employee Benefits</b>	<b>4,730,552</b>	<b>(172,357)</b>	<b>4,558,195</b>	<b>4,187,763</b>	<b>370,432</b>
On-behalf TPAF Contributions (non-budgeted)				662,878	(662,878)
On-behalf Post Retirement Med. Contribution (non-budgeted)				1,052,320	(1,052,320)
On-behalf Social Security Contributions (non-budgeted)				921,581	(921,581)
				2,636,779	(2,636,779)
<b>Total Expenditures - Current Expense</b>	<b>28,198,348</b>	<b>(83,004)</b>	<b>28,115,344</b>	<b>29,863,654</b>	<b>888,469</b>
<b>Capital Outlay</b>					
Instructional Equipment					
Maintenance Equipment		7,612	7,612	7,611	1
Technology Equipment		5,997	5,997		5,997
Capital Equipment/Improvements					
<b>Total Equipment</b>		<b>13,609</b>	<b>13,609</b>	<b>7,611</b>	<b>5,998</b>
<b>Facilities Acquisitions and Construction Services</b>					
Construction Services	70,131	291,420	361,551	279,896	81,655
Lease Purchase Agreements - Principal	86,794	7,151	93,945	93,945	
Building other Non-lease Purchase Agreements					
Other Objects	6,858		6,858	6,858	
<b>Total Facilities Acquisitions and Construction Services</b>	<b>163,783</b>	<b>298,571</b>	<b>462,354</b>	<b>380,699</b>	<b>81,655</b>
Assets Acquired Under Capital Leases (non-budgeted)				382,243	(382,243)
<b>Total Capital Projects</b>	<b>163,783</b>	<b>312,180</b>	<b>475,963</b>	<b>770,553</b>	<b>87,653</b>
<b>General Fund</b>					
Transfer of Funds to Charter Schools					
<b>Total General Fund Expenditures</b>	<b>28,362,131</b>	<b>229,176</b>	<b>28,591,307</b>	<b>30,634,207</b>	<b>976,122</b>
<b>Special Schools</b>					
Summer School - Instructions					
Salaries of Teachers					
Other Salaries - Aides					
General Supplies					
<b>Total Summer School - Instruction</b>					
<b>Total Special Schools</b>					
<b>Total General Fund Expenditures</b>	<b>28,362,131</b>	<b>229,176</b>	<b>28,591,307</b>	<b>30,634,207</b>	<b>976,122</b>
<b>Funds expended</b>					
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(250,219)	(229,176)	(479,395)	293,996	3,433,389
<b>Other Financing Sources (Uses):</b>					
Operating Transfers Out:					
Adjustment - Uncollectable				(19,963)	19,963
Adjustment - Unpaid accounts payable				10,735	(10,735)
Adjustment - Due to State TPAF Fica Reimb				(7,685)	7,685
Adjustment - Due to State Monitoring				(32,770)	32,770
Capital Leases (non-budgeted)				382,243	(382,243)
				332,559	(332,559)
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)</b>	<b>(250,219)</b>	<b>(229,176)</b>	<b>(479,395)</b>	<b>626,555</b>	<b>3,100,830</b>
<b>Fund Balances, Beginning of Year</b>	<b>1,102,692</b>		<b>775,956</b>	<b>1,768,403</b>	
<b>Fund (Deficit) Balances, End of Year</b>	<b>\$ 852,473</b>	<b>\$ (229,176)</b>	<b>\$ 296,561</b>	<b>\$ 2,394,958</b>	<b>\$ 3,100,830</b>

See Independent Auditors' Report

HASBROUCK HEIGHTS SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

GAAP Fund Balance (B-2) difference is the final State Aid payment of \$70,456 which under budgetary basis is recognized as directed by the State.

Recapitulation of Fund Balance:

Restricted Fund Balance:

Designated for Subsequent Year's Expenditures	\$ 247,841
Excess Surplus - Current Year	
Capital Reserve	1,201,912
Maintenance Reserve	184,504
Reserve for Tuition	

Committed Fund Balance:

Year-End Encumbrances	216,060
Unassigned Fund Balance	<u>544,640</u>

2,394,958

Less: State Aid Revenue Not Recognized for GAAP basis

(70,456)

Fund Balance per Governmental Funds (GAAP)

\$ 2,324,502

**HASBROUCK HEIGHTS SCHOOL DISTRICT**  
**BUDGETARY COMPARISON SCHEDULE**  
**SPECIAL REVENUE FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

C-2

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>Revenues:</b>					
Local Sources	\$ 50,000	\$ 3,072	53,072	\$ 50,000	\$ 3,072
State Sources	273,135	65,435	338,570	313,146	25,424
Federal Sources	641,300	96,608	737,908	617,726	120,182
<b>Total Revenues</b>	<u>\$ 964,435</u>	<u>\$ 165,115</u>	<u>\$ 1,129,550</u>	<u>\$ 980,872</u>	<u>\$ 148,678</u>
<b>Expenditures:</b>					
<b>Instruction:</b>					
Salaries of Teachers	\$ 208,300	\$ (55,953)	\$ 152,347	\$ 132,650	\$ 19,698
Purchased Professional Technical Services					
Purchased Professional/Educational Services	647,685	(375,298)	272,387	247,840	24,547
Other Purchased Services (400-500 series)	25,000	27,842	52,842	49,770	3,072
General Supplies	32,600	14,975	47,575	31,115 *	16,460
Textbooks	20,800	351	21,151	20,702	449
Tuition		372,546	372,546	372,210	336
Other Objects		230	230	230	
<b>Total Instruction</b>	<u>934,385</u>	<u>(15,307)</u>	<u>919,078</u>	<u>854,516</u>	<u>64,562</u>
<b>Support Services</b>					
Personal Services - Salaries	30,050	(1,246)	28,804	28,804	
Personal Services - Employee Benefits		35,160	35,160	29,671	5,489
Other - Employee Benefits					
Purchased Professional - Educational Services		143,844	143,844	65,580	78,264
Other Purchased Services (400-500 series)					
General Supplies		2,664	2,664	2,301	363
<b>Total Support Services</b>	<u>30,050</u>	<u>180,422</u>	<u>210,472</u>	<u>126,356</u>	<u>84,116</u>
<b>Total Expenditures</b>	<u>\$ 964,435</u>	<u>\$ 165,115</u>	<u>\$ 1,129,550</u>	<u>\$ 980,872</u>	<u>\$ 148,678</u>
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)</b>					
Fund Balances, Beginning of Year					
Fund Balances, End of Year	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

See Independent Auditors' Report

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PART II**

**HASBROUCK HEIGHTS SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGET-TO-GAAP RECONCILIATION  
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

C-3

**Note A: Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures.**

		<u>General Fund</u>	<u>Special Revenue Fund</u>
<b>Sources/Inflows of Resources:</b>			
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule.	C-1, C-2	\$ 30,928,203	\$ 980,872
<b>Difference - Budget to GAAP:</b>			
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.			
2013-2014 State aid payment recognized in 2014-2015 for GAAP statements.		77,331	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements.		<u>(70,456)</u>	
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	B-2	<u>\$ 30,935,078</u>	<u>\$ 980,872</u>
<b>Uses/Outflows of Resources:</b>			
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule.	C-1, C-2	\$ 30,634,207	\$ 980,872
<b>Difference - Budget to GAAP:</b>			
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.			
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	B-2	<u>\$ 30,634,207</u>	<u>\$ 980,872</u>

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**REQUIRED SUPPLEMENTARY INFORMATION – PART III**



**L. SCHEDULES RELATED TO ACCOUNTING AND  
REPORTING FOR PENSIONS (GASB 68)**

**HASBROUCK HEIGHTS SCHOOL DISTRICT**  
**REQUIRED SUPPLEMENTARY INFORMATION - SCHEDULE OF THE**  
**DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**NEW JERSEY PUBLIC EMPLOYEES' RETIREMENTS SYSTEM (PERS)**  
**LAST TEN FISCAL YEARS (1)**

L-1

School District's proportion of the net pension liability	<u>0.031656451%</u>
School District's proportionate share of the net pension liability	<u>\$ 4,642,698</u>
School District's covered-employee payroll	<u>\$ 2,125,036</u>
School District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	<u>218.48%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>42.74%</u>

Note - The amounts presented for each fiscal year were determined as of the June 30 measurement date within the current fiscal year.

(1) Data not available prior to fiscal year 2015 implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*.

**HASBROUCK HEIGHTS SCHOOL DISTRICT**  
**REQUIRED SUPPLEMENTARY INFORMATION -SCHEDULE OF CONTRIBUTIONS**  
**NEW JERSEY PUBLIC EMPLOYEES' RETIREMENTS SYSTEM (PERS)**  
**LAST TEN FISCAL YEARS (1)**

L-2

	2015
Contractually required contribution	\$ 260,972
Contributions in relation to the contractually required contribution	(260,972)
Contribution deficiency (excess)	\$
School District's covered-employee payroll	\$ 2,125,036
Contributions as a percentage of covered-employee payroll	12.28%

(1) Data not available prior to fiscal year 2015 implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*.

**HASBROUCK HEIGHTS SCHOOL DISTRICT**  
**REQUIRED SUPPLEMENTARY INFORMATION - SCHEDULE OF THE**  
**DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**NEW JERSEY TEACHERS' PENSION AND ANNUITY FUND (TPAF)**  
**LAST TEN FISCAL YEARS (1)**

L-3

	2015
School District's proportion of the net pension liability	0.011579452%
School District's proportionate share of the net pension liability	\$ 61,888,404
School District's covered-employee payroll	\$ 15,275,552
School District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	405.15%
Plan fiduciary net position as a percentage of the total pension liability	33.64%

Note - The amounts presented for each fiscal year were determined as of the June 30 measurement date within the current fiscal year.

(1) Data not available prior to fiscal year 2015 implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*.

