

**SCHOOL DISTRICT OF THE  
CITY OF HACKENSACK  
COUNTY OF BERGEN, NEW JERSEY  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2008**

**School District  
of  
Hackensack**

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

**Comprehensive Annual Financial Report  
Year Ended June 30, 2008**

# Comprehensive Annual Financial Report

of the

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

**Year Ended June 30, 2008**

**Prepared by**

**Francis E. Seery**  
**Business Administrator/Board Secretary**

# OUTLINE OF CAFR

## INTRODUCTORY SECTION

Letter of Transmittal .....	1
Organizational Chart .....	6
Roster of Officials .....	7
Consultants and Advisors .....	8

## FINANCIAL SECTION

Independent Auditor's Report .....	9
Required Supplementary Information - Part I Management's Discussion and Analysis .....	11

## BASIC FINANCIAL STATEMENTS

A. District-wide Financial Statements:	
A-1 Statement of Net Assets .....	22
A-2 Statement of Activities .....	23
B. Fund Financial Statements:	
Governmental Funds:	
B-1 Balance Sheet .....	24
B-2 Statement of Revenues, Expenditures, and Changes in Fund Balance .....	25
B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities ..	26
Proprietary Funds:	
B-4 Statement of Net Assets .....	27
B-5 Statement of Revenues, Expenses, and Changes in Fund Net Assets .....	28
B-6 Statement of Cash Flows .....	29
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Assets .....	30
B-8 Statement of Changes in Fiduciary Net Assets .....	31
Notes to the Financial Statements .....	32
Required Supplemental Information - Part II	
C. Budgetary Comparison Schedules:	
C-1 Budgetary Comparison Schedule - General Fund .....	52
C-2 Budgetary Comparison Schedule - Special Revenue Fund .....	57
Notes to the Required Supplementary Information	
C-3 Budget to GAAP Reconciliation .....	58

## OUTLINE OF CAFR, (continued)

### D. School Level Schedules:

N/A

### E. Special Revenue Fund:

E-1	Combining Schedule of Revenues and Expenditures Special Revenue Fund - Budgetary Basis .....	59
E-2	Statement of Demonstrably Effective Program Aid Expenditures - Budgetary Basis .....	68
E-3	Early Childhood Program Aid Schedule of Expenditures - Budgetary Basis .....	75
E-4	N/A	
E-5	N/A	
E-6	Targeted At-Risk Aid Schedule of Expenditures - Budgetary Basis .....	76

### F. Capital Projects Fund:

F-1	Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis .....	77
F-2	Summary Statement of Project Expenditures .....	84

### G. Proprietary Funds:

#### Enterprise Fund:

G-1	Combining Statement of Net Assets .....	85
G-2	Combining Statement of Revenues, Expenses and Changes in Fund Net Assets .....	86
G-3	Combining Statement of Cash Flows .....	87

#### Internal Service Fund:

N/A

### H. Fiduciary Fund:

H-1	Combining Statement of Fiduciary Net Assets .....	88
H-2	Combining Statement of Changes in Fiduciary Net Assets .....	89
H-3	Student Activity Agency Fund Schedule of Receipts and Disbursements ..	90
H-4	Payroll Agency Fund Schedule of Receipts and Disbursements .....	91

### I. Long Term Debt:

I-1	Schedule of Serial Bonds .....	92
I-2	Schedule of Capital Leases Payable .....	93
I-3	Schedule of Long-Term Loans .....	94
I-4	Debt Service Fund .....	95

## OUTLINE OF CAFR, (continued)

### J. Statistical Section (Unaudited)

#### Financial Trends

J-1	Net Assets by Component .....	96
J-2	Changes in Net Assets .....	97
J-3	Fund Balances - Governmental Funds .....	99
J-4	Changes in Fund Balances - Governmental Funds .....	100
J-5	General Fund Other Local Revenue by Source .....	102

#### Revenue Capacity

J-6	Assessed Value and Estimated Actual Value of Taxable Property .....	103
J-7	Direct and Overlapping Property Tax Rates .....	104
J-8	Principal Property Taxpayers .....	105
J-9	Property Tax Levies and Collections .....	106

#### Debt Capacity

J-10	Ratios of Outstanding Debt by Type .....	107
J-11	Ratios of General Bonded Debt Outstanding .....	108
J-12	Direct and Overlapping Governmental Activities Debt .....	109
J-13	Legal Debt Margin Information .....	110

#### Demographic and Economic Information

J-14	Demographic and Economic Statistics .....	111
J-15	Principal Employers .....	112

#### Operating Information

J-16	Full-time Equivalent District Employees by Function/Program .....	113
J-17	Operating Statistics .....	114
J-18	School Building Information .....	115
J-19	Schedule of Allowable Maintenance Expenditures by School Facility .....	116
J-20	Insurance Schedule .....	117

## OUTLINE OF CAFR, (continued)

### K. SINGLE AUDIT SECTION

K-1	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 .....	118
K-2	Report on Compliance with Requirements Applicable to Each Major Federal and State Program and Internal Control Over Compliance in Accordance with OMB Circular A-133 and N.J. OMB Circular 04-04 .....	120
K-3	Schedule of Expenditure of Federal Awards .....	123
K-4	Schedule of Expenditure of State Awards and Other Local Awards .....	125
K-5	Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance .....	127
K-6	Schedule of Findings and Questioned Costs .....	129
K-7	Summary Schedule of Prior Audit Findings .....	136

## **INTRODUCTORY SECTION**



CAROLYN D. HAYER  
PRESIDENT  
TENYA PIERCE  
VICE PRESIDENT  
JACQUELINE M. LONG  
PHILIP CARROLL  
RHONDA WILLIAMS BEMBRY  
FRANK ALBOLINO  
MODESTO ROMERO  
JEANNE DRESSLER  
JONATHAN P. GILMORE  
THERESA BARGIEL  
MAYWOOD REPRESENTATIVE

**HACKENSACK PUBLIC SCHOOLS**  
**355 STATE STREET**  
**HACKENSACK, N.J. 07601-5510**

**(201) 646-8000 (phone)**

**(201) 646-7827 (fax)**

**EDWARD KLISZUS**  
SUPERINTENDENT  
**ROBERT M. GAMPER**  
ASSISTANT SUPERINTENDENT  
**JOSEPH M. CAPPELLO** INTERIM  
BUSINESS ADMINISTRATOR/  
BOARD SECRETARY  
**MICHAEL WOJCIK**  
ASST. TO SUPERINTENDENT FOR  
CURRICULUM & INSTRUCTION

November 14, 2008

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

Dear Board Members:

The comprehensive annual financial report of the Hackensack School District for the fiscal year ended June 30, 2007, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the Basic Financial Statements and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

**1. REPORTING ENTITY AND ITS SERVICES:**

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

The District provides a full range of educational services appropriate to grade levels Pre-K through 12. These include regular, vocational as well as special education for handicapped youngsters. The District completed the 2007-2008 fiscal year with an average daily enrollment of 4,902 students, which is 47 students below the previous year's enrollment. The following details the changes in the student enrollment of the District over the last five years.

<b><u>Fiscal Year</u></b>	<b><u>Average Daily Student Enrollment</u></b>	<b><u>Percent Change</u></b>
2003-04	4,894	0.82%
2004-05	4,931	0.76%
2005-06	4,850	-1.64%
2006-07	4,949	2.04%
2007-08	4,902	-0.94%

**2. ECONOMIC CONDITION AND OUTLOOK:**

The District conducted a bond referendum on February 9, 1999 and the voters of Hackensack approved a 12.45 million-dollar referendum. Additions to the Middle School and Fanny Hillers Elementary School were completed in September 2001. Plans were developed for the demolition of the Carl E. Padovano building and the construction of a new building. The project was bid on several occasions and the cost exceeded budget. The project was bid late in this school year. The building will be constructed in 2008-09.

### 3. MAJOR INITIATIVES 2007-08

#### **ELEMENTARY SCHOOLS:**

The four Elementary Schools combined passed all 160-targeted benchmarks related to NCLB resulting in making AYP Status for two consecutive years.

#### **MIDDLE SCHOOL:**

The Middle School passed all 160-targeted benchmarks with the subgroups of special education and limited English speaking representing the biggest challenge. The Middle School earned passing grades regarding NCLB despite the attempt on the part of the State DOE of raising the required benchmark proficiencies for the 2007-08 school year.

#### **HIGH SCHOOL:**

The High School passed all 160-targeted benchmarks applicable with the class of 2008 with the subgroups of special education and limited English speaking representing the biggest challenge. Under a revised structure by the State DOE, determination of AYP status is determined after three administrations of the HSPA at the secondary level.

#### **PROFESSIONAL DEVELOPMENT FOR SY 2007-08:**

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

In grades 7-12, consultants from *Global Institute for Maximizing Potential* provided curricular calendars and professional development in language arts and mathematics. Teachers were required to follow a rigorous pacing schedule in order to target grade level and individual student needs. Teachers in grades K-6 engaged in year two of an intensive study of Writer's Workshop with consultants from Teachers' College Reading and Writing Project. The reciprocity between reading and writing was an important focus. Teachers learned to use interactive read-alouds to provide models for good writing, build comprehension, and identify students for individual or small group work. Teachers in grades K to 4 implemented district created units of study, while teachers in grades 5 and 6 worked on developing units of study for Writer's Workshop. Administrators and building principals in all schools designated specific days for professional development and created schedules for full day teacher trainings with substitute coverage provided for classroom teachers.

Teachers were required to launch Writer's Workshop in September by establishing the workshop structures (mini-lesson, independent writing, sharing) and using its tools (mentor texts and student folders or notebooks), and then implement district developed monthly units of study following the pacing indicated on the district curricular calendar. They were not required to implement the "true" conferring piece that occurs when students are engaged in independent writing. Administrators recognized that conferring was complex and teachers first needed to feel confident about launching and managing the workshop structures as well as deepen their knowledge about planning mini-lesson content. Instead, teachers were asked to monitor students during independent writing by making sure their students were on task as per the daily mini-lesson objective for a particular unit of study, and taking notes on individual student progress. They would learn to use the information they gathered as a guide for planning future mini-lessons.

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

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

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

**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, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2008.

**6. ACCOUNTING SYSTEM AND REPORTS:**

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

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

The Board developed its 2007-08 budget under the Comprehensive Educational Improvement and Financing Act of 1996. An analysis of the expenditures in the financial section of this report will show that the Board was prudent in presenting the community with an accurate picture of educational needs.

**8. CASH MANAGEMENT:**

The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 2. The District has adopted a cash management plan, which requires it to

deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

**9. RISK MANAGEMENT:**

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

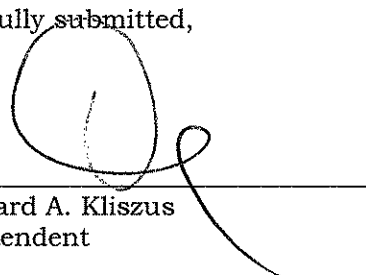
**10. OTHER INFORMATION:**

**Independent Audit** - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Ferraioli, Wielkottz, Cerullo & Cuva, and P.A. was selected by the Board. In addition to meeting the requirements set forth in State statutes, the audit also was designed to meet the requirements of the U.S. Office of Management and Budget Circular A-133 and New Jersey OMB's Circular 04-04. The auditor's report on the basic financial statements and specific required supplemental information is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

**11. ACKNOWLEDGMENTS:**


We would like to express our appreciation to the members of the Hackensack School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,



---

Dr. Edward A. Kliszus  
Superintendent



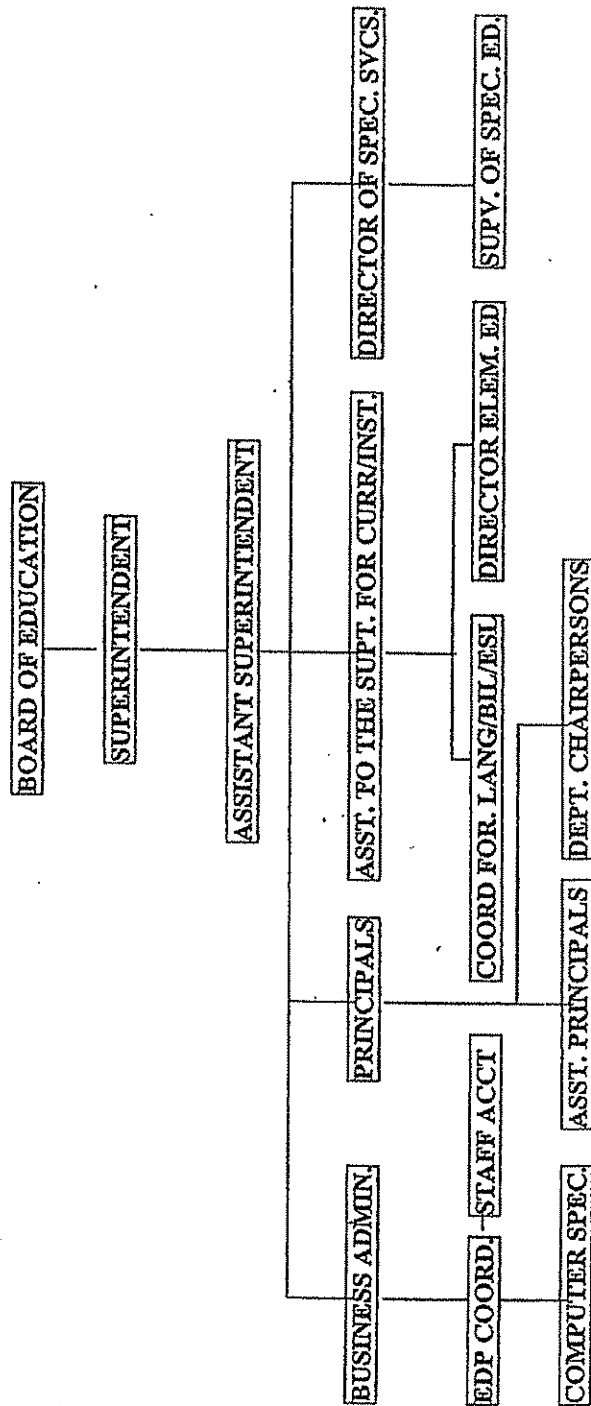
---

Dr. Joseph M. Cappello  
Interim Business Administrator/Board Secretary

HACKENSACK BOARD OF EDUCATION	POLICY NO. A1001
SECTION: ADMINISTRATION	ADOPTED: 07/03/84
SUB SECTION: JOB DESCRIPTIONS	REVISED: 9/29/03

Page 1 of 1

HACKENSACK PUBLIC SCHOOLS  
ADMINISTRATIVE TABLE OF ORGANIZATION



# **HACKENSACK BOARD OF EDUCATION**

## **ROSTER OF OFFICIALS**

**June 30, 2008**

<b><u>Members of the Board of Education</u></b>	<b><u>Term Expires</u></b>
Frank W. Albolino, President	2010
Carolyn D. Hayer, Vice President	2008
Rhonda Williams Bembry	2009
Philip Carroll	2009
Modesto Romero	2010
Tenya Pierce	2010
Daniel E. Kirsch	2008
Jacueline M. Long	2009
Francisco Rodriguez	2008
Cathleen Georgeou, Maywood Representative	2010

### **Other Officials**

Dr. Joseph L. Montesano, Superintendent

Charles Jones, Assistant Superintendent

Francis E. Seery, School Business Administrator/Board Secretary

Ray Carnevale, Treasurer of School Monies

**HACKENSACK BOARD OF EDUCATION**

**CONSULTANTS & ADVISORS**

**June 30, 2008**

**Attorney**

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

**District Auditor**

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

**Official Depository**

COMMERCE BANK  
540 River Street  
Hackensack, New Jersey



## **FINANCIAL SECTION**

# **Ferraioli, Wielkott, Cerullo & Cuva, P.A.**

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

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

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

## **INDEPENDENT AUDITOR'S REPORT**

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund and the aggregate remaining fund information of the Board of Education of the City of Hackensack School District, in the County of Bergen, State of New Jersey, as of and for the fiscal year ended June 30, 2008, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Hackensack School District Board of Education's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Hackensack Board of Education's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, and each major fund, and the aggregate remaining fund information of the City of Hackensack Board of Education, in the County of Bergen, State of New Jersey, as of June 30, 2008, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.



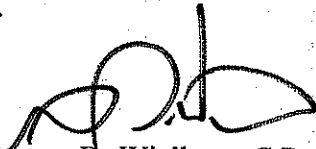
Honorable President and  
Members of the Board of Education  
Page 2.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2008 on our consideration of the City of Hackensack Board of Education's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. This report is an integral part of our audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

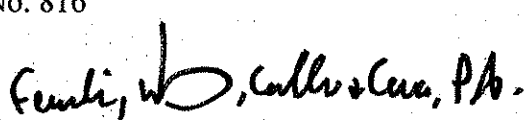
The Management Discussion and Analysis and Budgetary Comparison Information on pages 11 through 21 and 52 through 58 are not a required part of the basic financial statements but are supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

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



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



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

October 31, 2008



**REQUIRED SUPPLEMENTARY  
INFORMATION - PART I**

**CITY OF HACKENSACK SCHOOL DISTRICT  
HACKENSACK, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
UNAUDITED**

As management of the City of Hackensack School District (the "School District"), we offer readers of the School District's financial statements this narrative overview and analysis of the financial activities of the City of Hackensack School District for the fiscal year ended June 30, 2008.

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

**FINANCIAL HIGHLIGHTS**

- In total, net assets increased \$1,093,029. Net assets of governmental activities increased \$1,028,237 while net assets of business-type activity increased by \$64,792.
- General revenues accounted for \$78,556,234 in revenue or 86 percent of all district revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$12,894,882 or 14 percent of total revenues of \$91,451,116.
- The School District had \$88,637,182 in expenses related to governmental activities; only \$11,109,185 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily grants, entitlements and property taxes) of \$78,556,234 were adequate to provide for these programs.

**USING THIS ANNUAL REPORT**

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

**CITY OF HACKENSACK SCHOOL DISTRICT  
HACKENSACK, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
UNAUDITED (continued)**

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

**District-Wide Financial Statements**

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

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

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

Both of the district-wide financial statements distinguish functions of the City of Hackensack School District that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City of Hackensack School District include instruction, support services and special schools. The business-type activities of the City of Hackensack School District include the food service program.

**Fund Financial Statements**

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Hackensack School District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of these funds of the City of Hackensack School District can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**CITY OF HACKENSACK SCHOOL DISTRICT  
HACKENSACK, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
UNAUDITED (continued)**

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

**Governmental Funds**

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

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

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

The City of Hackensack School District adopts annual appropriated budgets for its governmental funds except for the capital projects fund. A budgetary comparison statement has been provided for the general fund, special revenue fund and debt service fund to demonstrate compliance with their budgets.

**Proprietary Funds**

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

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

**Fiduciary Funds**

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

**CITY OF HACKENSACK SCHOOL DISTRICT  
HACKENSACK, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
UNAUDITED (continued)**

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

**Notes to the Financial Statements**

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

**Other Information**

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

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

**DISTRICT-WIDE FINANCIAL ANALYSIS**

The Statement of Net Assets provides the perspective of the District as a whole. Net assets may, over time, serve as a useful indicator of a government's financial position.

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



**CITY OF HACKENSACK SCHOOL DISTRICT  
HACKENSACK, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
UNAUDITED (continued)**

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

The School District's net assets were \$21,200,156 at June 30, 2008 and \$20,107,127 at June 30, 2007. Restricted net assets are reported separately to show legal constraints that limit the School District's ability to use those net assets for day-to-day operations. Our analysis below focuses on the net assets for 2008 compared to 2007 (Table 1) and change in net assets (Table 2) of the School District.

**Table 1**

**Net Assets  
June 30,**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
<b>Assets</b>						
Current and Other Assets	14,530,930	15,355,381	468,901	377,803	14,999,831	15,733,184
Capital Assets	<u>16,769,307</u>	<u>17,003,771</u>	<u>119,071</u>	<u>123,386</u>	<u>16,888,378</u>	<u>17,127,157</u>
Total Assets	<u>31,300,237</u>	<u>32,359,152</u>	<u>587,972</u>	<u>501,189</u>	<u>31,888,209</u>	<u>32,860,341</u>
<b>Liabilities</b>						
Current Liabilities	1,217,467	2,235,400	130,208	108,217	1,347,675	2,343,617
Noncurrent Liabilities	<u>9,340,379</u>	<u>10,409,597</u>	—	—	<u>9,340,379</u>	<u>10,409,597</u>
Total Liabilities	<u>10,557,846</u>	<u>12,644,997</u>	<u>130,208</u>	<u>108,217</u>	<u>10,688,054</u>	<u>12,753,214</u>
<b>Net Assets</b>						
Invested in Capital Assets-						
Net of Debt	9,408,979	8,813,583	119,071	123,386	9,528,050	8,936,969
Restricted	11,798,879	11,069,478			11,798,879	11,069,478
Unrestricted	<u>(465,466)</u>	<u>(168,906)</u>	<u>338,693</u>	<u>269,586</u>	<u>(126,773)</u>	<u>100,680</u>
Total Net Assets	<u>20,742,392</u>	<u>19,714,155</u>	<u>457,764</u>	<u>392,972</u>	<u>21,200,156</u>	<u>20,107,127</u>

**CITY OF HACKENSACK SCHOOL DISTRICT  
HACKENSACK, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
UNAUDITED (continued)**

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

Table 2 below shows the changes in net assets for fiscal year 2008 compared to 2007.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
<b>Revenues</b>						
Program Revenues:						
Charges for Services and						
Sales			523,087	501,936	523,087	501,936
Operating Grants and						
Contributions	11,109,185	10,461,583	1,262,610	1,202,162	12,371,795	11,663,745
General Revenues:						
Taxes:						
Property taxes	57,513,889	54,506,501			57,513,889	54,506,501
Federal and State Aid not						
Restricted	15,183,297	14,673,639			15,183,297	14,673,639
Tuition Received	5,170,100	5,273,917			5,170,100	5,273,917
Miscellaneous Income	301,309	318,740			301,309	318,740
Investment Earnings	<u>387,639</u>	<u>763,868</u>			<u>387,639</u>	<u>763,868</u>
Total Revenues and Transfers	<u>89,665,419</u>	<u>85,998,248</u>	<u>1,785,697</u>	<u>1,704,098</u>	<u>91,451,116</u>	<u>87,702,346</u>

**CITY OF HACKENSACK SCHOOL DISTRICT  
HACKENSACK, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
UNAUDITED (continued)**

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
<b>Functions/Program Expenses</b>						
Instruction:						
Regular	33,572,639	33,040,016			33,572,639	33,040,016
Special Education	7,044,607	6,252,530			7,044,607	6,252,530
Other Special Instruction	1,901,500	1,936,358			1,901,500	1,936,358
Other Instruction	1,213,520	1,223,418			1,213,520	1,223,418
Support Services:						
Tuition	7,739,692	7,381,189			7,739,692	7,381,189
Student & Instruction						
Related Services	11,692,928	10,654,734			11,692,928	10,654,734
School Administrative						
Services	4,064,188	4,089,255			4,064,188	4,089,255
General Administrative						
Services	1,173,600	1,336,685			1,173,600	1,336,685
Central Services and Admin.						
Info. Tech.	1,004,006	1,048,764			1,004,006	1,048,764
Plant Operations and						
Maintenance	7,256,598	7,359,751			7,256,598	7,359,751
Pupil Transportation	2,063,235	1,867,390			2,063,235	1,867,390
Unallocated Benefits	8,196,847	7,969,874			8,196,847	7,969,874
Charter Schools	405,936	19,156			405,936	19,156
Capital Outlay-						
Non-depreciable	326,819	460,613			326,819	460,613
Interest on Long-Term Debt	372,506	402,196			372,506	402,196
Unallocated depreciation	608,561	646,188			608,561	646,188
Food Service			<u>1,720,905</u>	<u>1,626,161</u>	<u>1,720,905</u>	<u>1,626,161</u>
Total Expenses and Transfers	<u>88,637,182</u>	<u>85,688,117</u>	<u>1,720,905</u>	<u>1,626,161</u>	<u>90,358,087</u>	<u>87,314,278</u>
Increase or (Decrease) in						
Net Assets	<u>1,028,237</u>	<u>310,131</u>	<u>64,792</u>	<u>77,937</u>	<u>1,093,029</u>	<u>388,068</u>

**CITY OF HACKENSACK SCHOOL DISTRICT  
HACKENSACK, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
UNAUDITED (continued)**

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

**Governmental and Business-Type Activities**

As reported in the Statement of Activities the cost of all of our governmental and business-type activities this year was \$90,358,087. However, the amount that our taxpayers ultimately financed for these activities through School District taxes was only \$57,513,889 because some of the cost was paid by those who benefitted from the programs \$523,087, by other governments and organizations who subsidized certain programs with grants and contributions \$12,371,795, unrestricted federal and state aid \$15,183,297, tuition received \$5,170,100, investment income \$387,639, and by miscellaneous sources \$301,309.

The following schedules present a summary of governmental fund revenues and expenditures for the fiscal year ended June 30, 2008, and the amount and percentage of increases/(decreases) relative to the prior year.