**OTHER SUPPLEMENTARY INFORMATION**

**D. SCHOOL BASED BUDGET SCHEDULES**

**E. SPECIAL REVENUE FUND**

**HASBROUCK HEIGHTS SCHOOL DISTRICT**  
**COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS**  
**SPECIAL REVENUE FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

E-1  
Sheet #1

	Nonpublic Chapter 192						Nonpublic Chapter 193		
	Nonpublic Textbooks	Nonpublic Nursing	Nonpublic Technology	Compensatory Education	English as a Second Language	Transportation	Supplementary Instruction	Examination and Classification	Corrective Speech
Revenues									
State Sources	\$ 20,702	\$ 33,309	\$ 11,295	\$ 118,962	\$ 9,592	\$ 12,600	\$ 19,459	\$ 32,233	\$ 54,994
Federal Sources									
Private Sources									
<b>Total Revenues</b>	<b>\$ 20,702</b>	<b>\$ 33,309</b>	<b>\$ 11,295</b>	<b>\$ 118,962</b>	<b>\$ 9,592</b>	<b>\$ 12,600</b>	<b>\$ 19,459</b>	<b>\$ 32,233</b>	<b>\$ 54,994</b>
Expenditures									
Instruction:									
Salaries of Teachers	\$	\$	\$	\$	\$	\$	\$	\$	\$
Purchased Professional and Technical Services									
Purchased Professional/Educational Services				118,962	9,592	12,600	19,459	32,233	54,994
Other Purchased Services									
Tuition									
General Supplies			11,295						
Textbooks	20,702								
Other Objects									
Total Instruction	20,702		11,295	118,962	9,592	12,600	19,459	32,233	54,994
Support Services:									
Personal Services - Salaries		28,804							
Personal Services - Employee Benefits		2,204							
Other - Employee Benefits									
Purchased Professional Educational Services									
Purchased Professional and Technical Services									
Supplies and Materials		2,301							
Other Purchased Services									
Miscellaneous Expenditures									
Total Support Services		33,309							
Facilities Acquisition and Construction Services:									
Instructional Equipment									
Total Facilities Acquisition and Construction Services									
<b>Total Expenditures</b>	<b>\$ 20,702</b>	<b>\$ 33,309</b>	<b>\$ 11,295</b>	<b>\$ 118,962</b>	<b>\$ 9,592</b>	<b>\$ 12,600</b>	<b>\$ 19,459</b>	<b>\$ 32,233</b>	<b>\$ 54,994</b>

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**HASBROUCK HEIGHTS SCHOOL DISTRICT**  
**COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS**  
**SPECIAL REVENUE FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

E-1  
Sheet #2

	Title I Part A	Title I 2013 Continuation	IDEA Basic Part B	IDEA Preschool Part B	Title II A	Title II A 2013 Continuation
Revenues						
State Sources	\$	\$	\$	\$	\$	\$
Federal Sources	150,600		417,321	17,409	3,060	
Private Sources						
<b>Total Revenues</b>	<b>\$ 150,600</b>	<b>\$</b>	<b>\$ 417,321</b>	<b>\$ 17,409</b>	<b>\$ 3,060</b>	<b>\$</b>
Expenditures						
Instruction:						
Salaries of Teachers	\$ 125,341	\$	\$	\$	\$	\$
Purchased Professional and Technical Services						
Purchased Professional/Educational Services					3,060	
Other Purchased Services						
Tuition			354,801	17,409		
General Supplies						
Textbooks						
Other Objects						
<b>Total Instruction</b>	<b>125,341</b>		<b>354,801</b>	<b>17,409</b>	<b>3,060</b>	
Support Services:						
Personal Services - Salaries						
Personal Services - Employee Benefits	25,259					
Other - Employee Benefits						
Purchased Professional Educational Services			62,520			
Purchased Professional and Technical Services						
Supplies and Materials						
Other Purchased Services						
Miscellaneous Expenditures						
<b>Total Support Services</b>	<b>25,259</b>		<b>62,520</b>			
Facilities Acquisition and Construction Services:						
Instructional Equipment						
Total Facilities Acquisition and Construction Services						
<b>Total Expenditures</b>	<b>\$ 150,600</b>	<b>\$</b>	<b>\$ 417,321</b>	<b>\$ 17,409</b>	<b>\$ 3,060</b>	<b>\$</b>

See Independent Auditors' Report

**HASBROUCK HEIGHTS SCHOOL DISTRICT**  
**COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS**  
**SPECIAL REVENUE FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

E-1  
Sheet #3

	<u>Title III</u>	<u>Readers Writers Grant</u>	<u>Totals June 30, 2015</u>
Revenues			
State Sources	\$	\$	\$ 313,146
Federal Sources	29,336		617,726
Private Sources		50,000	50,000
	<hr/>	<hr/>	<hr/>
Total Revenues	<u>\$ 29,336</u>	<u>\$ 50,000</u>	<u>\$ 980,872</u>
Expenditures			
Instruction:			
Salaries of Teachers	\$ 7,308	\$	\$ 132,649
Purchased Professional and Technical Services			
Purchased Professional/Educational Services			250,900
Other Purchased Services		49,770	49,770
Tuition			372,210
General Supplies	20,128		31,423
Textbooks			20,702
Other Objects		230	230
Total Instruction	<hr/>	<hr/>	<hr/>
	27,436	50,000	857,883
Support Services:			
Personal Services - Salaries			28,804
Personal Services - Employee Benefits	1,900		29,363
Other - Employee Benefits			
Purchased Professional Educational Services			62,520
Purchased Professional and Technical Services			
Supplies and Materials			2,302
Other Purchased Services			
Miscellaneous Expenditures			
Total Support Services	<hr/>	<hr/>	<hr/>
	1,900		122,989
Facilities Acquisition and Construction Services:			
Instructional Equipment			
Total Facilities Acquisition and Construction Services	<hr/>	<hr/>	<hr/>
Total Expenditures	<u>\$ 29,336</u>	<u>\$ 50,000</u>	<u>\$ 980,872</u>

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**F. CAPITAL PROJECTS FUND**

**HASBROUCK HEIGHTS SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUND**  
**SUMMARY SCHEDULE OF PROJECT EXPENDITURES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

F-1

<b>Issue/Project Title</b>	<b><u>Modified Appropriation</u></b>	<b><u>Prior Years Expenditures</u></b>	<b><u>Current Cancelled</u></b>	<b><u>Balance, June 30, 3015</u></b>
Middle/High School Windows Replacement	\$ 1,408,361	\$ 1,004,172	\$ 404,189	\$
Middle/High School Roof Replacement	1,179,679	812,925	366,754	
Middle/High School Generator Replacement	358,037	169,049	188,988	
Euclid School Windows Replacement	408,872	271,355	137,517	
Lincoln School Windows Replacement	408,872	280,417	128,455	
Euclid School Roof Replacement	421,980	216,769	205,211	
Lincoln School Roof Replacement	<u>421,980</u>	<u>212,528</u>	<u>209,452</u>	
<b>TOTAL:</b>	<b><u>\$ 4,607,781</u></b>	<b><u>\$ 2,967,215</u></b>	<b><u>\$ 1,640,566</u></b>	<b><u>\$</u></b>

See Independent Auditors' Report

**HASBROUCK HEIGHTS SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUND**  
**SUMMARY SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
**BUDGETARY BASIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

<b>Revenues and Other Financing Sources</b>	
State Sources - SCC Grant	\$
Premium on Note Sale	
Interest	<u>21</u>
Total Revenues and Other Financing Sources	<u>21</u>
<b>Expenditures and Other Financing Uses</b>	
Salaries	
Purchased Professional Services	
Architect Services	
Construction Services	
Cancelation of Unfunded Projects	1,608,545
Transfer to Debt Service Fund	<u>32,042</u>
Total Expenditures and Other Financing Uses	<u>1,640,587</u>
Excess (deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	(1,640,566)
Fund Balance, beginning of year	<u>1,640,566</u>
Fund Balance, end of year	<u><u>\$</u></u>

See Independent Auditors' Report

**HASBROUCK HEIGHTS SCHOOL DISTRICT**  
**SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES**  
**MIDDLE/HIGH SCHOOL WINDOWS REPLACEMENT**  
**FROM INCEPTION THROUGH JUNE 30, 2015**

F-2a

	<u>Prior Periods</u>	<u>Current Year Cancelled</u>	<u>Totals</u>	<u>Revised Authorization Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant	\$ 563,344	\$ (171,546)	\$ 391,798	\$ 391,798
Transfer from Capital Reserve				
Local Share	845,017	(257,320)	587,697	845,017
<b>Total Revenues and Other Financing Sources</b>	<u>1,408,361</u>	<u>(428,866)</u>	<u>979,495</u>	<u>1,236,815</u>
<b>Expenditures and Other Financing Uses</b>				
Salaries	3,966		3,966	3,966
Purchased Professional Services	105,793		105,793	105,570
Architect Services	51,189		51,189	171,101
Construction Services	818,547		818,547	1,127,723
<b>Total Expenditures and Other Financing Uses</b>	<u>979,495</u>		<u>979,495</u>	<u>1,408,361</u>
Excess (deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ 428,866</u>	<u>\$ (428,866)</u>	<u>\$</u>	<u>\$</u>

**Additional Project Information**

Project Number	2080-050-09-1001
Grant Date	2/26/2009
State Share	\$ 563,344
Note Authorization Date	1/29/2009
Note Authorized	\$ 845,017
Note Issued	\$ 845,017
Original Authorized Cost	\$ 1,408,361
Cancelled	\$ (428,866)
Revised Authorized Cost	\$ 979,495
Percentage Increase Over Original Authorized Cost	0%
Percentage Completion	100%
Original Target Completion Date	N/A
Revised Target Completion Date	N/A

See Independent Auditors' Report

**HASBROUCK HEIGHTS SCHOOL DISTRICT**  
**SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES**  
**MIDDLE/HIGH SCHOOL ROOF REPLACEMENT**  
**FROM INCEPTION THROUGH JUNE 30, 2015**

F-2b

	<u>Prior Periods</u>	<u>Current Year Cancelled</u>	<u>Totals</u>	<u>Revised Authorization Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant	\$ 471,872	\$ (323,229)	\$ 148,643	\$ 148,643
Local Share	707,807	(484,842)	222,965	222,965
	<u>1,179,679</u>	<u>(808,071)</u>	<u>371,608</u>	<u>371,608</u>
<b>Expenditures and Other Financing Uses</b>				
Salaries	352		352	1,000
Purchased Professional Services	10,919		10,919	119,000
Architect Services	9,502		9,502	183,344
Construction Services	350,835		350,835	876,335
	<u>371,608</u>	<u></u>	<u>371,608</u>	<u>1,179,679</u>
Excess (deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ 808,071</u>	<u>\$ (808,071)</u>	<u>\$</u>	<u>\$</u>
<b>Additional Project Information</b>				
Project Number	2050-050-09-1006			
Grant Date	2/26/2009			
State Share	\$	471,872		
Note Authorization Date	1/29/2009			
Note Authorized	\$	707,807		
Note Issued	\$	707,807		
Original Authorized Cost	\$	1,179,679		
Cancelled	\$	(808,071)		
Revised Authorized Cost	\$	371,608		
Percentage Increase Over Original				
Authorized Cost	0%			
Percentage Completion	100%			
Original Target Completion Date	N/A			
Revised Target Completion Date	N/A			

See Independent Auditors' Report

**HASBROUCK HEIGHTS SCHOOL DISTRICT**  
**SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES**  
**MIDDLE/HIGH SCHOOL GENERATOR**  
**FROM INCEPTION THROUGH JUNE 30, 2015**