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2007</u>	<u>Percent of Increase/ (Decrease)</u>
Local Source	\$63,384,369	70.7%	\$2,487,816	4.1%
State Source	21,246,188	23.7	1,453,351	7.3
Federal Source	<u>5,034,862</u>	<u>5.6</u>	<u>(273,996)</u>	<u>(5.2)</u>
Total	<u>\$89,665,419</u>	<u>100.0%</u>	<u>\$3,667,171</u>	4.3%

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2007</u>	<u>Percent of Increase/ (Decrease)</u>
Current Expenditures:				
Instruction	\$38,424,460	42.9%	\$1,540,013	4.2%
Undistributed	49,266,569	55.1	1,678,877	3.5
Debt Service	1,089,305	1.2	5,510	0.5
Capital Outlay	<u>700,916</u>	<u>0.8</u>	<u>(755,310)</u>	<u>(51.9)</u>
Total	<u>\$89,481,250</u>	<u>100.0%</u>	<u>\$2,469,090</u>	2.8%

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

**CITY OF HACKENSACK SCHOOL DISTRICT  
HACKENSACK, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
UNAUDITED (continued)**

**MAJOR GOVERNMENTAL FUNDS BUDGETING AND OPERATING HIGHLIGHTS**

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

During the fiscal year ended June 30, 2008, the School District amended the special revenue fund by \$1,602,083 for increases in federal and state grants.

**General Fund**

The general fund actual revenue was \$77,659,244. That amount is \$8,237,710 above the final amended budget of \$69,421,534. The variance between the actual revenues and final budget was the result of non-budgeted on-behalf payments of \$8,423,780 for TPAF pension and social security reimbursements and \$186,070 for deficiencies in other anticipated revenues.

The actual expenditures of the general fund were \$76,998,664 including transfers which is \$3,344,922 above the final amended budget of \$73,653,742. The variance between the actual expenditures and final budget was due to non-budget on-behalf payments of \$8,423,780 for TPAF pension and social security reimbursements, and \$5,078,858 of unexpended budgeted funds.

General fund had total revenues and other financing sources of \$77,659,244 and total expenditures of \$76,998,664 with an ending fund balance of \$9,949,418 on the budgetary basis of accounting.

**Special Revenue Fund**

The special revenue fund actual revenue was \$11,140,362. That amount is \$954,949 below the final amended budget of \$12,095,311. The variance between the actual revenues and the final budget was state and federal grant revenue that was anticipated to be spent by fiscal year end. The state and federal grant revenue will be received/realized in the next fiscal year.

The actual expenditures of the special revenue fund were \$11,140,362, which is \$954,949 below the final amended budget of \$12,095,311. The variance between the actual expenditures and the final budget was due to the anticipation of fully expending state and federal grant programs. Expenditures will be incurred in the next fiscal year.

**CITY OF HACKENSACK SCHOOL DISTRICT  
HACKENSACK, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
UNAUDITED (continued)**

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

At the end of fiscal year 2008 the School District had \$39,081,465 invested in sites, buildings, equipment and construction in progress. Of this amount \$22,193,086 in depreciation has been taken over the years. We currently have a net book value of \$16,888,379. Total additions for the year were \$1,250,949, the majority of which was for various technology and office equipment, transportation equipment, food service equipment and improvements to the District's facilities. Table 3 shows fiscal year 2008 balances compared to 2007.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Land	68,800	68,800			68,800	68,800
Buildings and Improvements	15,833,728	15,354,872			15,833,728	15,354,872
Furniture, Equipment and Vehicles	613,860	713,511	119,072	123,386	732,932	836,897
Construction in Progress	<u>252,919</u>	<u>866,588</u>	<u>      </u>	<u>      </u>	<u>252,919</u>	<u>866,588</u>
	<u>16,769,307</u>	<u>17,003,771</u>	<u>119,072</u>	<u>123,386</u>	<u>16,888,379</u>	<u>17,127,157</u>

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

**Debt Administration**

At June 30, 2008, the District had \$9,340,379 of outstanding debt. Of this amount, \$1,980,051 is for compensated absences; \$157,328 is for loan obligations; and \$7,203,000 of serial bonds for school construction.

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

	<u>2008</u>	<u>2007</u>
2001 School Improvement Bonds	<u>7,203,000</u>	<u>7,758,000</u>

**CITY OF HACKENSACK SCHOOL DISTRICT  
HACKENSACK, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
UNAUDITED (continued)**

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

The economy in the State of New Jersey is slowly improving. The current State of New Jersey revenue estimates have declined to the point that the legislature and governor have approved a State Aid funding bill for the 2008-2009 school year that is slightly higher than the level of the 2007-2008 school year.

These factors were considered in preparing the City of Hackensack School District's budgets for the 2008-2009 fiscal year.

**REQUESTS FOR INFORMATION**

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

Francis E. Seery  
School Business Administrator  
City of Hackensack School District  
355 State Street  
Hackensack, NJ 07601

## **BASIC FINANCIAL STATEMENTS**



## **DISTRICT-WIDE FINANCIAL STATEMENTS**

**HACKENSACK BOARD OF EDUCATION**  
**Statement of Net Assets**  
**June 30, 2008**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	10,625,425	374,463	10,999,888
Receivables, net	3,411,871	88,530	3,500,401
Inventory		5,908	5,908
Restricted assets:			
Capital reserve account - cash	493,635		493,635
Capital assets, net: land and construction in progress	321,719		321,719
Capital assets, net :	16,447,588	119,071	16,566,659
Total Assets	<u>31,300,238</u>	<u>587,972</u>	<u>31,888,210</u>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	323,211	130,208	453,419
Contracts payable	16,813		16,813
Payable to federal government	218,032		218,032
Payable to state government	112,385		112,385
Payable to local government	6		6
Deferred revenue	547,020		547,020
Noncurrent liabilities:			
Due within one year	742,328		742,328
Due beyond one year	8,598,051		8,598,051
Total liabilities	<u>10,557,846</u>	<u>130,208</u>	<u>10,688,054</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	9,408,979	119,071	9,528,050
Restricted for:			
Debt service	225,776		225,776
Capital projects	3,945,310		3,945,310
Other purposes	7,627,793		7,627,793
Unrestricted (Deficit)	(465,466)	338,693	(126,773)
Total net assets	<u>20,742,392</u>	<u>457,764</u>	<u>21,200,156</u>

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

**HACKENSACK BOARD OF EDUCATION**  
Statement of Activities  
Fiscal Year Ended June 30, 2008

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Indirect Expenses Allocation	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total
Governmental activities:						
Instruction:						
Regular	29,735,325	3,837,314		7,037,115		(26,535,524)
Special education	5,982,963	1,061,644				(7,044,607)
Other special instruction	1,621,041	280,459				(1,901,500)
Other instruction	1,085,131	128,389				(1,213,520)
Support services:						
Tuition	7,739,692					(7,739,692)
Student & instruction related services	10,828,001	864,927		4,067,504		(7,625,424)
School administrative services	3,463,251	600,937				(4,064,188)
General administrative services	1,070,555	103,045				(1,173,600)
Central services and administrative information technology	872,791	131,215				(1,004,006)
Plant operations and maintenance	6,677,320	579,278				(7,256,598)
Pupil transportation	2,062,025	1,210				(2,063,235)
Unallocated benefits	8,196,847					(8,196,847)
Charter schools	405,936					(405,936)
Capital outlay - non-depreciable	326,819			4,566		(322,253)
Interest on long-term debt	372,506					(372,506)
Unallocated depreciation	608,561					(608,561)
Total governmental activities	81,048,764	7,588,418	-	11,109,185	-	(77,527,997)
Business-type activities:						
Food Service	1,720,905		523,087	1,262,610	-	64,792
Total business-type activities	1,720,905		523,087	1,262,610	-	64,792
Total primary government	82,769,669		523,087	12,371,795	-	(77,463,205)
General revenues:						
Taxes:						
Levied for general purposes						
Taxes levied for debt service						
Federal and State aid not restricted						
Tuition received						
Investment Earnings						
Miscellaneous Income						
Total general revenues, special items, extraordinary items and transfers						
Change in Net Assets						
Net Assets—beginning						
Net Assets—ending						

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

## **FUND FINANCIAL STATEMENTS**

**HACKENSACK BOARD OF EDUCATION**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2008**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents					
Checking	6,551,294	492,411	3,581,720		10,625,425
Accounts Receivable -					
Interfunds	511,710		44,720	494,983	1,051,413
Intergovernmental - Federal		512,394	370,527		882,921
Intergovernmental - State	408,480	156,636			565,116
Other receivables	1,918,065	45,769			1,963,834
Restricted cash and cash equivalents					
Capital reserve	493,635				493,635
<b>Total assets</b>	<b>9,883,184</b>	<b>1,207,210</b>	<b>3,996,967</b>	<b>494,983</b>	<b>15,582,344</b>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	29,251	233,479			262,730
Contracts Payable	13,365	3,448			16,813
Intergovernmental accounts payable - State		112,385			112,385
Intergovernmental accounts payable - Federal		218,032			218,032
Intergovernmental accounts payable - Local		6			6
Accrued salaries & benefits					-
Interfund payables		236,914	545,292	269,207	1,051,413
Deferred revenue	45,888	501,132			547,020
<b>Total liabilities</b>	<b>88,504</b>	<b>1,305,396</b>	<b>545,292</b>	<b>269,207</b>	<b>2,208,399</b>
Fund Balances:					
Reserved for:					
Encumbrances	1,028,798				1,028,798
Excess surplus - designated for subsequent year's expenditures	2,949,061				2,949,061
Capital reserve account	493,635				493,635
Excess Surplus	3,649,934				3,649,934
Unreserved, reported in:					
General fund	1,673,252				1,673,252
Special revenue fund		(98,186)			(98,186)
Capital projects fund			3,451,675		3,451,675
Debt service fund				225,776	225,776
<b>Total Fund balances</b>	<b>9,794,680</b>	<b>(98,186)</b>	<b>3,451,675</b>	<b>225,776</b>	<b>13,373,945</b>
<b>Total liabilities and fund balances</b>	<b>9,883,184</b>	<b>1,207,210</b>	<b>3,996,967</b>	<b>494,983</b>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$38,827,809 and the accumulated depreciation is \$22,058,502.

16,769,307

Accrued liability for interest on long-term debt is not due and payable in the current period and is not reported as a liability in the funds

(60,481)

Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 7)

(9,340,379)

Net assets of governmental activities

20,742,392

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

**HACKENSACK BOARD OF EDUCATION**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**Fiscal Year Ended June 30, 2008**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>					
Local sources:					
Municipal tax levy	56,693,791			820,098	57,513,889
Tuition charges	5,170,100				5,170,100
Interest Earned on Capital Reserve Funds	82,018				82,018
Miscellaneous	478,967	11,432	127,963		618,362
Total - Local Sources	62,424,876	11,432	127,963	820,098	63,384,369
State sources	15,183,297	6,062,891			21,246,188
Federal sources		5,034,862			5,034,862
Total revenues	77,608,173	11,109,185	127,963	820,098	89,665,419
<b>EXPENDITURES</b>					
Current:					
Regular instruction	22,698,210	7,037,115			29,735,325
Special education instruction	5,982,963				5,982,963
Other special instruction	1,621,041				1,621,041
School sponsored/other instructional	1,085,131				1,085,131
Support services and undistributed costs:					
Tuition	7,739,692				7,739,692
Attendance and social work services	22,759				22,759
Health services	668,384				668,384
Student & instruction related services	6,038,177	4,098,681			10,136,858
School administrative services	3,463,251				3,463,251
General administrative services	1,070,555				1,070,555
Central services & administrative information technology	872,791				872,791
Plant operations and maintenance	6,799,696				6,799,696
Pupil transportation	2,062,025				2,062,025
Unallocated benefits	7,600,842				7,600,842
On-behalf contributions	8,423,780				8,423,780
Transfer to charter school	405,936				405,936
Debt service:					
Principal				707,485	707,485
Interest and other charges				381,820	381,820
Capital outlay	443,431	4,566	252,919		700,916
Total expenditures	76,998,664	11,140,362	252,919	1,089,305	89,481,250
Excess (Deficiency) of revenues	609,509	(31,177)	(124,956)	(269,207)	184,169
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in				127,963	127,963
Transfers out			(127,963)		(127,963)
Total other financing sources and uses	-	-	(127,963)	127,963	-
Net change in fund balances	609,509	(31,177)	(252,919)	(141,244)	184,169
Fund balance—July 1	9,185,171	(67,009)	3,704,594	367,020	13,189,776
Fund balance—June 30	9,794,680	(98,186)	3,451,675	225,776	13,373,945

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

**HACKENSACK BOARD OF EDUCATION**  
**Reconciliation of the Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances of Governmental Funds**  
**to the Statement of Activities**  
**Fiscal Year Ended June 30, 2008**

**Total net change in fund balances - governmental funds (from B-2)** 184,169

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

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

Depreciation expense	(608,561)	
Depreciable Capital outlays	<u>374,097</u>	
		(234,464)

Repayment of long-term debt is reported as an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.