F-2c

	<u>Prior Periods</u>	<u>Current Year Cancelled</u>	<u>Totals</u>	<u>Revised Authorization Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant	\$ 143,215	\$ (75,523)	\$ 67,692	\$ 67,692
Local Share	214,822	(113,285)	101,537	101,537
<b>Total Revenues and Other Financing Sources</b>	<u>358,037</u>	<u>(188,808)</u>	<u>169,229</u>	<u>169,229</u>
<b>Expenditures and Other Financing Uses</b>				
Salaries				500
Purchased Professional Services	6,319		6,319	6,079
Architect Services	20,815		20,815	65,097
Construction Services	142,095		142,095	286,361
<b>Total Expenditures and Other Financing Uses</b>	<u>169,229</u>		<u>169,229</u>	<u>358,037</u>
Excess (deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ 188,808</u>	<u>\$ (188,808)</u>	<u>\$</u>	<u>\$</u>
<b>Additional Project Information</b>				
Project Number	2080-050-09-1007			
Grant Date	2/26/2009			
State Share	\$ 143,215			
Note Authorization Date	1/29/2009			
Note Authorized	\$ 214,822			
Note Issued	\$ 214,822			
Original Authorized Cost	\$ 358,037			
Cancelled	\$ (188,808)			
Revised Authorized Cost	\$ 169,229			
Percentage Increase Over Original Authorized Cost	0%			
Percentage Completion	100%			
Original Target Completion Date	N/A			
Revised Target Completion Date	N/A			

See Independent Auditors' Report



**HASBROUCK HEIGHTS SCHOOL DISTRICT**  
**SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES**  
**EUCLID ELEMENTARY SCHOOL WINDOWS REPLACEMENT**  
**FROM INCEPTION THROUGH JUNE 30, 2015**

F-2d

	<u>Prior Periods</u>	<u>Current Year Cancelled</u>	<u>Totals</u>	<u>Revised Authorization Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant	\$ 163,549	\$ (55,007)	\$ 108,542	\$ 108,542
Local Share	245,323	(82,510)	162,813	162,813
Total Revenues and Other Financing Sources	<u>408,872</u>	<u>(137,517)</u>	<u>271,355</u>	<u>271,355</u>
<b>Expenditures and Other Financing Uses</b>				
Salaries	1,934		1,934	2,042
Purchased Professional Services	12,574		12,574	12,958
Architect Services	13,271		13,271	70,661
Construction Services	243,576		243,576	323,211
Total Expenditures and Other Financing Uses	<u>271,355</u>		<u>271,355</u>	<u>408,872</u>
Excess (deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ 137,517</u>	<u>\$ (137,517)</u>	<u>\$</u>	<u>\$</u>

**Additional Project Information**

Project Number	2080-060-09-1003
Grant Date	2/26/2009
State Share	\$ 163,549
Note Authorization Date	1/29/2009
Note Authorized	\$ 245,323
Note Issued	\$ 245,323
Original Authorized Cost	\$ 408,872
Cancelled	\$ (137,517)
Revised Authorized Cost	\$ 271,355

Percentage Increase Over Original Authorized Cost	0%
Percentage Completion	100%
Original Target Completion Date	N/A
Revised Target Completion Date	N/A

See Independent Auditor's Report

**HASBROUCK HEIGHTS SCHOOL DISTRICT**  
**SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES**  
**LINCOLN ELEMENTARY SCHOOL ROOF REPLACEMENT**  
**FROM INCEPTION THROUGH JUNE 30, 2015**

F-2e

	<u>Prior Periods</u>	<u>Current Year Cancelled</u>	<u>Totals</u>	<u>Revised Authorization Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant	\$ 163,549	\$ (51,390)	\$ 112,159	\$ 112,159
Local Share	245,323	(77,085)	168,238	168,238
<b>Total Revenues and Other Financing Sources</b>	<u>408,872</u>	<u>(128,475)</u>	<u>280,397</u>	<u>280,397</u>
<b>Expenditures and Other Financing Uses</b>				
Salaries	3,768		3,768	4,042
Purchased Professional Services	19,782		19,782	19,500
Architect Services	13,271		13,271	62,119
Construction Services	243,576		243,576	323,211
<b>Total Expenditures and Other Financing Uses</b>	<u>280,397</u>		<u>280,397</u>	<u>408,872</u>
<b>Excess (deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses</b>	<u>\$ 128,475</u>	<u>\$ (128,475)</u>	<u>\$</u>	<u>\$</u>

**Additional Project Information**

Project Number	2080-080-09-1004
Grant Date	2/26/2009
State Share	\$ 163,549
Note Authorization Date	1/29/2009
Note Authorized	\$ 245,323
Note Issued	\$ 245,323
Original Authorized Cost	\$ 408,872
Cancelled	\$ (128,475)
Revised Authorized Cost	\$ 280,397

Percentage Increase Over Original Authorized Cost	0%
Percentage Completion	100%
Original Target Completion Date	N/A
Revised Target Completion Date	N/A

See Independent Auditors' Report

**HASBROUCK HEIGHTS SCHOOL DISTRICT**  
**SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES**  
**EUCLID ELEMENTARY SCHOOL ROOF REPLACEMENT**  
**FROM INCEPTION THROUGH JUNE 30, 2015**

F-2f

	<u>Prior Periods</u>	<u>Current Year Cancelled</u>	<u>Totals</u>	<u>Revised Authorization Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant	\$ 168,792	\$ (82,084)	\$ 86,708	\$ 86,708
Local Share	253,188	(123,127)	130,061	130,061
Total Revenues and Other Financing Sources	<u>421,980</u>	<u>(205,211)</u>	<u>216,769</u>	<u>216,769</u>
<b>Expenditures and Other Financing Uses</b>				
Salaries	1,088		1,088	2,000
Purchased Professional Services	6,455		6,455	38,000
Architect Services	12,151		12,151	88,579
Construction Services	197,075		197,075	293,401
Total Expenditures and Other Financing Uses	<u>216,769</u>		<u>216,769</u>	<u>421,980</u>
Excess (deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ 205,211</u>	<u>\$ (205,211)</u>	<u>\$</u>	<u>\$</u>

**Additional Project Information**

Project Number	2080-060-09-1002
Grant Date	2/26/2009
State Share	\$ 168,792
Note Authorization Date	1/29/2009
Note Authorized	\$ 253,188
Note Issued	\$ 253,188
Original Authorized Cost	\$ 421,980
Cancelled	\$ (205,211)
Revised Authorized Cost	\$ 216,769

Percentage Increase Over Original Authorized Cost	0%
Percentage Completion	100%
Original Target Completion Date	N/A
Revised Target Completion Date	N/A

See Independent Auditors' Report

**HASBROUCK HEIGHTS SCHOOL DISTRICT**  
**SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES**  
**LINCOLN ELEMENTARY SCHOOL ROOF REPLACEMENT**  
**FROM INCEPTION THROUGH JUNE 30, 2015**

F-2g

	<u>Prior Periods</u>	<u>Current Year Cancelled</u>	<u>Totals</u>	<u>Revised Authorization Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant	\$ 168,792	\$ (83,780)	\$ 85,012	\$ 85,012
Local Share	253,188	(125,671)	127,517	253,188
<b>Total Revenues and Other Financing Sources</b>	<u>421,980</u>	<u>(209,451)</u>	<u>212,529</u>	<u>338,200</u>
<b>Expenditures and Other Financing Uses</b>				
Salaries	1,015		1,015	2,000
Purchased Professional Services	5,890		5,890	38,000
Architect Services	12,151		12,151	88,579
Construction Services	193,473		193,473	293,401
<b>Total Expenditures and Other Financing Uses</b>	<u>212,529</u>		<u>212,529</u>	<u>421,980</u>
<b>Excess (deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses</b>	<u>\$ 209,451</u>	<u>\$ (209,451)</u>	<u>\$</u>	<u>\$</u>

**Additional Project Information**

Project Number	2080-080-09-1005
Grant Date	2/26/2009
State Share	\$ 168,792
Note Authorization Date	1/29/2009
Note Authorized	\$ 253,188
Note Issued	\$ 253,188
Original Authorized Cost	\$ 421,980
Cancelled	\$ (209,451)
Revised Authorized Cost	\$ 212,529

Percentage Increase Over Original Authorized Cost	0%
Percentage Completion	100%
Original Target Completion Date	N/A
Revised Target Completion Date	N/A

See Independent Auditors' Report

**G. PROPRIETARY FUNDS**

**ENTERPRISE FUND**

**HASBROUCK HEIGHTS SCHOOL DISTRICT**  
**COMBINING STATEMENT OF NET POSITION**  
**ENTERPRISE FUNDS**  
**JUNE 30, 2015**

G-1

	<b>Business-Type Activities -</b>			<b>Total</b>
	<b>Enterprise Funds</b>			
	<b>Keys</b>	<b>Other</b>	<b>Food</b>	<b>Enterprise</b>
	<b>Program</b>	<b>Programs</b>	<b>Service</b>	
<b>ASSETS</b>				
Current Assets				
Cash and Cash Equivalents	\$ 426,695	\$ 102,670	\$ 122,817	\$ 652,181
Accounts receivable			8,730	8,730
Total Current Assets	<u>426,695</u>	<u>102,670</u>	<u>131,546</u>	<u>660,911</u>
Total Assets	<u>\$ 426,695</u>	<u>\$ 102,670</u>	<u>\$ 131,546</u>	<u>\$ 660,911</u>
<b>LIABILITIES</b>				
Current Liabilities				
Accounts Payable	\$ 4,325	\$	\$ 40,075	\$ 44,400
Deferred Revenue	67,073			67,073
Total Current Liabilities	71,398		40,075	111,473
<b>NET POSITION</b>				
Unrestricted	<u>355,297</u>	<u>102,670</u>	<u>91,471</u>	<u>549,438</u>
Total Net Position	<u>\$ 426,695</u>	<u>\$ 102,670</u>	<u>\$ 131,546</u>	<u>\$ 660,911</u>

See Independent Auditors' Report

**HASBROUCK HEIGHTS SCHOOL DISTRICT**  
**COMBINING STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN NET POSITION**  
**ENTERPRISE FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