In the current year, these amounts consist of:

General Bond Obligations	555,000	
General Loan Obligations	152,485	
Capital Lease Obligations	<u>122,375</u>	
		829,860

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

General Bond Obligations - Prior Year	62,188	
General Bond Obligations	(57,909)	
General Loan Obligations - Prior Year	7,607	
General Loan Obligations	<u>(2,572)</u>	
		9,314

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

Decrease in compensated absences payable	239,358
--	---------

Revenues in the statement of activities which do not provide current financial resources are not reported as revenues in the funds. (+)

<b>Change in net assets of governmental activities</b>	<u><u>1,028,237</u></u>
--	-------------------------

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

**HACKENSACK BOARD OF EDUCATION**  
**Statement of Net Assets**  
**Proprietary Funds**  
**June 30, 2008**

**Business-type  
Activities -  
Enterprise Fund**

**Food Service  
Program**

**ASSETS**

## Current assets:

Cash and cash equivalents	374,463
Accounts receivable:	
State	9,896
Federal	78,634
Inventories	5,908
Total current assets	<u>468,901</u>

## Noncurrent assets:

## Capital assets:

Equipment	253,655
Less accumulated depreciation	<u>(134,584)</u>
Total capital assets (net of accumulated depreciation)	<u>119,071</u>
Total assets	<u>587,972</u>

## Current Liabilities:

Accounts Payable	<u>130,208</u>
Total Liabilities	<u>130,208</u>

**NET ASSETS**

Invested in capital assets net of related debt	119,071
Unrestricted	338,693
Total net assets	<u><u>457,764</u></u>



Exhibit B-5

**HACKENSACK BOARD OF EDUCATION**  
**Statement of Revenues, Expenses, and Changes in Fund Net Assets**  
**Proprietary Funds**  
**Fiscal Year Ended June 30, 2008**

	<u>Business-type Activities - Enterprise Fund</u>
	<u>Food Service Program</u>
Operating revenues:	
Charges for services:	
Daily sales - reimbursable programs	306,261
Daily sales - non-reimbursable programs	216,826
Total operating revenues	<u>523,087</u>
Operating expenses:	
Cost of sales	1,566,355
Salaries	41,748
Supplies and materials	30,193
Employee benefits	16,190
Depreciation expense	14,578
Repairs and other expenses	21,267
Purchased services	30,574
Total Operating Expenses	<u>1,720,905</u>
Operating income (loss)	<u>(1,197,818)</u>
Nonoperating revenues (expenses):	
State sources:	
School lunch program	32,868
Snack program	56,940
Breakfast program	41,213
Federal sources:	
National school lunch program	666,539
Breakfast program	380,138
U.S.D.A. Commodities	84,912
Total nonoperating revenues (expenses)	<u>1,262,610</u>
Income (loss) before contributions & transfers	64,792
Total net assets—beginning	<u>392,972</u>
Total net assets—ending	<u><u>457,764</u></u>

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

**HACKENSACK BOARD OF EDUCATION**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**Fiscal Year Ended June 30, 2008**

**Business-type  
Activities -  
Enterprise Fund**

**Food Service  
Program**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Receipts from customers	523,087
Payments to suppliers	(1,598,730)
Net cash provided by (used for) operating activities	<u>(1,075,643)</u>

**CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES**

State Sources	130,477
Federal Sources	1,042,536
Net cash provided by (used for) non-capital financing activities	<u>1,173,013</u>

**CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES**

Acquisition of capital assets	(10,264)
Net cash provided by (used for) capital and related financing activities	<u>(10,264)</u>

Net increase (decrease) in cash and cash equivalents	<u>87,106</u>
--	---------------

Balances—beginning of year	287,357
Balances—end of year	<u><u>374,463</u></u>

**Reconciliation of operating income (loss) to net cash provided  
(used) by operating activities:**

Operating income (loss)	(1,197,818)
Adjustments to reconcile operating income (loss) to net cash provided by	
Depreciation and net amortization	14,578
Food Distribution Program	84,912
(used for) operating activities	
(Increase) decrease in accounts receivable, net	
(Increase) decrease in inventories	694
Increase (decrease) in accounts payable	21,991
Total adjustments	<u>122,175</u>
Net cash provided by (used for) operating activities	<u><u>(1,075,643)</u></u>

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

**HACKENSACK BOARD OF EDUCATION**  
**Statement of Fiduciary Net Assets**  
**Fiduciary Funds**  
**June 30, 2008**

	<u>Unemployment Compensation Trust Fund</u>	<u>Scholarship and Memorial Funds</u>	<u>Agency Fund</u>
<b>ASSETS</b>			
Cash and cash equivalents	92,629	179,929	587,912
Deficit in reserve for scholarships		8,212	
Total assets	<u>92,629</u>	<u>188,141</u>	<u>587,912</u>
<b>LIABILITIES</b>			
Payable to student groups			168,121
Payroll deductions and withholdings			419,791
Total liabilities	<u>-</u>	<u>-</u>	<u>587,912</u>
<b>NET ASSETS</b>			
Held in trust for unemployment claims and other purposes	92,629		
Reserved for scholarships		188,141	
	<u>92,629</u>	<u>188,141</u>	

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

**HACKENSACK BOARD OF EDUCATION**  
**Statement of Changes in Fiduciary Net Assets**  
**Fiduciary Funds**  
**Fiscal Year Ended June 30, 2008**

	<b>Unemployment Compensation Trust Fund</b>	<b>Scholarship and Memorial Funds</b>
<b>ADDITIONS</b>		
Contributions:		
Donations		39,250
Payroll withholdings	64,103	
Total Contributions	<u>64,103</u>	<u>39,250</u>
Investment earnings:		
Interest	3,211	6,717
Net investment earnings	<u>3,211</u>	<u>6,717</u>
Total additions	<u>67,314</u>	<u>45,967</u>
<b>DEDUCTIONS</b>		
Unemployment claims	88,699	
Scholarships awarded		44,272
Total deductions	<u>88,699</u>	<u>44,272</u>
Change in net assets	(21,385)	1,695
<b>OTHER CHANGES TO FIDUCIARY NET ASSETS</b>		
Net changes to deficit in reserve for scholarships		1,363
Total changes to fiduciary net assets	<u>-</u>	<u>1,363</u>
Change in net assets	(21,385)	3,058
Net assets—beginning of the year	114,014	185,083
Net assets—end of the year	<u>92,629</u>	<u>188,141</u>

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

**City of Hackensack School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2008**

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

The Board of Education ("Board") of the City of Hackensack School District ("District") is an instrumentality of the State of New Jersey, established to function as an educational institution. The City of Hackensack School District is a Type II district located in the County of Bergen, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of nine members and a Borough of Maywood Representative, all elected to three-year terms. The purpose of the District is to educate students in grades K-12. A superintendent is appointed by the Board and is responsible for the administrative control of the District. Under existing statutes, the Board's duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property.

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

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

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

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

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

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

**City of Hackensack School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2008**

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

**A. Basis of Presentation:**

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

**District-wide Financial Statements:**

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

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

**Fund Financial Statements:**

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

**GOVERNMENTAL FUNDS**

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

**City of Hackensack School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2008**

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

**GOVERNMENTAL FUNDS: (continued)**

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

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

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

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

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

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

**PROPRIETARY FUNDS**

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

**City of Hackensack School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2008**

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

**PROPRIETARY FUNDS: (continued)**

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

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

**FIDUCIARY FUNDS**

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

**B. Measurement Focus:**

**District-wide Financial Statements**

The District-wide statements (i.e., the statement of net assets and the statement of activities) are prepared using the economic resources measurements focus and the accrual basis of accounting. All assets and liabilities associated with the operation of the Board are included on the statement of net assets, except for fiduciary funds.

**Fund Financial Statements**

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

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



**City of Hackensack School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2008**

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

**C. Basis of Accounting:**

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

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

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

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

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

**Expenses/Expenditures**

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

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

**City of Hackensack School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2008**

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

**D. Budgets/Budgetary Control:**

Annual appropriated budgets are adopted in the spring of the preceding year for the general, and special revenue funds. The budgets are submitted to the county superintendents office for approval. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2(g)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. The Board of Education did not make any material supplementary budget appropriations during the fiscal year.

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

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

**E. Encumbrances:**

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

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

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

**City of Hackensack School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2008**

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

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

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

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

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

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

**G. Tuition Revenues/Receivable:**

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

**H. Inventories:**

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

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

**City of Hackensack School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2008**

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

**I. Prepaid Items:**

Payments made to vendors for services that will benefit periods beyond June 30, 2008, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year in which services are consumed.

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

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

**K. Capital Assets:**

General capital assets are those assets not specifically related to activities reported in the enterprise fund. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the district -wide statement of net assets but are not reported in the fund financial statements. Capital assets utilized by the enterprise fund are reported both in the business-type activity column of the District-wide statement of net assets and in the fund.

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

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

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

**City of Hackensack School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2008**

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

**L. Compensated Absences:**

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

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

**M. Deferred Revenue:**

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

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

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

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

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

**O. Fund Balance Reserves:**

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

**City of Hackensack School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2008**

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

**P. Net Assets:**

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

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

**Q. Operating Revenues and Expenses:**

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

**R. Extraordinary and Special Items:**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during the fiscal year.

**S. Allocation of Indirect Expenses:**

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation, and medical and dental benefits, were not allocated. Depreciation expense, where practicable, is specifically identified by function and is included in the indirect expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities as unallocated depreciation. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

**T. Use of Estimates:**

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that effect certain reports, amounts and disclosures. Accordingly, actual results could differ from those estimates.

**City of Hackensack School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2008**

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

**U. Recent Accounting Pronouncements**

In July 2004, the Governmental Accounting Standards Board (GASB) adopted Statement number 45, "Accounting and Financial Reporting by Employers for Post Employment Benefits Other than Pensions". This statement will become effective for governmental entities on a phased-in basis beginning with fiscal years beginning after December 15, 2007. The effective date of this statement for the Board is the fiscal year beginning July 1, 2008. This statement will require governmental entities to report the future cost of Other Post Employment Benefits (OPEB) on a present value basis instead of the present "pay as you go" method. The impact on the District's financial position or results of operations of this GASB Statement cannot be readily determined at this time.

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

**Cash**

**Custodial Credit Risk - Deposits**

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The District's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 18A:20-37 that are treated as cash equivalents. As of June 30, 2008, \$-0- of the District's bank balance of \$16,989,426 was exposed to custodial credit risk.

**Investments**

**Investment Rate Risk**

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

**Credit Risk**

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

**Concentration of Credit Risk**

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

**City of Hackensack School District**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2008**

**NOTE 4. RECEIVABLES:**

Receivables at June 30, 2008, consisted of accounts receivable and intergovernmental. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	Governmental Fund Financial Statements	Enterprise Fund	District Wide Financial Statements
Interfunds	\$1,051,413		
State Aid	565,116	\$9,896	\$575,012
Federal Aid	882,921	78,634	961,555
Other	<u>1,963,834</u>		<u>1,963,834</u>
Gross Receivables	4,463,284	88,530	3,500,401
Less: Allowance for Uncollectibles			
Total Receivables, Net	<u>\$4,463,284</u>	<u>\$88,530</u>	<u>\$3,500,401</u>

**NOTE 5. INTERFUND BALANCE AND ACTIVITY:**

Balances due to/from other funds at June 30, 2008 consist of the following:

\$239,186	Due to the General Fund from the Debt Service Fund to cover debt payment.
30,021	Due to the General Fund from the Debt Service Fund to correct posting of FY07 tax levy.
65,684	Due to the General Fund from the Special Revenue Fund as a result of grant expenditure reimbursements.
45,888	Due to the General Fund from the Special Revenue Fund to record TARA deferred revenue.
80,622	Due to the General Fund from the Special Revenue Fund for benefit expenditure reimbursement.
44,720	Due to the Capital Projects Fund from the Special Revenue Fund for reimbursement of expenditures for Jackson Avenue Soundproofing Project.
50,309	Due to the General Fund from the Capital Projects Fund for reimbursement of grant expenditures paid.
97,811	Due to the Debt Service Fund from the Capital Projects Fund for interest earnings FY06.
269,209	Due to the Debt Service Fund from the Capital Projects Fund as a result of interest earned to cover debt payments FY07.
61,070	Due to the Debt Service Fund from the Capital Projects Fund for interest earnings FY07.
<u>66,893</u>	Due to the Debt Service Fund from the Capital Projects Fund for interest earnings FY08.
<u>\$1,051,413</u>	

Interfund transfers for the year ended June 30, 2008 consisted of the following:

\$127,963 from the Capital Projects Fund to the Debt Service Fund for interest earnings.



**City of Hackensack School District**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2008**

**NOTE 6. CAPITAL ASSETS:**

Capital asset activity for the fiscal year ended June 30, 2008 was as follows:

	<u>Balance</u> <u>6/30/2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/2008</u>
<b>Governmental Activities</b>				
Capital assets that are not being depreciated:				
Land	68,800			68,800
Construction in progress	<u>866,588</u>	<u>252,919</u>	<u>(866,588)</u>	<u>252,919</u>
Total capital assets not being depreciated	<u>935,388</u>	<u>252,919</u>	<u>(866,588)</u>	<u>321,719</u>
 Building and building improvements	35,161,059	36,252	866,588	34,330,723
Machinery and equipment	<u>2,357,265</u>	<u>84,926</u>		<u>2,442,191</u>
Totals at historical cost	<u>37,518,324</u>	<u>121,178</u>	<u>866,588</u>	<u>38,506,090</u>
Less accumulated depreciation for:				
Buildings and improvements	(19,806,187)	(423,984)		(20,230,171)
Equipment	<u>(1,643,754)</u>	<u>(184,577)</u>		<u>(1,828,331)</u>
Total accumulated depreciation	<u>(21,449,941)</u>	<u>(608,561)</u>		<u>(22,058,502)</u>
Total capital assets being depreciated, net of accumulation	<u>16,068,383</u>	<u>(487,383)</u>		<u>16,447,588</u>
Governmental activities capital assets, net	<u>17,003,771</u>	<u>(234,464)</u>	<u>(866,588)</u>	<u>16,769,307</u>
 Business-type activities:				
Equipment	243,392	10,264		253,656
Less accumulated depreciation for:				
Equipment	<u>(120,006)</u>	<u>(14,578)</u>		<u>(134,584)</u>
Business-type activities capital assets, net	<u>123,386</u>	<u>(4,314)</u>		<u>119,072</u>

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

**NOTE 7. LONG-TERM OBLIGATION ACTIVITY:**

Changes in long-term obligations for the fiscal year ended June 30, 2008 were as follows:

	<u>Balance</u> <u>June 30, 2007</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance</u> <u>June 30, 2008</u>	<u>Amount Due</u> <u>Within</u> <u>One Year</u>
Compensated Absences Payable	\$2,219,409	\$97,965	(\$337,323)	\$1,980,051	
Bonds Payable	7,758,000		(555,000)	7,203,000	\$585,000
Long Term Loan Payable	309,813		(152,485)	157,328	157,328
Obligations Under Capital Lease	<u>122,375</u>		<u>(122,375)</u>		
	<u>\$10,409,597</u>	<u>\$97,965</u>	<u>(\$1,167,183)</u>	<u>\$9,340,379</u>	<u>\$742,328</u>

**City of Hackensack School District**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2008**

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

**A. Bonds and Loans Payable:**

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

Outstanding bonds payable at June 30, 2008, consisted of the following:

<u>Issue</u>	<u>Issue Date</u>	<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Principal Balance June 30, 2008</u>
School Improvement Bonds 2001	05/01/2001	4.50%-5.00%	05/01/2020	<u>\$7,203,000</u>

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

<u>Year</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2009	\$932,456	\$585,000	\$347,456
2010	920,400	600,000	320,400
2011	892,650	600,000	292,650
2012	864,900	600,000	264,900
2013	836,400	600,000	236,400
2014-2018	3,749,250	3,000,000	749,250
2019-2020	<u>1,309,800</u>	<u>1,218,000</u>	<u>91,800</u>
	<u>\$9,505,856</u>	<u>\$7,203,000</u>	<u>\$2,302,856</u>

Principal and interest due on long term debt loans outstanding is as follows:

<u>Year</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2009	<u>\$160,266</u>	<u>\$157,327</u>	<u>\$2,939</u>

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

As of June 30, 2008 the Board has authorized but not issued bonds of \$280,634 for the various school improvements project.

**City of Hackensack School District**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2008**

**NOTE 8. OPERATING LEASES:**

The District has commitments to lease certain office equipment under operating leases that expire in 2012. Total operating lease payments made during the year ended June 30, 2008 were \$249,297. Future minimum lease payments are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2009	\$259,169
2010	256,816
2011	200,734
2012	41,478
2013	<u>21,014</u>
	<u>\$779,211</u>

**NOTE 9. PENSION PLANS:**

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

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

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

**City of Hackensack School District**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2008**

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

**Vesting and Benefit Provisions** - The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43:3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/55 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System.

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

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

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

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

During the year ended June 30, 2008 for TPAF, which is a cost sharing plan with special funding situations, annual pension cost equals annual required contribution. For PERS, which is a cost sharing multi-employer defined benefit pension plan, the annual pension cost differs from the annual required contribution due to the enactment of Chapter 114, P.L. 1997. TPAF employer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997.

**City of Hackensack School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2008**

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

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

<b>Year Ending</b>	
6/30/08	\$437,782
6/30/07	237,031
6/30/06	137,784

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

<b>Year Ending</b>	
6/30/08	\$5,598,714
6/30/07	5,445,973
6/30/06	2,967,593

During the fiscal year ended June 30, 2008, the State of New Jersey contributed \$5,598,714 to the TPAF for normal and post-retirement 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 \$2,825,066 during the year ended June 30, 2008 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 general-purpose financial statements, and the combining and individual fund and account group statements and schedules as a revenue and expenditure in accordance with GASB 24.

**NOTE 10. POST-EMPLOYMENT BENEFITS:**

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required TPAF and PERS, respectively, to fund post-retirement medical benefits for those State employees who retire after reaching age 60 and accumulating 25 years of credited service. As of June 30, 2007, there were 75,860 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with Chapter 62, P.L. 1994. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in fiscal year 1994 with an additional contribution beginning in fiscal year 1996 to maintain a medical reserve of one half of 1% of the active State payroll.

The State made post-retirement (PRM) contributions of \$592.7 million for TPAF and \$224.3 million for PERS in Fiscal Year 2007.

The State is also responsible for the cost attributable to Chapter 126, P.L. 1992, which provides free health benefits to members of PERS, TPAF and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. In fiscal year 2007, the State paid \$110.3 million toward Chapter 126 benefits for 11,747 eligible retired members.

**City of Hackensack School District**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2008**

**NOTE 11. DEFERRED COMPENSATION:**

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

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

**NOTE 12. RISK MANAGEMENT:**

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

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

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

**New Jersey Unemployment Compensation Insurance** - The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's expendable trust fund for the current and previous two years:

<u>Fiscal Year</u>	<u>Interest Earnings/ District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2007-2008	\$3,211	\$64,103	\$88,699	\$92,629
2006-2007	35,781	60,259	103,300	114,014
2005-2006	196	56,911	80,716	121,274

**City of Hackensack School District**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2008**

**NOTE 13. CAPITAL RESERVE ACCOUNT:**

A capital reserve account was established by the City of Hackensack Board of Education by inclusion of \$1,100,125 on October 12, 2000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget. There existed a balance of \$493,635 in the capital reserve account at June 30, 2008.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amount when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:26-9.1(d)1, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2007 to June 30, 2008 fiscal year is as follows:

Beginning balance, July 1, 2007	\$478,511
Interest Earnings	82,018
Transfer to Capital Projects Fund	<u>(66,894)</u>
Ending balance, June 30, 2008	<u>\$493,635</u>

**NOTE 14. DEFICIT FUND BALANCES:**

The District has a deficit fund balance of (\$98,186) in the Special Revenue Fund as of June 30, 2008 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the last state aid payment in the subsequent fiscal year, the school district can not recognize the last state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the last state aid payment, the Special Revenue Fund balance deficit does not alone indicate that the district is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unreserved, undesignated general fund balance or deficit in special revenue fund balance that is reported as a direct result from a delay in the payment of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The District deficit in the GAAP funds statements of (\$98,186) is equal to or less than the last state aid payment.

**City of Hackensack School District**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2008**

**NOTE 15. FUND BALANCE APPROPRIATED:**

**General Fund [Exhibit B-1]** - Of the \$9,794,680 General Fund fund balance at June 30, 2008, \$1,028,798 is reserved for encumbrances; \$6,598,995 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7 (\$2,949,061 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2009); \$493,635 has been reserved in the Capital Reserve Account; \$193,979 has been appropriated and included as anticipated revenue for the year ending June 30, 2009; and \$1,479,273 is unreserved and undesignated. During the fiscal year, authorized and approved appropriations of \$303,328 surplus was made.

**Debt Service Fund** - The Debt Service Fund balance at June 30, 2008 of \$225,776 is unreserved and undesignated.

**NOTE 16. CALCULATION OF EXCESS SURPLUS:**

In accordance with N.J.S.A. 18A:7F-7, the designation for Reserved Fund Balance — Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2008 is \$6,598,995 of which \$3,649,934 is the result of current year operations.

**NOTE 17. INVENTORY:**

Inventory in the Food Service Fund at June 30, 2008 consisted of the following:

Food	\$564
Supplies	<u>5,344</u>
	<u>\$5,908</u>

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

**NOTE 18. CONTINGENT LIABILITIES:**

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

**Litigation** - The District is a party defendant in some lawsuits, none of a kind unusual for a school district of its size and scope of operation. In the opinion of the Board's Attorney the potential claims against the District not covered by insurance policies would not materially affect the financial condition of the District.



**REQUIRED SUPPLEMENTARY  
INFORMATION - PART II**

## **BUDGETARY COMPARISON SCHEDULES**

Exhibit C-1

**HACKENSACK BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Fiscal Year Ended June 30, 2008**

	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES:</b>					
<b>General Fund:</b>					
Revenues from Local Sources:					
Local Tax Levy	56,693,791		56,693,791	56,693,791	
Tuition	5,621,218		5,621,218	5,170,100	(451,118)
Interest Earned on Capital Reserve Funds	21,450		21,450	82,018	60,568
Unrestricted Miscellaneous Revenues	537,000		537,000	478,967	(58,033)
<b>Total - Local Sources</b>	<u>62,873,459</u>		<u>62,873,459</u>	<u>62,424,876</u>	<u>(448,583)</u>
Revenues from State Sources:					
Transportation Aid	580,033		580,033	580,033	
Special Education Aid	4,004,188		4,004,188	4,004,188	
Bilingual Education	472,986		472,986	472,986	
Stabilization Aid	1,689		1,689	1,689	
Consolidated Aid	514,697		514,697	514,697	
Additional Formula Aid	606,670		606,670	606,670	
Extraordinary Aid				262,513	262,513
High Expectations for Learning Proficiency (HELP)	367,812		367,812	367,812	
On-behalf TPAF Pension and Post Retirement					
Medical Contributions (non-budgeted)				5,598,714	5,598,714
Reimbursed TPAF Social Security Contributions (non-budgeted)				2,825,066	2,825,066
<b>Total - State Sources</b>	<u>6,548,075</u>		<u>6,548,075</u>	<u>15,234,368</u>	<u>8,686,293</u>
<b>TOTAL REVENUES</b>	<u>69,421,534</u>		<u>69,421,534</u>	<u>77,659,244</u>	<u>8,237,710</u>
<b>EXPENDITURES:</b>					
<b>Current Expense:</b>					
<b>Regular Programs - Instruction</b>					
Preschool/Kindergarten - Salaries of Teachers	207,554	22,335	229,889	179,222	50,667
Grades 1-5 - Salaries of Teachers	7,150,971	93,411	7,244,382	7,120,136	124,246
Grades 6-8 - Salaries of Teachers	4,616,002	268,179	4,884,181	4,575,808	308,373
Grades 9-12 - Salaries of Teachers	9,076,979	128,876	9,205,855	8,802,292	403,563
<b>Regular Programs - Home Instruction:</b>					
Salaries of Teachers	370,000	151,311	521,311	460,190	61,121
<b>Regular Programs - Undistributed Instruction</b>					
Other Salaries for Instruction	328,071	44,957	373,028	299,302	73,726
Purchased Professional - Educational Services		3,200	3,200	3,200	
Purchased Technical Services	50,178	(24,200)	25,978	23,020	2,958
Other Purchased Services (400-500 series)	67,938		67,938	37,067	30,871
General Supplies	880,177	6,884	887,061	727,655	159,406
Textbooks	552,190	59,129	611,319	464,944	146,375
Other Objects	11,311	5,000	16,311	5,374	10,937
<b>TOTAL REGULAR PROGRAMS - INSTRUCTION</b>	<u>23,311,371</u>	<u>759,082</u>	<u>24,070,453</u>	<u>22,698,210</u>	<u>1,372,243</u>
<b>SPECIAL EDUCATION - INSTRUCTION</b>					
<b>Learning and/or Language Disabilities</b>					
Salaries of Teachers	173,530	5,449	178,979	173,794	5,185
Other Salaries for Instruction	76,058	1,421	77,479	49,478	28,001
General Supplies	2,008		2,008	448	1,560
Textbooks	2,708		2,708		2,708
<b>Total Neurologically Impaired</b>	<u>254,304</u>	<u>6,870</u>	<u>261,174</u>	<u>223,720</u>	<u>37,454</u>
<b>Multiple Disabilities</b>					
Salaries of Teachers	339,954	48,340	388,294	379,526	8,768
Other Salaries for Instruction	226,326	47,183	273,509	222,703	50,806
General Supplies	3,700		3,700	2,915	785
Textbooks	5,850		5,850	6	5,844
<b>Total Multiple Disabilities</b>	<u>575,830</u>	<u>95,523</u>	<u>671,353</u>	<u>605,150</u>	<u>66,203</u>
<b>Resource Room/Resource Center:</b>					
Salaries of Teachers	3,370,790	105,933	3,476,723	3,445,703	31,020
Other Salaries for Instruction	768,034	214,957	982,991	952,473	30,518
General Supplies	16,880		16,880	15,889	991
Textbooks	12,802		12,802	9,074	3,728
<b>Total Resource Room/Resource Center</b>	<u>4,168,506</u>	<u>320,890</u>	<u>4,489,396</u>	<u>4,423,139</u>	<u>66,257</u>