G-2

	<b>Business-Type Activities -</b>			<b>Total</b>
	<b>Enterprise Fund</b>			
	<b>Keys</b>	<b>Other</b>	<b>Food</b>	<b>Enterprise</b>
	<b>Program</b>	<b>Programs</b>	<b>Service</b>	<b>Enterprise</b>
Operating Revenues:				
Charges for services:				
Daily Sales - Reimbursable Programs	\$	\$	\$ 360,360	\$ 360,360
Daily Sales - Non-Reimbursable Programs	444,888	23,774		468,662
Total Operating Revenues	444,888	23,774	360,360	829,022
Operating Expenses				
Salaries and Wages	244,197	23,650		267,847
Employee Benefits	16,408	1,846		18,254
Purchased Property Service				
Other Purchased Professional Services			9,760	9,760
Cleaning, Repair and Maintenance Services				
Utilities	30,164			30,164
Rent	48,000			48,000
Supplies and Materials	52,105	242	498,659	551,006
Miscellaneous		600		600
Total Operating Expenses	390,874	26,338	508,418	925,631
Operating Income (Loss)	54,013	(2,564)	(148,058)	(96,609)
Nonoperating Revenues				
State Sources			4,579	4,579
Federal Sources			137,772	137,772
Total Nonoperating Revenues			142,350	142,350
Other Financing Resources (Uses)				
Transfers out				
Change in Net Position	54,013	(2,564)	(5,707)	45,742
Net Position, Beginning of Year	300,428	107,777	97,179	505,383
Net Assets - Adjustments	856	(2,543)		(1,687)
Net Position, End of Year	\$ 355,297	\$ 102,670	\$ 91,471	\$ 549,438

See Independent Auditors' Report



**HASBROUCK HEIGHTS SCHOOL DISTRICT**  
**COMBINING STATEMENT OF CASH FLOWS**  
**ENTERPRISE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

G-3

	<b>Business-Type Activities - Enterprise Funds</b>			<b>Total Enterprise</b>
	<b>Keys Program</b>	<b>Other Programs</b>	<b>Food Service</b>	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from Customers	\$ 511,961	\$ 23,774	\$ 360,360	\$ 896,095
Salaries and Benefits	(260,605)	(25,496)		(286,101)
Recognition of Prior Years Unearned Revenue	(74,072)			(74,072)
Payments to Suppliers	(132,758)	(842)	(468,343)	(601,943)
Write Off of Accounts Payable	856			856
Net Cash Provided By (Used In) Operating Activities	<u>45,382</u>	<u>(2,564)</u>	<u>(107,983)</u>	<u>(65,165)</u>
<b>CASH FLOWS FROM NON CAPITAL FINANCING ACTIVITIES</b>				
State and Federal Sources			141,561	141,561
Net Cash Provided by Non Capital Financing Activities			<u>141,561</u>	<u>141,561</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Transfer out		(2,543)		(2,543)
Net Cash Used in Investing Activities		<u>(2,543)</u>		<u>(2,543)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	45,382	(5,107)	33,579	73,853
Cash and Cash Equivalents, Beginning of Year	<u>381,313</u>	<u>107,777</u>	<u>89,238</u>	<u>578,328</u>
Cash and Cash Equivalents, End of Year	<u>\$ 426,695</u>	<u>\$ 102,670</u>	<u>\$ 122,817</u>	<u>\$ 652,181</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:</b>				
Operating Income (Loss)	<u>\$ 54,013</u>	<u>\$ (2,564)</u>	<u>\$ (148,058)</u>	<u>\$ (96,609)</u>
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operations				
Changes in Operating Assets and Liabilities:				
Increase (Decrease) in Unearned Revenue	(6,999)			(6,999)
Increase (Decrease) in Accounts Payable	(1,633)		40,075	38,442
Total Adjustments	<u>(8,632)</u>		<u>40,075</u>	<u>31,443</u>
Net Cash Provided By (Used in) Operating Activities	<u>\$ 45,382</u>	<u>\$ (2,564)</u>	<u>\$ (107,983)</u>	<u>\$ (65,165)</u>

See Independent Auditors' Report

**INTERNAL SERVICE FUND**

## H. FIDUCIARY FUNDS

**HASBROUCK HEIGHTS SCHOOL DISTRICT**  
**COMBINING STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**JUNE 30, 2015**

H-1

	<u>Private Purpose Scholarship Funds</u>	<u>Student Activity</u>	<u>Payroll Agency</u>	<u>Total Agency Funds</u>
<b>ASSETS</b>				
Cash	\$ 70,292	\$ 100,037	\$ 231,449	\$ 401,778
Total Assets	<u>\$ 70,292</u>	<u>\$ 100,037</u>	<u>\$ 231,449</u>	<u>\$ 401,778</u>
<b>LIABILITIES</b>				
Payroll Deductions and Withholding \$		\$	\$ 231,449	\$ 231,449
Due to Student Groups		100,037		100,037
Total Liabilities	<u>\$</u>	<u>\$ 100,037</u>	<u>\$ 231,449</u>	<u>\$ 331,486</u>
<b>NET ASSETS</b>				
Reserved for Scholarships	<u>\$ 70,292</u>			<u>\$ 70,292</u>

See Independent Auditors' Report

**HASBROUCK HEIGHTS SCHOOL DISTRICT**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

H-2

	<b>Private Purpose Scholarship Fund</b>
<b>ADDITIONS</b>	
Contributions	
Donations	\$
Other	
Total Contributions	
Investment earnings:	
Interest	24
Total Additions	24
<b>DEDUCTIONS</b>	
Other	
Scholarships awarded	2,250
Total Deductions	2,250
Change in Net Position	(2,226)
Net Position, Beginning of Year	72,518
Net Position, End of Year	\$ 70,292

See Independent Auditors' Report

**HASBROUCK HEIGHTS SCHOOL DISTRICT**  
**STUDENT ACTIVITY AGENCY FUND**  
**SCHEDULE OF RECEIPTS AND DISBURSEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

H-3

	<u>Balance</u> <u>July 1, 2014</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance,</u> <u>June 30, 2015</u>
Elementary Schools:				
Euclid	\$ 6,522	\$ 16,312	\$ 16,883	\$ 5,951
Lincoln	2,899	27,955	17,155	13,699
High School	82,801	275,320	278,529	79,592
Athletic Account	<u>332</u>	<u>35,600</u>	<u>35,138</u>	<u>794</u>
Total All Schools	<u>\$ 92,554</u>	<u>\$ 355,187</u>	<u>\$ 347,705</u>	<u>\$ 100,037</u>

See Independent Auditors' Report

**HASBROUCK HEIGHTS SCHOOL DISTRICT**  
**PAYROLL AGENCY FUND**  
**SCHEDULE OF RECEIPTS AND DISBURSEMENTS**  
**JUNE 30, 2015**

H-4

	<u>Balance</u> <u>July 1, 2014</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance,</u> <u>June 30, 2015</u>
<b>ASSETS:</b>				
Cash and Cash Equivalents	<u>\$ 240,555</u>	<u>\$ 8,681,344</u>	<u>\$ 8,690,451</u>	<u>\$ 231,449</u>
Total Assets	<u><u>\$ 240,555</u></u>	<u><u>\$ 8,681,344</u></u>	<u><u>\$ 8,690,451</u></u>	<u><u>\$ 231,449</u></u>
 <b>LIABILITIES:</b>				
Payroll Deductions and Withholdings	<u>\$ 240,555</u>	<u>\$ 8,681,344</u>	<u>\$ 8,690,451</u>	<u>\$ 231,449</u>
Total Liabilities	<u><u>\$ 240,555</u></u>	<u><u>\$ 8,681,344</u></u>	<u><u>\$ 8,690,451</u></u>	<u><u>\$ 231,449</u></u>

See Independent Auditors' Report

## **I. LONG-TERM DEBT**



HASBROUCK HEIGHTS SCHOOL DISTRICT  
LONG-TERM DEBT  
STATEMENT OF SERIAL BONDS AND LOANS PAYABLE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Issue	Date of Issue	Amount of Issue	Annual Maturities of Bonds and Loans Outstanding June 30, 2015		Interest Rate	Balance July 1, 2014	Issued	Retired	Balance June 30, 2015
			Date	Amount					
Refunding School Bonds; Advance refunded \$7,610,000 of the Bonds originally issued on 8/5/98, and \$357,000 of the Bonds originally issued on 1/12/99.	4/7/2005	\$ 8,370,000	8/15/2015	\$ 495,000	3.00%-4.25%	\$ 5,855,000	\$	\$ 530,000	\$ 5,325,000
			8/15/2016	520,000					
			8/15/2017	540,000					
			8/15/2018	560,000					
			8/15/2019	585,000					
			8/15/2020	615,000					
			8/15/2021	640,000					
			8/15/2022	670,000					
			8/15/2023	700,000					
\$1,740,000 School Bonds	7/1/2014	1,740,000	8/15/2015	150,000	2.00%-2.5%		1,740,000		1,740,000
			8/15/2016	155,000					
			8/15/2017	160,000					
			8/15/2018	165,000					
			8/15/2019	170,000					
			8/15/2020	175,000					
			8/15/2021	180,000					
			8/15/2022	190,000					
			8/15/2023	195,000					
			8/15/2024	200,000					
						<u>\$ 5,855,000</u>	<u>\$ 1,740,000</u>	<u>\$ 530,000</u>	<u>\$ 7,065,000</u>

\* The bonds associated with this issuance were refunded with Refunding School Bonds issued on 4/7/05. ( See Note 6 for additional information)

**HASBROUCK HEIGHTS SCHOOL DISTRICT**  
**SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES**  
**LONG-TERM DEBT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

I-2

<u>Purpose</u>	<u>Original Issue</u>	<u>Balance 7/1/2014</u>	<u>Issued or Adjusted</u>	<u>Matured</u>	<u>Balance 6/30/2015</u>
Savin Copiers	\$ 130,686	\$ 49,475	\$ (49,475)	\$	\$
Savin 9060 Copier (5/2012)	58,350	34,926	(34,926)		
Savin 9228 Copier	5,038	2,969	(2,969)		
Savin 9228 Copier (9/2011)	5,647	3,991	(3,991)		
Savin Fax	945	515	(515)		
Savin Copiers (8/2014)	248,497		248,497	34,398	214,099
Dell Computers (De Lage)	56,530	31,057	(28,797)		2,260
Dell Computers (7/2014 - 36 month)	86,746		86,746	30,101	56,645
Dell Computers (7/2014 - 24 month)	57,679		57,679	30,532	27,147
Euclid Boiler	109,987		109,987	10,615	99,372
High School Lighting	20,261	7,600		7,600	
Apple iPads	62,915	4,941		4,941	
		<u>\$ 135,474</u>	<u>\$ 382,236</u>	<u>\$ 118,187</u>	<u>\$ 399,523</u>

See Independent Auditors' Report

**HASBROUCK HEIGHTS SCHOOL DISTRICT**  
**BUDGETARY COMPARISON SCHEDULE**  
**DEBT SERVICE FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

<b>REVENUES</b>	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Local Sources					
Local Tax Levy	\$ 626,631	\$	\$ 626,631	\$ 626,631	\$
Budgeted Fund Balance	13,614		13,614		13,614
State Sources					
Debt Service Aid	188,174		188,174	188,174	
<b>Total Revenues</b>	<u>828,419</u>		<u>828,419</u>	<u>814,805</u>	<u>13,614</u>
<b>EXPENDITURES</b>					
Regular Debt Service					
Principal	521,932	8,068	530,000	530,000	
Interest	306,487	(8,086)	298,401	272,077	26,324
<b>Total Expenditures</b>	<u>828,419</u>		<u>828,401</u>	<u>802,077</u>	<u>26,324</u>
Excess of Revenues Over Expenditures				12,728	12,728
Transfer In from Capital Projects				32,042	
Transfer in from General Fund					
Fund Balance, Beginning of Year				36,318	
Fund Balance, End of Year	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 81,088</u>	<u>\$</u>
Subsequent Year Expenditures				<u>\$ 22,704</u>	

See Independent Auditors' Report

## **INTRODUCTION TO THE STATISTICAL SECTION**

## STATISTICAL SECTION

This part of the District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the District's overall financial health.