Exhibit C-1

**HACKENSACK BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Fiscal Year Ended June 30, 2008**

	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>Preschool Disabilities - Part-Time:</b>					
Salaries of Teachers	288,210	10,381	298,591	285,882	12,709
Other Salaries for Instruction	131,587	54,720	186,307	186,307	
Professional Svcs-Educational Services	15,000	3,136	18,136	17,278	858
Other Purchased Services (400-500 Series)	3,137	(3,137)			
General Supplies	4,332		4,332	2,443	1,889
<b>Total Preschool Disabilities - Part Time</b>	<u>442,266</u>	<u>65,100</u>	<u>507,366</u>	<u>491,910</u>	<u>15,456</u>
<b>Preschool Disabilities- Full-Time:</b>					
Salaries of Teachers	142,708		142,708	119,769	22,939
Other Salaries for Instruction	171,038		171,038	115,180	55,858
Professional Svcs-Educational Services	15,300		15,300		15,300
Other Purchased Services (400-500 Series)	15,300		15,300		15,300
General Supplies	4,284		4,284	3,716	568
Textbooks	520		520	379	141
Other Objects	1,041		1,041		1,041
<b>Total Preschool Disabilities - Full-Time</b>	<u>350,191</u>		<u>350,191</u>	<u>239,044</u>	<u>111,147</u>
<b>TOTAL SPECIAL EDUCATION - INSTRUCTION</b>	<u>5,791,097</u>	<u>488,383</u>	<u>6,279,480</u>	<u>5,982,963</u>	<u>296,517</u>
<b>Bilingual Education - Instruction</b>					
Salaries of Teachers	1,671,349	17,419	1,688,768	1,566,772	121,996
Other Supplies for Instruction	29,420		29,420	29,420	
General Supplies	11,620	2,804	14,424	10,164	4,260
Textbooks	19,399		19,399	14,685	4,714
<b>Total Bilingual Education - Instruction</b>	<u>1,731,788</u>	<u>20,223</u>	<u>1,752,011</u>	<u>1,621,041</u>	<u>130,970</u>
<b>School-Sponsored Cocurricular Activities - Instruction</b>					
Salaries	151,283	(16,986)	134,297	116,841	17,456
Purchased Services (300-500 series)	10,953		10,953	6,501	4,452
Supplies and Materials	48,510	12,400	60,910	48,161	12,749
Other Objects	7,175	3,000	10,175	8,280	1,895
<b>Total School-Sponsored Cocurricular Activities - Instruction</b>	<u>217,921</u>	<u>(1,586)</u>	<u>216,335</u>	<u>179,783</u>	<u>36,552</u>
<b>School-Sponsored Athletics - Instruction</b>					
Salaries	657,429	53,372	710,801	600,399	110,402
Purchased Services (300-500 series)	157,017	23,926	180,943	171,511	9,432
Supplies and Materials	121,573		121,573	117,456	4,117
Other Objects	16,022		16,022	15,982	40
<b>Total School-Sponsored Athletics - Instruction</b>	<u>952,041</u>	<u>77,298</u>	<u>1,029,339</u>	<u>905,348</u>	<u>123,991</u>
<b>TOTAL INSTRUCTION</b>	<u>32,004,218</u>	<u>1,343,400</u>	<u>33,347,618</u>	<u>31,387,345</u>	<u>1,960,273</u>
<b>Undistributed Expenditures - Instruction:</b>					
Tuition Other LEAs within the State-Regular					
Tuition to Other LEAs Within the State - Special	1,176,659	(17,000)	1,159,659	1,012,338	147,321
Tuition to County Voc. School Dist. - Regular	454,810	(12,000)	442,810	353,209	89,601
Tuition to County Voc. School Dist. - Special	356,106	(9,001)	347,105	281,172	65,933
Tuition to CSSD & Regional Day Schools	4,897,100	(1,026,252)	3,870,848	3,870,747	101
Tuition to Private Schools for the Handicapped - Within State	2,946,996	(579,473)	2,367,523	2,211,619	155,904
Tuition - State Facilities	250,000		250,000		250,000
Tuition - Other	37,466		37,466	10,607	26,859
<b>Total Undistributed Expenditures - Instruction:</b>	<u>10,119,137</u>	<u>(1,643,726)</u>	<u>8,475,411</u>	<u>7,739,692</u>	<u>735,719</u>
<b>Undistributed Expend. - Attend. &amp; Social Work</b>					
Purchased Professional and Technical Services	22,950		22,950	22,759	191
<b>Total Undistributed Expend. - Attend. &amp; Social Work</b>	<u>22,950</u>		<u>22,950</u>	<u>22,759</u>	<u>191</u>
<b>Undist. Expend. - Health Services</b>					
Salaries	627,481	30,812	658,293	658,292	1
Purchased Professional and Technical Services	1,632		1,632	1,321	311
Other Purchased Services (400-500 series)	1,020		1,020	984	36
Supplies and Materials	8,440	214	8,654	7,787	867
<b>Total Undistributed Expenditures - Health Services</b>	<u>638,573</u>	<u>31,026</u>	<u>669,599</u>	<u>668,384</u>	<u>1,215</u>
<b>Undist. Expend. - Other Supp. Serv. Students - Related Serv.</b>					
Salaries	621,343		621,343	562,092	59,251
Purchased Prof. Services-Educational Services	9,180	(8,143)	1,037		1,037
Supplies and Materials	3,533		3,533	2,638	895
<b>Total Undist. Expend. - Other Supp. Serv. Students - Related Serv.</b>	<u>634,056</u>	<u>(8,143)</u>	<u>625,913</u>	<u>564,730</u>	<u>61,183</u>

Exhibit C-1

**HACKENSACK BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Fiscal Year Ended June 30, 2008**

	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>Undist. Expend. - Other Supp. Serv. Students-Regular</b>					
Salaries of Other Professional Staff	1,160,530	187,364	1,347,894	1,337,312	10,582
Salaries of Secretarial and Clerical Assistants	142,886		142,886	103,861	39,025
Supplies and Materials	36,795		36,795	29,456	7,339
Other Objects	8,518		8,518	5,205	3,313
<b>Total Undist. Expend. - Other Supp. Serv. Students-Regular</b>	<u>1,348,729</u>	<u>187,364</u>	<u>1,536,093</u>	<u>1,475,834</u>	<u>60,259</u>
<b>Undist. Expend. - Other Supp. Serv. Students-Special</b>					
Salaries of Other Professional Staff	1,411,385	115,000	1,526,385	1,435,520	90,865
Salaries of Secretarial and Clerical Assistants	151,954	29,887	181,841	179,548	2,293
Other Purchased Professional and Technical Services	516,175	370,000	886,175	855,647	30,528
Misc. Pur Services (400-500 Series)	5,959		5,959	5,544	415
Supplies and Materials	65,263	39,700	104,963	66,547	38,416
Other Objects	2,040		2,040		2,040
<b>Total Undist. Expend. - Other Supp. Serv. Students-Special</b>	<u>2,152,776</u>	<u>554,587</u>	<u>2,707,363</u>	<u>2,542,806</u>	<u>164,557</u>
<b>Undist. Expend. - Improvement of Instructional Services</b>					
Salaries of Supervisors of Instruction	142,071	1	142,072	142,071	1
Salaries of Other Professional Staff	35,111	47,263	82,374	79,319	3,055
Salaries of Secretarial and Clerical Assistants	72,125	1	72,126	72,125	1
Purchased Prof-Fd Services	5,556	(2,750)	2,806	1,874	932
Other Purch Services (400-500)	1,204		1,204	1,000	204
Supplies and Materials	33,401		33,401	24,684	8,717
Other Objects	41,750	(1,500)	40,250	38,078	2,172
<b>Total Undist. Expend. - Improvement of Inst. Services</b>	<u>331,218</u>	<u>43,015</u>	<u>374,233</u>	<u>359,151</u>	<u>15,082</u>
<b>Undist. Expend. - Educational Media Serv./Sch. Library</b>					
Salaries	621,751	4,096	625,847	569,216	56,631
Supplies and Materials	80,618	(3,610)	77,008	69,206	7,802
<b>Total Undist. Expend. - Educational Media Serv./Sch. Library</b>	<u>702,369</u>	<u>486</u>	<u>702,855</u>	<u>638,422</u>	<u>64,433</u>
<b>Undist. Expend. - Instructional Staff Training Serv.</b>					
Salaries-Other Prof. Staff	172,982	1,483	174,465	174,083	382
Other Salaries	50,000	37,645	87,645	87,645	
Purchased Professional - Educational Service	21,515		21,515	18,360	3,155
Other Purchased Prof. and Tech. Services	103,000	(3,902)	99,098	96,595	2,503
Other Purchased Services (400-500 series)	7,736		7,736	7,250	486
Supplies and Materials	80,806	(2,201)	78,605	65,026	13,579
Other Objects	10,000	(1,700)	8,300	8,275	25
<b>Total Undist. Expend. - Instructional Staff Training Serv.</b>	<u>446,039</u>	<u>31,325</u>	<u>477,364</u>	<u>457,234</u>	<u>20,130</u>
<b>Undist. Expend. - Supp. Serv. - General Administration</b>					
Salaries	599,065	2,652	601,717	575,653	26,064
Legal Services	67,455		67,455	58,171	9,284
Audit Fees	43,160		43,160	41,225	1,935
Other Purchased Professional Services	8,772	(2,652)	6,120	5,894	226
Purchased Technical Services	78,068	(1,150)	76,918	55,638	21,280
Communications/Telephone	342,540	(83,384)	259,156	234,016	25,140
Other Purch Services (400-500 Series)	39,187		39,187	12,829	26,358
General Supplies	6,782	760	7,542	1,029	6,513
BOE In-House Training/Meeting Supplies	53,730	(2,324)	51,406	26,861	24,545
Misc. Expenditures	19,611	5,434	25,045	24,780	265
BOE Membership Dues and Fees	28,000	7,166	35,166	34,459	707
<b>Total Undist. Expend. - Supp. Serv. - General Administration</b>	<u>1,286,370</u>	<u>(73,498)</u>	<u>1,212,872</u>	<u>1,070,555</u>	<u>142,317</u>
<b>Undist. Expend. - Support Serv. - School Administration</b>					
Salaries of Principals/Assistant Principals	2,301,516	67,416	2,368,932	2,216,498	152,434
Salaries of Other Professional Staff	284,064	26,949	311,013	285,029	25,984
Salaries of Secretarial and Clerical Assistants	851,185	45,320	896,505	855,573	40,932
Other Purchased Services (400-500 series)	16,666	(1,900)	14,766	9,693	5,073
Supplies and Materials	95,854	13,698	109,552	76,912	32,640
Other Objects	28,272		28,272	19,546	8,726
<b>Total Undist. Expend. - Support Serv. - School Administration</b>	<u>3,577,557</u>	<u>151,483</u>	<u>3,729,040</u>	<u>3,463,251</u>	<u>265,789</u>
<b>Undist. Expend. - Support Serv. - Central Services</b>					
Salaries	646,630		646,630	600,744	45,886
Purchased Technical Services	85,000	30,200	115,200	50,767	64,433
Misc. Pur Services (400-500 Series)	4,040		4,040	3,795	245
Supplies and Materials	9,377		9,377	8,035	1,342
Interest on Lease Purchase Agreement	8,382	(5,116)	3,266	3,258	8
Misc. Expenditures	1,500	42,824	44,324	25,594	18,730
<b>Total Undist. Expend. - Support Serv. - Central Services</b>	<u>754,929</u>	<u>67,908</u>	<u>822,837</u>	<u>692,193</u>	<u>130,644</u>