### Contents

### Exhibit

#### **Financial Trends**

These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

J-1 thru J-5

#### **Revenue Capacity**

These schedules contain information to help the reader assess the factors affecting the District's ability to generate its property taxes.

J-6 thru 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 thru J-13

#### **Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand environment within which the District's financial activities take place and to help make comparisons over time and with other governments.

J-14 thru J-15

#### **Operating Information**

These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.

J-16 thru J-20

**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year. The District implemented GASB Statement 34 in a previous fiscal year. Schedules presenting government-wide information include information beginning in the fiscal year ended June 30, 2006.

## **J. FINANCIAL TRENDS**

**HASBROUCK HEIGHTS SCHOOL DISTRICT**  
**NET POSITION BY COMPONENT**  
**LAST TWO FISCAL YEARS**  
 (accrual basis of accounting)  
 (unaudited)

J-1

	2014	2015
Governmental activities		
Net Investment in capital assets,	\$ 722,622 *	\$ 845,032 *
Restricted	2,911,788	1,386,416
Unassigned	403,169	(6,270,732)
Total governmental activities net position	\$ 4,037,579	\$ (4,039,284)
Business-type activities		
Net Investment in capital assets,	\$	\$
Restricted		
Unassigned	505,384	549,438
Total business-type activities net assets	\$ 505,384	\$ 549,438
District-wide		
Net Investment in capital assets,	\$ 722,622	\$ 845,032
Restricted	2,911,788	1,386,416
Unassigned	908,553	(5,721,294)
Total district net position	\$ 4,542,963	\$ (3,489,846)

\* Revised for current year appraisal

See Independent Auditors' Report

**HASBROUCK HEIGHTS SCHOOL DISTRICT**  
**CHANGES IN NET POSITION (DEFICIT)**  
**LAST TWO FISCAL YEARS**  
 (accrual basis of accounting)  
 (unaudited)

J-2  
 Sheet #1

	2014	2015
<b>Expenses</b>		
Governmental activities		
Instruction		
Regular	\$ 11,898,575	\$ 11,118,742
Special education	3,369,768	3,572,400
Other special instruction	954,998	775,700
Support Services:		
Tuition	2,947,018	2,875,701
Student and instruction related services	4,716,062	4,236,669
School administrative services	1,203,928	1,232,176
General and other administration	1,113,537	1,369,359
Plant operations and maintenance	2,452,148	2,499,991
Pupil transportation	701,864	673,390
Interest on long-term debt/lease payment/other	581,807	750,364
 Total governmental activities expenses	 29,939,705	 29,104,492
 Business-type activities:		
Food service	479,702	508,418
Keys and other programs	435,643	417,212
Total business-type activities expense	915,345	925,630
Total district expenses	\$ 30,855,050	\$ 30,030,122
 <b>Program Revenues</b>		
Governmental activities:		
Charges for services:		
Special education		
Operating grants and contributions	\$ 918,842	\$ 980,872
Capital grants and contributions		
Total governmental activities program revenues	918,842	980,872

See Independent Auditors' Report



**HASBROUCK HEIGHTS SCHOOL DISTRICT**  
**CHANGES IN NET POSITION (DEFICIT)**  
**LAST TWO FISCAL YEARS**  
 (accrual basis of accounting)  
 (unaudited)

J-2  
 Sheet #2

	2014	2015
<b>Business-type activities:</b>		
Charges for services		
Food service	\$ 382,324	\$ 360,360
Keys and other programs	431,099	468,661
Operating grants and contributions	130,667	142,350
Capital grants and contributions		
Total business type activities program revenues	944,090	971,371
Total district program revenues	\$ 1,862,932	\$ 1,952,243
 <b>Net (Expense)/Revenue</b>		
Governmental activities	\$(29,020,863)	\$(28,123,620)
Business-type activities	28,745	45,741
Total district-wide net expense	\$(28,992,118)	\$(28,077,879)
 <b>General Revenues and Other Changes in Net Position</b>		
Governmental activities:		
Property taxes levied for general purposes, net	\$ 25,506,891	\$ 26,544,747
Taxes levied for debt service	609,408	626,631
Grants and contributions	3,730,917	1,556,062
Tuition received	59,380	160,000
Cancellation of unfunded capital projects		(1,608,545)
Miscellaneous income	293,513	183,688
Proceeds of bond sale		(1,740,000)
Total governmental activities	30,200,109	25,722,583
 Business-type activities:		
Investment earnings/other expense		(1,687)
Total business-type activities		(1,687)
Total district-wide	\$ 30,200,109	\$ 25,720,896
 <b>Change in Net Position (Deficit)</b>		
Governmental activities	\$ 1,179,246	\$ (2,401,037)
Business-type activities	28,745	44,054
Total district	\$ 1,207,991	\$ (2,356,983)

See Independent Auditors' Report

**HASBROUCK HEIGHTS SCHOOL DISTRICT**  
**FUND BALANCES (DEFICIT) - GOVERNMENTAL FUNDS**  
**LAST FOUR FISCAL YEARS**  
(modified accrual basis of accounting)  
(unaudited)

J-3

	For the year ended June 30, 2015			
	2012	2013	2014	2015
General Fund				
Reserved	\$ 398,385	\$ 941,405	\$ 1,234,903	\$ 1,850,318
Unreserved	472,264	440,295	456,169	474,184
Total general fund	\$ 870,649	\$ 1,381,700	\$ 1,691,072	\$ 2,324,502
All Other Governmental Funds				
Reserved	\$	\$	\$	\$
Unreserved	1,650,480	1,662,627	1,676,884	81,088
Total all other governmental funds	\$ 1,650,480	\$ 1,662,627	\$ 1,676,884	\$ 81,088

See Independent Auditors' Report

**HASBROUCK HEIGHTS SCHOOL DISTRICT**  
**CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**LAST FOUR FISCAL YEARS**  
(modified accrual basis of accounting)  
(unaudited)

J-4  
Sheet #1

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>Revenues</b>				
Local Tax Levy	\$ 23,876,774	\$ 24,770,960	\$ 26,116,299	\$ 27,171,378
Other Local Revenue	271,300	409,342	371,247	335,684
State sources	3,311,772	4,149,515	3,990,510	4,555,988
Local sources		58,900	49,927	50,000
Federal sources	54,141	589,765	609,322	617,726
Total revenue	<u>27,513,987</u>	<u>29,978,482</u>	<u>31,137,305</u>	<u>32,730,776</u>
<b>Expenditures</b>				
Instruction				
Regular Instruction	8,581,952	8,620,124	8,471,816	8,597,979
Special Education Instruction	2,087,605	2,259,813	2,379,806	2,906,417
Other	704,163	623,103	719,688	623,074
Total Instruction	<u>11,373,720</u>	<u>11,503,040</u>	<u>11,571,310</u>	<u>12,127,470</u>
Undistributed:				
Instructional Staff Training	2,514,312	2,322,098	2,596,479	2,503,491
Support Services-Students	3,132,058	3,369,783	3,234,440	3,577,338
General Administration	523,589	597,516	974,938	654,037
School Administration	925,912	1,008,811	969,640	974,595
Other Administrative Services	131,543	112,768	102,414	422,875
Operations and Maintenance	1,700,198	1,835,799	2,088,368	2,089,633
Student Transportation	694,603	628,024	687,797	660,067
Business and Other Support Services:				
Employee Benefits	3,321,779	2,963,788	4,071,906	4,195,448
Other				
On-behalf TPAF Pension Contributions	349,364	2,378,341	1,293,041	2,636,778
Reimbursed TPAF Social Security Contributions	702,312	881,007	891,939	
Transfers - Charter Schools	62,161	61,033		29,608
Total Undistributed	<u>14,057,831</u>	<u>16,158,968</u>	<u>16,910,962</u>	<u>17,743,870</u>
Capital Outlay:				
Facilities Acquisition and Construction Services				
	278,213	110,441	224,347	388,310
Assets Acquired under Capital Leases				
Capital Lease Payment	262,530	149,565	154,775	382,243
Total Capital Outlay	<u>540,743</u>	<u>328,481</u>	<u>379,122</u>	<u>770,553</u>
Total General Fund Expenditures	<u>25,972,294</u>	<u>27,990,489</u>	<u>28,861,394</u>	<u>30,641,893</u>
<b>Special Revenue:</b>				
Federal	586,791	589,766	609,322	617,726
State	267,986	263,738	259,593	313,146
Intermediate				
Local	2,183	56,135	49,927	50,000
Total Special Revenue Expenditures	<u>856,960</u>	<u>909,639</u>	<u>918,842</u>	<u>980,872</u>

See Independent Auditors' Report

**HASBROUCK HEIGHTS SCHOOL DISTRICT**  
**CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**LAST FOUR FISCAL YEARS**  
(modified accrual basis of accounting)  
(unaudited)

J-4  
Sheet #2

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Debt Service Expenditures	\$ 795,716	\$ 874,426	\$ 777,089	\$ 802,077
Total Governmental Fund Expenditures	<u>\$ 27,624,970</u>	<u>\$ 29,774,554</u>	<u>\$ 30,557,325</u>	<u>\$ 32,424,842</u>
Excess (Deficiency) of Revenues Over (under) Expenditures	(110,983)	203,928	581,408	305,934
Other Financing Sources (Uses)				
Capital Leases (non-budgeted)	262,530	68,475		382,243
Write-off of Prior Year Revenue			(18,354)	(9,228)
Amount due to State				(32,770)
Cancellation of Unfunded Capital Projects				(1,608,545)
Transfers In	2,554	12,800		
Transfers Out	(2,554)			
Total Other Financing Sources (uses)	<u>262,530</u>	<u>81,275</u>	<u>(18,354)</u>	<u>(1,268,300)</u>
Net Change in Fund Balances	<u>\$ 151,547</u>	<u>\$ 285,203</u>	<u>\$ 563,054</u>	<u>\$ (962,366)</u>
Debt Service as a Percentage of Non Capital Expenditures	2.94%	2.97%	2.58%	2.53%

**Source: District records**

Note: Non capital expenditures are total expenditures less capital outlay.