Exhibit C-1

**HACKENSACK BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Fiscal Year Ended June 30, 2008**

	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>Undist. Expend. - Admin Info. Technology</b>					
<b>Information Technology</b>					
Salaries	127,480	215,175	342,655	132,281	210,374
Purchased Technical Services	42,240	(25,000)	17,240	14,126	3,114
Supplies and Materials	20,513	20,001	40,514	34,191	6,323
Other Objects	500		500		500
<b>Total Undist. Expend. - Support Serv. - Administrative</b>					
<b>Information Technology</b>	<u>190,733</u>	<u>210,176</u>	<u>400,909</u>	<u>180,598</u>	<u>220,311</u>
<b>Undist. Expend. - Required Maint. for School Facilities (261)</b>					
Salaries	592,497	(2,778)	589,719	517,363	72,356
Cleaning, Repair and Maintenance Services	639,707	(73,297)	566,410	427,070	139,340
General Supplies	<u>217,271</u>	<u>(20,663)</u>	<u>196,608</u>	<u>135,032</u>	<u>61,576</u>
<b>Undist. Expend. - Required Maint. for School Facilities</b>	<u>1,449,475</u>	<u>(96,738)</u>	<u>1,352,737</u>	<u>1,079,465</u>	<u>273,272</u>
<b>Undist. Expend. - Oth. Oper. &amp; Maint. of Plant (262)</b>					
Salaries	2,771,857	120,620	2,892,477	2,718,741	173,736
Purchased Prof. And Tech. Services	166,584		166,584	127,953	38,631
Cleaning, Repair and Maintenance Services	620,768	(119,735)	501,033	489,042	11,991
Other Purchased Property Services	107,005		107,005	50,784	56,221
Insurance	489,000	(43,280)	445,720	443,502	2,218
Miscellaneous Purchased Services	100,656	(86,992)	13,664	5,900	7,764
General Supplies	211,540	10,860	222,400	220,312	2,088
Energy (Energy and Electricity)	<u>1,753,000</u>	<u>(85,756)</u>	<u>1,667,244</u>	<u>1,663,997</u>	<u>3,247</u>
<b>Total Undist. Expend. - Other Oper. &amp; Maint. Of Plant</b>	<u>6,220,410</u>	<u>(204,283)</u>	<u>6,016,127</u>	<u>5,720,231</u>	<u>295,896</u>
<b>Undist. Expend. - Student Transportation Services (270)</b>					
Salaries for Pupil Trans (Other than Bet. Home & Sch. )	37,181		37,181	6,760	30,421
Management fee- ECS&CTSA Trans.	103,000		103,000	91,996	11,004
Other Purchased Prof. and Tech. Services	1,800		1,800	600	1,200
Cleaning, Repair and Maintenance Services	7,000		7,000	150	6,850
Contract Services (Between Home & School)-Vendors	43,762	(3,000)	40,762	38,791	1,971
Contract Services (Other than Between Home & School)-Vendors	158,695	13,826	172,521	162,843	9,678
Contract Services (Sp. Ed. Students)-Vendors	384,362	70,802	455,164	350,758	104,406
Contract Services (Spl. Ed. Students)-ESCs&CTSAs	<u>1,502,012</u>	<u>(101,000)</u>	<u>1,401,012</u>	<u>1,400,012</u>	<u>1,000</u>
Supplies and Materials	11,325		11,325	10,115	1,210
<b>Total Undist. Expend. - Student Transportation Services</b>	<u>2,249,137</u>	<u>(19,372)</u>	<u>2,229,765</u>	<u>2,062,025</u>	<u>167,740</u>
<b>UNALLOCATED BENEFITS</b>					
Social Security Contributions	850,000	63,421	913,421	913,421	
Other Retirement Contributions-Regular	160,000	310,000	470,000	437,782	32,218
Unemployment Compensation	15,000		15,000	1,023	13,977
Workmen's Compensation	395,000		395,000	327,267	67,733
Health Benefits	7,077,325	(1,067,468)	6,009,857	5,908,924	100,933
Other Employee Benefits	<u>28,400</u>		<u>28,400</u>	<u>12,425</u>	<u>15,975</u>
<b>TOTAL UNALLOCATED BENEFITS</b>	<u>8,525,725</u>	<u>(694,047)</u>	<u>7,831,678</u>	<u>7,600,842</u>	<u>230,836</u>
On-behalf TPAF pension Contributions (non-budgeted)				5,598,714	(5,598,714)
Reimbursed TPAF Social Security Contributions (non-budgeted)				2,825,066	(2,825,066)
<b>TOTAL ON-BEHALF CONTRIBUTIONS</b>				<u>8,423,780</u>	<u>(8,423,780)</u>
<b>TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS</b>	<u>8,525,725</u>	<u>(694,047)</u>	<u>7,831,678</u>	<u>16,024,622</u>	<u>(8,192,944)</u>
<b>TOTAL UNDISTRIBUTED EXPENDITURES</b>	<u>40,650,183</u>	<u>(1,462,437)</u>	<u>39,187,746</u>	<u>44,761,952</u>	<u>(5,574,206)</u>
<b>TOTAL GENERAL CURRENT EXPENSE</b>	<u>72,654,401</u>	<u>(119,037)</u>	<u>72,535,364</u>	<u>76,149,297</u>	<u>(3,613,933)</u>
<b>CAPITAL OUTLAY</b>					
Interest Deposit to Capital Reserve	21,450	(21,450)			
<b>Total</b>	<u>21,450</u>	<u>(21,450)</u>			
<b>Equipment</b>					
<b>Regular Programs - Instruction:</b>					
Grades 1-5	78,900		78,900	33,560	45,340
Grades 6-8	78,099	(8,545)	69,554	31,167	38,387
Grades 9-12	34,532	27,903	62,435	36,793	25,642
Undist. Expend.-Support Serv. - Students - Spl.	30,000		30,000	29,400	600
Undist. Expend.-Support Serv. - Inst. Staff	19,270		19,270	13,214	6,056
Undist. Expend.-Support Serv. - General Admin.	<u>2,000</u>		<u>2,000</u>		<u>2,000</u>
<b>Total Equipment</b>	<u>242,801</u>	<u>19,358</u>	<u>262,159</u>	<u>144,134</u>	<u>118,025</u>

Exhibit C-1

**HACKENSACK BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Fiscal Year Ended June 30, 2008**

	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>Facilities Acquisition and Construction Services</b>					
Construction Services	342,167	(43,400)	298,767	176,922	121,845
Principal- Lease Purchase	117,000	5,529	122,529	122,375	154
Other Objects			18,513		18,513
<b>Total Facilities Acquisition and Construction Services</b>	<u>459,167</u>	<u>(37,871)</u>	<u>439,809</u>	<u>299,297</u>	<u>140,512</u>
<b>TOTAL CAPITAL OUTLAY</b>	<u>723,418</u>	<u>(39,963)</u>	<u>701,968</u>	<u>443,431</u>	<u>258,537</u>
 Transfer of Funds to Charter Schools	<u>257,410</u>	<u>159,000</u>	<u>416,410</u>	<u>405,936</u>	<u>10,474</u>
<b>TOTAL EXPENDITURES</b>	<u>73,635,229</u>		<u>73,653,742</u>	<u>76,998,664</u>	<u>(3,344,922)</u>
 <b>Excess (Deficiency) of Revenues</b>					
Over (Under) Expenditures	<u>(4,213,695)</u>		<u>(4,232,208)</u>	<u>660,580</u>	<u>4,892,788</u>
 <b>Excess (Deficiency) of Revenues and Other Financing Sources</b>					
Over (Under) Expenditures and Other Financing Sources (Uses)	<u>(4,213,695)</u>		<u>(4,232,208)</u>	<u>660,580</u>	<u>4,892,788</u>
 <b>Fund Balance, July 1</b>	<u>9,288,838</u>		<u>9,288,838</u>	<u>9,288,838</u>	
<b>Fund Balance, June 30</b>	<u>5,075,143</u>		<u>5,056,630</u>	<u>9,949,418</u>	<u>4,892,788</u>
 <b>Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures</b>					
Adjustment for Prior Year Encumbrances	955,610		955,610	955,610	
Increase in Capital Reserve:					
Interest Deposit to Capital Reserve	21,450		21,450	82,018	(60,568)
Budgeted Fund Balance	<u>(5,190,755)</u>		<u>(5,209,268)</u>	<u>(377,048)</u>	<u>4,953,356</u>
	<u>(4,213,695)</u>		<u>(4,232,208)</u>	<u>660,580</u>	<u>4,892,788</u>
 <b>Recapitulation:</b>					
Reserve for Encumbrances				1,028,798	
Capital Reserve				493,635	
Excess Surplus - Designated for Subsequent Year's Expenditures				2,949,061	
Excess Surplus				3,649,934	
Unreserved - Designated for Subsequent Year's Fund Balance				193,979	
Unreserved - Undesignated Fund Balance				<u>1,634,011</u>	
Total Fund Balance per Governmental Funds (Budgetary)				9,949,418	
<b>Recapitulation to Governmental Fund Statement (GAAP):</b>					
Less: Last State Aid Payment not Recognized GAAP Basis				154,738	
<b>Total Fund Balance per Governmental Funds (GAAP)</b>				<u>9,794,680</u>	

**HACKENSACK BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**Special Revenue Fund**  
**Fiscal Year Ended June 30, 2008**

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local Sources	1,465	15,222	16,687	11,432	(5,255)
State Sources	6,210,584	62,081	6,272,665	6,094,068	(178,597)
Federal Sources	4,281,179	1,524,780	5,805,959	5,034,862	(771,097)
<b>Total Revenues</b>	<b>10,493,228</b>	<b>1,602,083</b>	<b>12,095,311</b>	<b>11,140,362</b>	<b>(954,949)</b>
<b>EXPENDITURES:</b>					
Instruction:					
Salaries of Teachers	4,907,599	334,652	5,242,251	5,116,440	125,811
Other Salaries for Instruction	724,292	(5,580)	718,712	718,557	155
Purchased Professional and Technical Services	444,343	67,839	512,182	382,681	129,501
Other Purchased Services (400-500 series)	-	-	-	-	-
General Supplies	521,792	231,808	753,600	674,280	79,320
Textbooks	152,892	86,204	239,096	141,738	97,358
Other Objects	1,454	3,747	5,201	3,419	1,782
<b>Total instruction</b>	<b>6,752,372</b>	<b>718,670</b>	<b>7,471,042</b>	<b>7,037,115</b>	<b>433,927</b>
Support services:					
Salaries of Program Directors	783,524	595,475	1,378,999	1,234,077	144,922
Other Salaries for Instruction	-	-	-	-	-
Salaries of Other Professional Staff	-	-	-	-	-
Salaries of Secretarial and Clerical Assistants	-	-	-	-	-
Other Salaries	-	-	-	-	-
Personal Services - Employee Benefits	1,763,275	235,411	1,998,686	1,913,837	84,849
Purchased Professional - Educational Services	524,955	105,341	630,296	555,833	74,463
Other Purchased Professional Services	147,593	32,604	180,197	83,744	96,453
Purchased Technical Services	-	-	-	-	-
Rentals	-	-	-	-	-
Contracted Services - Trans. ( Between Home and School)	38,788	1,250	40,038	15,511	24,527
Travel	53,714	(4,232)	49,482	37,682	11,800
Other Purchased Services (400-500 series)	232,639	(14,955)	217,684	135,027	82,657
Supplies & Materials	131,474	(10,036)	121,438	120,087	1,351
Other Objects	59,894	(57,011)	2,883	2,883	-
<b>Total support services</b>	<b>3,755,856</b>	<b>883,847</b>	<b>4,619,703</b>	<b>4,098,681</b>	<b>521,022</b>
Facilities acquisition and const. serv.:					
Buildings	-	-	-	-	-
Instructional Equipment	5,000	(434)	4,566	4,566	-
Noninstructional Equipment	-	-	-	-	-
<b>Total facilities acquisition and const. serv.</b>	<b>5,000</b>	<b>(434)</b>	<b>4,566</b>	<b>4,566</b>	<b>-</b>
<b>Total Expenditures</b>	<b>10,493,228</b>	<b>1,602,083</b>	<b>12,095,311</b>	<b>11,140,362</b>	<b>954,949</b>
<b>Excess (Deficiency) of Revenues Over (Under)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Expenditures and Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



**HACKENSACK BOARD OF EDUCATION**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**Note to Required Supplementary Information**  
**Fiscal Year Ended June 30, 2008**