See Independent Auditors' Report

**HASBROUCK HEIGHTS SCHOOL DISTRICT**  
**GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE**  
**LAST TEN FISCAL YEARS**  
(modified accrual basis of accounting)  
(unaudited)

J-5

<u>Description</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>Annual Totals</u>
Interest on Investments	\$ 8,770	\$ 8,876	\$ 7,279	\$	\$	\$ 20,060	\$	\$	\$	\$	\$ 44,985
Tuition	160,000	59,380	128,504	167,283	116,074	319,323					950,564
Rentals	1,150	51,475	48,900			19,772					121,297
Prior Year Tuition Refunds	26,957	6,784	46,084			14,833					94,658
Miscellaneous Income	138,787	244,709	178,576	103,921	134,076	57,282					857,351
<b>Total</b>	<u>\$ 335,664</u>	<u>\$ 371,224</u>	<u>\$ 409,343</u>	<u>\$ 271,204</u>	<u>\$ 250,150</u>	<u>\$ 431,270</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 2,068,855</u>

Source: District records

**REVENUE CAPACITY-N/A TO CHARTER SCHOOLS**

**HASBROUCK HEIGHTS SCHOOL DISTRICT**  
**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
**LAST TEN FISCAL YEARS**  
(unaudited)

J-6

<u>Fiscal Year Ended June 30,</u>	<u>Net Assessed Valuations</u>	<u>Estimated Full Cash Valuations</u>	<u>Percentage of Net Assessed to Estimated Full Cash Valuations</u>
2006	\$ 1,855,266,800	\$ 1,636,696,559	113.70%
2007	1,853,773,480	1,773,855,650	104.81%
2008	1,856,759,375	1,896,757,560	98.16%
2009	1,867,662,044	1,945,451,054	96.26%
2010	1,872,097,822	1,928,211,589	97.35%
2011	1,865,367,200	1,833,104,560	101.76%
2012	1,544,763,900	1,654,808,677	93.35%
2013	1,547,020,681	1,712,005,582	90.36%
2014	1,551,931,320	1,678,988,516	92.65%
2015	1,551,911,749	1,764,238,083	88.15%

Source: County Abstract of Ratables County Abstract of Ratables

Taxes are per \$100

See Independent Auditors' Report

**HASBROUCK HEIGHTS SCHOOL DISTRICT**  
**DIRECT AND OVERLAPPING PROPERTY TAX RATES**  
**LAST TEN YEARS**  
**UNAUDITED**  
(rate per \$100 of assessed value)

J-7

<u>Calendar Year</u>	<u>Total Direct School Tax Rate</u>	<u>Overlapping Rates</u>		<u>Total Direct and Overlapping Tax Rate</u>
		<u>Municipality</u>	<u>County</u>	
2006	1.012	0.602	0.166	1.78
2007	1.074	0.643	0.173	1.89
2008	1.115	0.692	0.190	1.997
2009	1.150	0.719	0.201	2.070
2010	1.221	0.746	0.202	2.169
2011	1.273	0.765	0.205	2.243
2012 *	1.574	0.932	0.236	2.742
2013	1.641	0.941	0.254	2.836
2014	1.708	0.946	0.250	2.904
2015	1.767	0.947	0.272	2.986

Source: Tax Collector

\* Reassessment



**HASBROUCK HEIGHTS SCHOOL DISTRICT**  
**PRINCIPAL PROPERTY TAXPAYERS**  
**CURRENT YEAR AND LAST YEAR**  
**UNAUDITED**

J-8

<u><b>Taxpayers</b></u>	<u>2014</u>		<u>2015</u>	
	<u>Assessed Valuation</u>	<u>As a % of District's Net Assessed Valuation</u>	<u>Assessed Valuation</u>	<u>As a % of District's Net Assessed Valuation</u>
Prime Properties, LLC	\$ 32,385,300	2.09%	\$ 32,385,300	2.09%
Heights Plaza, Associates	23,643,500	1.52%	23,643,500	1.52%
Heights Plaza, LLC	16,628,900	1.07%	16,628,900	1.07%
Ess Prisa LLC	13,350,000	0.86%	13,350,000	0.86%
621 Route 46 Associates	13,618,100	0.88%	13,618,100	0.88%
Ottawa House Limited	11,710,000	0.75%	11,710,000	0.75%
611 Routh 46, LLC	11,100,000	0.72%	11,100,000	0.72%
Hasbrouck Motel Company	11,380,900	0.73%	11,380,900	0.73%
377 LaSalle Group LLC	10,290,700	0.66%	8,500,000	0.55%
Skyline Associates	10,522,100	0.68%	10,522,100	0.68%
<b>Total</b>	<u><u>\$ 154,629,500</u></u>	<u><u>9.96%</u></u>	<u><u>\$ 152,838,800</u></u>	<u><u>9.85%</u></u>

Source: Municipal Tax Assessor

See Independent Auditors' Report

**HASBROUCK HEIGHTS SCHOOL DISTRICT**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**LAST TEN FISCAL YEARS**  
(unaudited)

J-9

<u>Fiscal Year Ended June 30,</u>	<u>Taxes Levied for the Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy</u>	
		<u>Amount</u>	<u>Percentage of Levy</u>
2006	\$ 17,663,691	\$ 17,663,691	100.00%
2007	18,764,451	18,764,451	100.00%
2008	19,965,249	19,965,249	100.00%
2009	20,387,886	20,367,886	100.00%
2010	22,047,826	22,047,826	100.00%
2011	23,647,498	23,647,498	100.00%
2012	23,332,543	23,332,543	100.00%
2013	24,770,960	24,770,960	100.00%
2014	26,116,297	26,116,297	100.00%
2015	27,030,709	27,030,709	100.00%

See Independent Auditors' Report

## **DEBT CAPACITY**

**HASBROUCK HEIGHTS SCHOOL DISTRICT**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
**LAST THREE FISCAL YEARS**  
(unaudited)

J-10

Fiscal Year Ended June 30,	Governmental Activities		Business-Type Activities	Total District	Population	Per Capita <sup>a</sup>
	General Obligation Bonds	Capital Leases	Capital Leases			
2012	\$ 6,369,341	\$ 290,249		\$ 6,659,590	11,936	558
2013	5,855,000	135,474		5,990,474	12,022	498
2014	7,065,000	399,530		7,464,530	11,842	630

**Note:** Details regarding the District's outstanding debt can be found in the Notes to 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.

**HASBROUCK HEIGHTS SCHOOL DISTRICT**  
**RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING**  
**LAST TEN FISCAL YEARS**  
 Unaudited

J-11

<u>Fiscal Year Ended June 30,</u>	<u>Estimated School District Population</u>	<u>Assessed Value</u>	<u>Net Bonded Debt</u>	<u>Ratio of Bonded Debt to Assessed Value</u>	<u>Net Bonded Debt per Capita</u>
2006	11,621	\$1,855,266,800	\$ 10,314,200	0.56%	887.55
2007	11,492	1,853,773,480	10,854,968	0.62%	944.57
2008	11,410	1,856,759,375	9,718,472	0.52%	851.75
2009	11,445	1,867,662,044	8,145,000	0.44%	711.66
2010	11,856	1,872,097,822	7,715,000	0.41%	650.73
2011	11,919	1,865,367,200	7,275,000	0.39%	610.37
2012	11,936	1,544,763,900	6,820,000	0.44%	571.38
2013	11,936	1,547,020,681	6,369,341	0.41%	533.62
2014	12,022	1,551,931,320	5,855,000	0.38%	487.02
2015	11,842	1,551,911,749	7,065,000	0.46%	596.61

Source: Data regarding District population was provided by the State Department of Labor.

Assessed valuations were provided by the Abstract of Ratables, County Board of Taxation.

**HASBROUCK HEIGHTS SCHOOL DISTRICT**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**AS OF JUNE 30, 2015**  
(unaudited)

J-12

Net Direct Debt of District as of June 30, 2015		\$ 7,065,000
Net Overlapping Debt of School District		
Borough of Hasbrouck Heights (100%)	\$ 9,639,498	
County of Bergen - Borough's share (0.101%)	<u>942,757</u>	
		<u>10,582,255</u>
Total Direct and Overlapping Bond Debt as of June 30, 2015		<u><u>\$ 17,647,255</u></u>

Source:

Borough of Hasbrouck Heights Chief Financial Officer and Bergen County Treasurer's Office.

See Independent Auditors' Report

**HASBROUCK HEIGHTS SCHOOL DISTRICT**  
**LEGAL DEBT MARGIN INFORMATION**  
(unaudited)

J-13

**Legal Debt Margin Calculation for Fiscal Year 2015**

		Equalized valuation basis
	2014	\$ 1,759,402,042
	2013	1,668,457,852
	2012	1,705,602,186
	(A)	<u>\$ 5,133,462,080</u>
Average equalized valuation of taxable property	(A-3)	\$ 1,711,154,027
Debt limit (4 % of average equalization value)	(B)	68,446,161 a
Net bonded school debt as of June 30, 2015	(C)	<u>7,065,000</u>
School borrow margin available	(B-C)	<u>\$ 61,381,161</u>

**Source:** Equalized valuation bases were obtained from the Annual Report of the State of New Jersey Department of Treasury, Division of Taxation

**a** Limit set by NJSA 18A:24-19 for a K through 12 District; other limits apply to other districts

**DEMOGRAPHIC AND ECONOMIC INFORMATION**



**HASBROUCK HEIGHTS SCHOOL DISTRICT**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
**LAST TEN FISCAL YEARS**  
(unaudited)

J-14

<u>Year</u>	<u>Estimated School District Population</u>	<u>County Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2006	11,621	\$ 61,264	4.10%
2007	11,492	67,113	3.70%
2008	11,410	67,696	0.48%
2009	11,445	63,198	8.50%
2010	11,856	65,486	8.80%
2011	11,919	66,096	9.40%
2012	11,936	69,919	8.80%
2013	11,936	67,240	8.60%
2014	12,022	N/A	N/A
2015	11,842	N/A	N/A

Source: New Jersey State Department of Education

\* Estimated

**HASBROUCK HEIGHTS SCHOOL DISTRICT**  
**PRINCIPAL EMPLOYERS**  
**CURRENT AND PREVIOUS FISCAL YEARS**  
(unaudited)

J-15

<u>Employer</u>	<u>2015</u>		<u>2015</u>	
	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>
N/A	N/A	N/A	N/A	N/A
		<u>0.00%</u>		<u>0.00%</u>

N/A - Data Not Available

See Independent Auditors' Report

## **OPERATING INFORMATION**

**HASBROUCK HEIGHTS SCHOOL DISTRICT**  
**FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM**  
**LAST TWO FISCAL YEARS**  
(unaudited)

J-16

<u>Function/Program</u>	<u>2014</u>	<u>2015</u>
Instruction		
Regular	104.6	104.4
Special Education	27.4	32.4
Other Instruction	26.0	29.0
Support Services:		
Attendance & Social Work	1.0	1.0
Health Services	3.6	3.6
Student & Instruction Related Services	3.0	3.0
Extraordinary Services	17.0	15.0
Support Services - Students Regular	6.0	6.0
Support Services - Students Special	8.8	8.4
Improvement of Instructional Services	0.0	2.0
Educational Media/School Library	4.8	4.8
General administration	3.0	2.0
School Administrative Services	10.6	10.6
Central Services	4.0	4.0
Administrative Information Technology	0.3	0.3
Plant Operations and Maintenance	14.0	14.0
Pupil Transportation	0.5	0.5
Total	<u>234.5</u>	<u>241.0</u>

Source: District Records

See Independent Auditors' Report

**HASBROUCK HEIGHTS SCHOOL DISTRICT**  
**OPERATING STATISTICS**  
**LAST THREE FISCAL YEARS**  
(unaudited)

J-17

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Operating Expenditures</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff</u>	<u>Pupil/Teacher Ratio</u>	<u>Average Daily Enrollment (ADE)</u>	<u>Average Daily Attendance (ADA) °</u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
2013	1,896.0	\$ 27,988,994	\$ 14,762	-0.37%	134	14.15	1,903.5	1,821.7	5.42%	95.70%
2014	1,892.0	26,675,523	14,099	-4.49%	132	14.33	1,883.5	1,811.6	-1.05%	96.18%
2015	1,875.0	27,615,185	14,728	3.52%	137	13.71	1,869.6	1,796.8	-0.74%	96.11%

**Sources:** District records

**Note:** Enrollment based on annual October District count.

**HASBROUCK HEIGHTS SCHOOL DISTRICT**  
**SCHOOL BUILDING INFORMATION**  
**LAST TWO FISCAL YEARS**  
(unaudited)

J-18

	<u>2014</u>	<u>2015</u>
<b><u>District Building</u></b>		
<b><u>Elementary</u></b>		
Square Feet	33,317	33,317
Capacity (students)	425	425
Enrollment	448	439
Square Feet	33,317	33,317
Capacity (students)	425	425
Enrollment	455	446
<b><u>Middle/High School</u></b>		
Square Feet	103,681	103,681
Capacity (students)	850	850
Enrollment	989	990
Number of Schools at June 30, 2014		
Elementary = 2	2	2
Middle School = 1	1	1
Senior High School = 1	1	1
	<u>4</u>	<u>4</u>

**Source:** District Facilities Office

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of and additions. Enrollment is based on the annual October District count.

**HASBROUCK HEIGHTS SCHOOL DISTRICT**  
**SCHEDULE OF REQUIRED MAINTENANCE EXPENDITURES BY SCHOOL FACILITY**  
**LAST TWO FISCAL YEARS**  
(unaudited)

J-19

UNDISTRIBUTED EXPENDITURES - REQUIRED  
MAINTENANCE FOR SCHOOL FACILITIES

<u>*School Facilities</u>	<u>School Number</u>	<u>2014</u>	<u>2015</u>
Hasbrouck Heights Middle/High School	50	\$ 211,204	\$ 176,635
Euclid	60	70,401	58,878
Lincoln	80	70,401	58,878
Total School Facilities		<u>\$ 352,006</u>	<u>\$ 294,391</u>

\* School facilities as defined under EFCFA.  
(N.J.A.C. 6A:26-1.2 and N.J.A.C. 6A:26A-1.3)

Source: District records

**HASBROUCK HEIGHTS SCHOOL DISTRICT**  
**INSURANCE SCHEDULE**  
**JUNE 30, 2015**  
(unaudited)

J-20

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - School Alliance Ins. Fund (SAIF)		
Commercial Property - Blanket Building and Contents, Flood, Earthquake	\$ 27,354,411	\$ 1,000
Comprehensive General Liability	5,000,000	
Comprehensive Automobile Liability	5,000,000	250
Commercial Inland Marine Coverage	Various	250
Board of Education Legal Liability-Darwin National-PGU	5,000,000	
Crime	100,000	25,000
Umbrella Liability - SAIF Insurance	5,000,000	
Boiler and Machinery - SAIF (Hartford Steam)	1,000,000	1,000
Environmental - Commerce & Industry	3,000,000	
Student and Athletic Insurance (Catastrophic Coverage)		
AIG Domestic Accident & Health Insurance	Full Excess 2,500,000	
Employee Benefit Liability - SAIF	1,000,000	
Excess Liability - AIG	10,000,000	
Excess Liability - Fireman's Fund	50,000,000	
Foreign Liability	1,000,000	
Workers Compensation - Sober VII JIF	Pool Limits	
Official Bonds		
Dina Messery, Board Secretary/Business Admin.	25,000	
Robyn Scholz, Assistant to the Business Admin.	10,000	

See Independent Auditors' Report



**SINGLE AUDIT SECTION**



**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***

**The Honorable President and Members of  
the Board of Education  
Hasbrouck Heights School District  
County of Bergen  
Hasbrouck Heights, New Jersey**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the regulatory basis financial statements of the various funds of the Hasbrouck Heights School District, Bergen County, New Jersey (the "District"), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise District's basic financial statements, and have issued our report thereon dated December 21, 2015.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the basis financial statements, we considered the District'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 regulatory basis financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's basis financial statements are free from 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*.

### Purpose of this Report

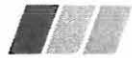
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in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

*McEnerney, Brady & Company*

Livingston, New Jersey  
December 21, 2015

*John Lauria*

John Lauria, RMA, PSA  
Licensed Public School Accountant #208700



McENERNEY, BRADY & COMPANY  
Certified Public Accountants  
A division of O'Connor Davies, LLP

K-2

**Report on Compliance For Each Major Program; Report on Internal Control Over Compliance; and  
Report on the Schedule of Expenditures of Federal and State Awards Required by OMB Circular  
A-133 and New Jersey OMB Circular 04-04**

The Honorable President and Members of  
the Board of Education  
Hasbrouck Heights School District  
County of Bergen  
Hasbrouck Heights, New Jersey

**Report on Compliance for Each Major Program**

We have audited the Hasbrouck Heights School District, Bergen County, New Jersey's (the "District") compliance with the types of compliance requirements described in the *OMB Circular A-133* and *New Jersey OMB Circular 04-04 Compliance Supplements* that could have a direct and material effect on each of the District's major programs for the year ended June 30, 2015. The District's major 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 District's major 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 *New Jersey OMB Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Programs* (collectively, "OMB Circular A-133"). Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major program. However, our audit does not provide a legal determination of the District's compliance.

***Opinion on Each Major Program***

In our opinion, the District 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 programs for the year ended June 30, 2015.

McENERNEY, BRADY & COMPANY  
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### **Report on Internal Control Over Compliance**

Management of the District 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 District's internal control over compliance with the types of requirements that could have a direct and material effect on each major program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District'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 program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. *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 or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

### **Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133**

We have audited the basis financial statements of the District as of and for the year ended June 30, 2015, and have issued our report thereon dated December 21, 2015, which contained an unmodified opinion on those financial statements on the basis of generally accepted accounting principles. Our audit was conducted for the purpose of forming an opinion on the basis financial statements as a whole. The accompanying schedules of expenditures of federal and state awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basis 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 basis 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 schedules of expenditures of federal and state awards is fairly stated in all material respects in relation to the financial statements as a whole

*McEnerney, Brady + Company*

Livingston, New Jersey  
December 21, 2015

*John Lauria*

John Lauria, RMA, PSA  
Licensed Public School Accountant #208700

HASBROUCK HEIGHTS SCHOOL DISTRICT  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

K-3  
 Schedule A

Federal Grantor/ Pass-Through Grantor Program Title	Federal CDFA Program	Award Amount	Grant Period	Balance, June 30, 2014			Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Year Balance	Balance, June 30, 2015		
				Accounts Receivable	Deferred Revenue	Due To Grantor					Accounts Receivable	Deferred Revenue	Due To Grantor
U.S. Department of Education Passed - Through State Department of Education:													
Special Revenue Fund:													
I.D.E.A. Part B Basic	250	84,173	\$ 430,267.00	9/1/14-8/31/15	\$	\$	\$	\$ 292,074.00	\$ 417,321.00	\$	\$	\$ 125,247.00	\$
I.D.E.A. Part B Basic		84,173	433,656.00	9/1/13-8/31/14	164,979.90			164,960.00		0.10			
I.D.E.A. Part B Preschool	253	84,173	17,409.00	9/1/14-8/31/15				11,842.00	17,409.00			5,567.00	
Title I, Part A	231	84,010	175,117.00	9/1/14-8/31/15				22,284.00	150,907.70	(308.18) **		128,315.52	
Title I, Part A Basic Continuation	232	84,010	142,033.00	9/1/13-8/31/14	89,668.52			89,668.00		(0.52)			
Title I, Part A Carryover	233	84,010	106,911.00	9/1/12-8/31/13	15,711.00			15,711.00					
Title II, Part A	270	84,367	67,349.00	9/1/14-8/31/15				254.00				2,776.00	
Title II, Part A		84,168	11,107.00	9/1/13-8/31/14	11,107.00			11,107.00	3,060.00				
Title II, Part A Continuation	271	84,168	35,462.00	9/1/12-8/31/13	9,992.90			9,993.00		0.10			
Title III, No Child Left Behind	241	84,365	39,082.00	9/1/14-8/31/15				2,786.00	29,336.69			26,550.69	
Title III, No Child Left Behind	241	84,000	30,385.00	9/1/13-8/31/14	25,716.98			25,717.00		0.02			
Title III, No Child Left Behind - Continuation	242	84,000	22,457.00	9/1/12-8/31/13	2,937.60			2,938.00		0.40			
Title III, Immigrant	244	84,000	7,769.00	9/1/14-8/31/15									
Race to the Top	453		6,465.00		5,295.00			5,295.00					
<b>Total Special Revenue Fund</b>					<b>325,408.90</b>			<b>654,679.00</b>	<b>618,034.39</b>	<b>(308.08)</b>		<b>288,456.21</b>	
U.S. Department of Agriculture Passed-through State Department of Ed													
Enterprise Fund:													
National School Lunch Program	10.555			7/1/14-6/30/15				129,314.24	137,771.64			8,457.40	
National School Lunch Program	10.555			7/1/13-6/30/14	7,434.50			7,434.50					
<b>Total Federal Financial Awards</b>					<b>332,843.40</b>			<b>791,427.74</b>	<b>765,806.03</b>	<b>-308.08</b>		<b>296,913.61</b>	

\*\*P.O. 401478 was paid for \$277.00 less and P.O. 401480 was paid for \$31.18 less

HASBROUCK HEIGHTS SCHOOL DISTRICT  
 SCHEDULE OF EXPENDITURES OF STATE AWARDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

K-4  
 Schedule B

State Grantor/Program Title	Grant or State Project Number	Award Amount	Grant Period	Balance, June 30, 2014		Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Year Balance	Repayment of Prior Year Balance	Balance, June 30, 2015			MEMO	
				Accounts Receivable	Due To Grantor						Accounts Receivable	Deferred Revenue	Due To Grantor	Budgetary Receivable	Cumulative Expenditures
<b>State Department of Education:</b>															
<b>General Funds:</b>															
Special Education Aid	15-495-034-5120-089	\$ 997,404.00	7/1/14-6/30/15	\$	\$	\$ 997,404.00	\$ 997,404.00	\$	\$	\$	\$	\$	\$	\$	\$ 997,404.00
Extraordinary Aid	15-495-034-5120-044	249,620.00	7/1/14-6/30/15			249,620.00	249,620.00								249,620.00
Transportation Aid	15-495-034-5120-014	35,899.00	7/1/14-6/30/15			35,899.00	35,899.00								35,899.00
Transportation Aid	14-495-034-5120-014	35,899.00	7/1/13-6/30/14	8,740.00		8,740.00									
Equalization Aid	15-495-034-5120-078	16,038.00	7/1/14-6/30/15			16,038.00	16,038.00								16,038.00
Equalization Aid	14-495-034-5120-078	16,038.00	7/1/13-6/30/14	13,573.00		13,573.00									
Security Aid	15-495-034-5120-084	40,567.00	7/1/14-6/30/15			23,582.00	40,567.00				16,985.00			16,985.00	40,567.00
Security Aid	14-495-034-5120-084	40,567.00	7/1/13-6/30/14	40,567.00		40,567.00									
Other State Aids							53,471.00				53,471.00			53,471.00	53,471.00
Under Adequacy Aid	14-495-034-5120-096	14,451.00	7/1/13-6/30/14	14,451.00		14,451.00									
On-behalf TPAF Pension Contributions	15-495-034-5095-001		7/1/14-6/30/15			662,878.00	662,878.00								662,878.00
On-behalf TPAF Post Retirement Med	15-495-034-5095-002	1,052,320.00	7/1/14-6/30/15			1,052,320.00	1,052,320.00								1,052,320.00
On-behalf TPAF Social Security Contributions	15-495-034-5095-006	921,581.03	7/1/14-6/30/15			594,863.95	921,581.03	-0.02			326,717.08			326,717.08	921,581.03
On-behalf TPAF Social Security Contributions	14-495-034-5095-006	891,016.78	7/1/13-6/30/14	88,879.17		88,879.09		-0.08							
<b>Total General Funds</b>				<b>166,210.17</b>		<b>3,798,815.04</b>	<b>4,028,778.03</b>	<b>-0.10</b>			<b>397,173.08</b>			<b>397,173.08</b>	<b>4,028,778.03</b>
<b>Special Revenue Funds</b>															
<b>NJ Nonpublic Aid:</b>															
Textbook Aid	15-100-034-5120-064	21,151.00	7/1/14-6/30/15			21,151.00	20,701.83						449.17		20,701.83
Textbook Aid	14-100-034-5120-064	24,782.00	7/1/13-6/30/14		40.06			40.06	40.06						
Compensatory Education	15-100-034-5120-067	125,412.00	7/1/14-6/30/15			125,412.00	118,962.24						6,449.76		118,962.24
Compensatory Education	14-100-034-5120-067	114,617.00	7/1/13-6/30/14		257.86			257.86	257.86						
English as a Second Language	15-100-034-5120-067	11,053.00	7/1/14-6/30/15			11,053.00	9,591.75						1,461.25		9,591.75
English as a Second Language	14-100-034-5120-067	9,803.00	7/1/13-6/30/14		1,223.16			1,223.16	1,223.16						
Transportation	15-100-034-5120-067	13,950.00	7/1/14-6/30/15			13,950.00	12,600.31						1,349.69		12,600.31
<b>Handicapped Services:</b>															
Supplemental Instruction	15-100-034-5120-066	21,971.00	7/1/14-6/30/15			21,971.00	19,459.14						2,511.86		19,459.14
Supplemental Instruction	14-100-034-5120-066	17,346.00	7/1/13-6/30/14		3,885.58			3,885.58	3,885.58						
Examination and Classification	15-100-034-5120-066	36,919.00	7/1/14-6/30/15			36,919.00	32,233.06						4,685.94		32,233.06
Examination and Classification	14-100-034-5120-066	33,276.00	7/1/13-6/30/14		8,117.16			8,117.16	8,117.16						
Corrective Speech	15-100-034-5120-066	63,082.00	7/1/14-6/30/15			63,082.00	54,993.50						8,088.50		54,993.50
Corrective Speech	14-100-034-5120-066	58,122.00	7/1/13-6/30/14		11,249.68			11,249.68	11,249.68						
Nursing Services	15-100-034-5120-070	33,672.00	7/1/14-6/30/15			33,672.00	33,308.62						363.38		33,308.62
Nursing Services	14-100-034-5120-070	30,031.00	7/1/13-6/30/14		1,995.02			1,995.02	1,995.02						
Technology	15-100-034-5120-373	11,360.00	7/1/14-6/30/15			11,360.00	11,295.27						64.73		11,295.27
<b>Total Special Revenue Funds</b>					<b>26,768.62</b>	<b>338,670.00</b>	<b>313,146.72</b>	<b>26,768.62</b>	<b>26,768.62</b>				<b>26,424.28</b>		<b>313,146.72</b>
<b>Debt Service Fund:</b>															
Debt Service Aid	15-495-034-5120-125	188,174.00	7/1/14-6/30/15			188,174.00	188,174.00								188,174.00
<b>State Department of Agriculture</b>															
<b>Enterprise Fund:</b>															
National School Lunch Program			7/1/14-6/30/15			4,306.50	4,578.69				272.19				4,578.69
National School Lunch Program		4,460.00	7/1/13-6/30/14	506.11		506.11									
<b>Total State Financial Awards</b>				<b>166,716.28</b>	<b>26,768.62</b>	<b>4,330,371.65</b>	<b>4,635,676.44</b>	<b>26,768.62</b>	<b>26,768.62</b>		<b>397,445.27</b>		<b>26,424.28</b>	<b>397,173.08</b>	<b>4,635,676.44</b>



**HASBROUCK HEIGHTS SCHOOL DISTRICT****NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS**

JUNE 30, 2015

**1. GENERAL**

The accompanying schedules of expenditures of federal and state awards include the activity of all federal awards and state financial assistance programs of the Board of Education, Hasbrouck Heights 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 awards and state financial assistance passed through other government agencies is included on the schedules of expenditures of federal awards and state financial assistance.

**2. BASIS OF ACCOUNTING**

The accompanying schedules of expenditures of federal and state awards 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 Note 2 to the Board's basic financial statements. The information in this schedule 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 from amounts presented in, or used in the preparation of basic financial statements.

**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 two state aid payments 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 two state aid payments in the current budget year, consistent with N.J.S.A. 18A:22-4.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(10,024) for the general fund and \$-0- for the special revenue fund. See Exhibit "C-3" (the Notes to Required Supplementary Information) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following page:

## HASBROUCK HEIGHTS SCHOOL DISTRICT

## NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

JUNE 30, 2015

**3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (Continued)**

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$	\$ 2,314,580.03	\$ 2,314,580.03
Special Revenue Fund	618,034.39	313,145.72	931,180.11
Debt Service Fund		188,174.00	188,174.00
Food Service Fund	<u>137,771.64</u>	<u>4,578.69</u>	<u>142,350.33</u>
Total Awards and Financial Assistance	<u>\$ 755,806.03</u>	<u>\$ 2,820,478.44</u>	<u>\$ 3,576,284.47</u>

**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.

**5. FEDERAL AND STATE LOANS OUTSTANDING**

The Hasbrouck Heights School District had no loans outstanding as of June 30, 2015.

**6. OTHER**

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions, respectively. The amount reported as TPAF Pension Contributions/Medical Benefits represents the amount paid by the state on behalf of the District for the year ended June 30, 2015. 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, 2015.

**7. SCHOOL WIDE PROGRAM FUNDS**

Schoolwide programs are not separate federal programs as defined in OMB Circular A-133; amounts used in schoolwide programs are included in the total expenditures of the program contributing the funds in the Schedule of Expenditures of Federal awards. The following funds by program are included in schoolwide programs in the district.

## Program

Title I, Part A:	<i>Improving Basic Programs Operated by Local Education Agencies</i>
Title II Part A:	<i>Teacher and Principal Training and Recruiting</i>
Title III:	<i>Language</i>
Title III	<i>Immigrant</i>

**HASBROUCK HEIGHTS SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**Section I - Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

1) Material weakness(es) identified?

\_\_\_\_\_ Yes      √      No

2) Were significant deficiencies identified that are not considered to be material weaknesses?

\_\_\_\_\_ Yes      √      None Reported

Noncompliance material to basic financial statements noted?

\_\_\_\_\_ Yes      √      No

**Federal Awards Section**

Internal control over major programs:

1) Material weakness(es) identified?

\_\_\_\_\_ Yes      √      No

2) Were significant deficiencies identified that are not considered to be material weaknesses?

\_\_\_\_\_ Yes      √      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      √      No

Identification of major Programs:

CFDA Number(s)

Name of Federal Program

84.173  
10.555

Title I – Special Education  
National Lunch Program

Dollar threshold used to distinguish between Type A and Type B Programs:

\$300,000.00

Auditee qualified as low-risk auditee?

  √   Yes    \_\_\_\_\_ No



**HASBROUCK HEIGHTS SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

***Section III - Summary of Auditor's Results***

**a) Federal Award Findings and Questioned Costs:**

**b) State Award Findings and Questioned Costs:**

NONE

**HASBROUCK HEIGHTS SCHOOL DISTRICT**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**FISCAL YEAR ENDED JUNE 30, 2015**

**Section IV:**

**a) Federal Award Findings and Questioned Costs:**

NONE

**b) State Award Findings and Questioned Costs:**

NONE