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

		General Fund	Special Revenue Fund
<b>Sources/inflows of resources</b>			
Actual amounts (budgetary basis) "revenue"			
from the budgetary comparison schedule	[C-1]&[C-2]	77,659,244	11,140,362
Difference - budget to GAAP:			
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.			
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		103,667	67,009
The last state aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the state recognizes the related expense (GASB 33).		(154,738)	(98,186)
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	<u>77,608,173</u>	<u>11,109,185</u>
<b>Uses/outflows of resources</b>			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]&[C-2]	76,998,664	11,140,362
Differences - budget to GAAP			
The district budgets for claims and compensated absences only to the extent expected to be paid, rather than on the modified accrual basis. <i>[Not applicable in this example]</i>			
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.			
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.			
Net transfers (outflows) to general fund			
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	<u>76,998,664</u>	<u>11,140,362</u>

**SPECIAL REVENUE FUND**

**HACKENSACK BOARD OF EDUCATION**  
**Special Revenue Fund**  
**Combining Schedule of Program Revenues and Expenditures - Budgetary Basis**  
**Fiscal Year Ended June 30, 2008**

	Total Brought Forward (Ex. E-1a)	Team Mickey Ward Charitable Foundation	Reading is Fundamental	Mark Wahlberg Youth Foundation	NCLB Title I 2007-08	NCLB Title I 2006-07	NCLB Title I 2005-06	Totals 2008
<b>REVENUES</b>								
Local Sources	-	4,444	5,221	1,767				11,432
State Sources	6,094,068				533,012	189,089	3,779	6,094,068
Federal Sources	4,308,982							5,034,862
<b>Total Revenues</b>	<b>10,403,050</b>	<b>4,444</b>	<b>5,221</b>	<b>1,767</b>	<b>533,012</b>	<b>189,089</b>	<b>3,779</b>	<b>11,140,362</b>
<b>EXPENDITURES:</b>								
<b>Instruction:</b>								
Salaries of Teachers	4,762,525				297,050	56,865		5,116,440
Other Salaries for Instruction	718,557				84,725	57,659		718,557
Purchased Professional and Technical Services	240,297							382,681
General Supplies	607,722		5,221		11,477	49,860		674,280
Textbooks	141,738							141,738
Other Objects	-	1,702		1,717				3,419
<b>Total instruction</b>	<b>6,470,839</b>	<b>1,702</b>	<b>5,221</b>	<b>1,717</b>	<b>393,252</b>	<b>164,384</b>	<b>-</b>	<b>7,037,115</b>
<b>Support services:</b>								
Salaries of Program Directors	1,234,077							1,234,077
Personal Services - Employee Benefits	1,793,485				120,352			1,913,837
Purchased Professional - Educational Services	555,833							555,833
Other Purchased Professional Services	47,324				19,184	17,236	3,779	83,744
Contracted Services - Trans. (Between Home and School)	11,732							15,511
Travel	37,182					500		37,682
Other Purchased Services (400-500 series)	125,042	2,742		50	224	6,969		135,027
Supplies & Materials	120,087							120,087
Other Objects	2,883							2,883
<b>Total support services</b>	<b>3,927,645</b>	<b>2,742</b>	<b>-</b>	<b>50</b>	<b>139,760</b>	<b>24,705</b>	<b>3,779</b>	<b>4,098,681</b>
<b>Facilities acquisition and const. serv.:</b>								
Noninstructional Equipment	4,566							4,566
<b>Total facilities acquisition and const. serv.</b>	<b>4,566</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,566</b>
<b>Total Expenditures</b>	<b>10,403,050</b>	<b>4,444</b>	<b>5,221</b>	<b>1,767</b>	<b>533,012</b>	<b>189,089</b>	<b>3,779</b>	<b>11,140,362</b>
<b>Excess (Deficiency) of Revenues Over (Under)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Expenditures and Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**HACKENSACK BOARD OF EDUCATION**  
Special Revenue Fund  
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
Fiscal Year Ended June 30, 2008

	Total Brought Forward (Ex. E-1b)	NCLB Title I SIA 2007-08	NCLB Title I SIA 2006-07 Carryover	NCLB Title I SIA 2005-06 Carryover	IDEA Part - B 2007-08	IDEA Part - B Carryover 2006-07	IDEA Part - B Preschool 2007-08	Total Carried Forward
<b>REVENUES</b>								
Local Sources	-	-	-	-	-	-	-	-
State Sources	6,094,068	2,334	39,605	33,061	1,140,733	38,787	49,812	6,094,068
Federal Sources	3,004,650							4,308,982
<b>Total Revenues</b>	<b>9,098,718</b>	<b>2,334</b>	<b>39,605</b>	<b>33,061</b>	<b>1,140,733</b>	<b>38,787</b>	<b>49,812</b>	<b>10,403,050</b>
<b>EXPENDITURES:</b>								
<b>Instruction:</b>								
Salaries of Teachers	4,472,661		38,186	16,479	235,199			4,762,525
Other Salaries for Instruction	718,557							718,557
Purchased Professional and Technical Services	240,297							240,297
General Supplies	587,387	2,334	1,419	16,582				607,722
Textbooks	141,738							141,738
Other Objects	-							-
<b>Total instruction</b>	<b>6,160,640</b>	<b>2,334</b>	<b>39,605</b>	<b>33,061</b>	<b>235,199</b>	<b>-</b>	<b>-</b>	<b>6,470,839</b>
<b>Support services:</b>								
Salaries of Program Directors	637,439							637,439
Personal Services - Employee Benefits	1,457,232							1,457,232
Purchased Professional - Educational Services	494,571							494,571
Other Purchased Professional Services	47,324							47,324
Contracted Services - Trans. (Between Home and Sch	11,732							11,732
Travel	37,182							37,182
Other Purchased Services (400-500 series)	125,042							125,042
Supplies & Materials	120,087							120,087
Other Objects	2,883							2,883
<b>Total support services</b>	<b>2,933,512</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>905,534</b>	<b>38,787</b>	<b>49,812</b>	<b>3,927,645</b>
<b>Facilities acquisition and const. serv.:</b>								
Noninstructional Equipment	4,566							4,566
<b>Total facilities acquisition and const. serv.</b>	<b>4,566</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,566</b>
<b>Total Expenditures</b>	<b>9,098,718</b>	<b>2,334</b>	<b>39,605</b>	<b>33,061</b>	<b>1,140,733</b>	<b>38,787</b>	<b>49,812</b>	<b>10,403,050</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**HACKENSACK BOARD OF EDUCATION**  
**Special Revenue Fund**  
**Combining Schedule of Program Revenues and Expenditures - Budgetary Basis**  
**Fiscal Year Ended June 30, 2008**

	<b>Total Brought Forward (Ex. E-1c)</b>	<b>IDEA Part - B Preschool Carryover 2006-07</b>	<b>NCLB Title III 2007-08</b>	<b>NCLB Title III 2006-07 Carryover</b>	<b>NCLB Title III 2005-06 Carryover</b>	<b>Title V Innovative Education 2007-08</b>	<b>Title V Innovative Education Carryover 2006-07</b>	<b>Total Carried Forward</b>
<b>REVENUES</b>								
Local Sources	-							-
State Sources	6,094,068							6,094,068
Federal Sources	2,874,986	19,892	95,242	2,913	3,899	4,409	3,309	3,004,650
<b>Total Revenues</b>	<b>8,969,054</b>	<b>19,892</b>	<b>95,242</b>	<b>2,913</b>	<b>3,899</b>	<b>4,409</b>	<b>3,309</b>	<b>9,098,718</b>
<b>EXPENDITURES:</b>								
<b>Instruction:</b>								
Salaries of Teachers	4,472,661							4,472,661
Other Salaries for Instruction	672,505		46,052					718,557
Purchased Professional and Technical Services	219,983		19,820	494				240,297
General Supplies	573,351			2,419	3,899	4,409	3,309	587,387
Textbooks	141,738							141,738
Other Objects	-							-
<b>Total Instruction</b>	<b>6,080,238</b>	<b>-</b>	<b>65,872</b>	<b>2,913</b>	<b>3,899</b>	<b>4,409</b>	<b>3,309</b>	<b>6,160,640</b>
<b>Support services:</b>								
Salaries of Program Directors	624,773	12,666						637,439
Personal Services - Employee Benefits	1,426,913	969	29,370					1,457,252
Purchased Professional - Educational Services	488,314	6,257						494,571
Other Purchased Professional Services	47,324							47,324
Contracted Services - Trans. (Between Home and School)	11,732							11,732
Travel	37,182							37,182
Other Purchased Services (400-500 series)	125,042							125,042
Supplies & Materials	120,087							120,087
Other Objects	2,883							2,883
<b>Total support services</b>	<b>2,884,250</b>	<b>19,892</b>	<b>29,370</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,933,512</b>
<b>Facilities acquisition and const. serv.:</b>								
Noninstructional Equipment	4,566							4,566
<b>Total facilities acquisition and const. serv.</b>	<b>4,566</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,566</b>
<b>Total Expenditures</b>	<b>8,969,054</b>	<b>19,892</b>	<b>95,242</b>	<b>2,913</b>	<b>3,899</b>	<b>4,409</b>	<b>3,309</b>	<b>9,098,718</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**HACKENSACK BOARD OF EDUCATION**  
**Special Revenue Fund**  
**Combining Schedule of Program Revenues and Expenditures - Budgetary Basis**  
**Fiscal Year Ended June 30, 2008**

	Total Brought Forward (Ex. E-1d)	Title V Innovative Education Carryover 2005-06	Title II, Part A Training & Recruiting 2007-08	Title II, Part A Training & Recruiting 2006-07	Title II, Part D Enhanced Education 2007-08	Title II, Part D Enhanced Education Carryover 2006-07	Title IV Drug Free Schools 2007-08	Total Carried Forward
<b>REVENUES</b>								
Local Sources	-	-	-	-	-	-	-	-
State Sources	6,094,068	2,299	163,879	6,700	584	3,862	18,518	6,094,068
Federal Sources	2,679,144	-	-	-	-	-	-	2,874,986
<b>Total Revenues</b>	<b>8,773,212</b>	<b>2,299</b>	<b>163,879</b>	<b>6,700</b>	<b>584</b>	<b>3,862</b>	<b>18,518</b>	<b>8,969,054</b>
<b>EXPENDITURES:</b>								
<b>Instruction:</b>								
Salaries of Teachers	4,472,661	-	-	-	-	-	-	4,472,661
Other Salaries for Instruction	672,505	-	-	-	-	-	-	672,505
Purchased Professional and Technical Services	217,583	-	-	-	-	-	2,400	219,983
General Supplies	564,097	2,299	2,116	-	584	3,862	393	573,351
Textbooks	141,738	-	-	-	-	-	-	141,738
Other Objects	-	-	-	-	-	-	-	-
<b>Total Instruction</b>	<b>6,068,584</b>	<b>2,299</b>	<b>2,116</b>	<b>-</b>	<b>584</b>	<b>3,862</b>	<b>2,793</b>	<b>6,080,238</b>
<b>Support services:</b>								
Salaries of Program Directors	497,206	-	127,567	-	-	-	-	624,773
Personal Services - Employee Benefits	1,387,504	-	23,684	2,326	-	-	15,725	1,426,913
Purchased Professional - Educational Services	477,438	-	8,550	-	-	-	-	488,314
Other Purchased Professional Services	47,324	-	-	-	-	-	-	47,324
Contracted Services - Trans. (Between Home and School)	11,732	-	-	-	-	-	-	11,732
Travel	37,182	-	-	-	-	-	-	37,182
Other Purchased Services (400-500 series)	118,706	-	1,962	4,374	-	-	-	125,042
Supplies & Materials	120,087	-	-	-	-	-	-	120,087
Other Objects	2,883	-	-	-	-	-	-	2,883
<b>Total support services</b>	<b>2,700,062</b>	<b>-</b>	<b>161,763</b>	<b>6,700</b>	<b>-</b>	<b>-</b>	<b>15,725</b>	<b>2,884,250</b>
<b>Facilities acquisition and const. serv.:</b>								
Noninstructional Equipment	4,566	-	-	-	-	-	-	4,566
<b>Total facilities acquisition and const. serv.</b>	<b>4,566</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,566</b>
<b>Total Expenditures</b>	<b>8,773,212</b>	<b>2,299</b>	<b>163,879</b>	<b>6,700</b>	<b>584</b>	<b>3,862</b>	<b>18,518</b>	<b>8,969,054</b>
<b>Excess (Deficiency) of Revenues Over (Under)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Expenditures and Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**HACKENSACK BOARD OF EDUCATION**  
**Special Revenue Fund**  
**Combining Schedule of Program Revenues and Expenditures - Budgetary Basis**  
**Fiscal Year Ended June 30, 2008**

	Total Brought Forward (Ex. E-1e)	Title IV Drug Free Schools CO 2006-07	Title IV Drug Free Schools CO 2005-06	21st Century Grant 2007-08	Reading First 2007-08	The People of America Our Nations Heritage	Comprehensive School Reform	Total Carried Forward
<b>REVENUES</b>								
Local Sources	-							6,094,068
State Sources	6,094,068	1,931	1,019	518,869	1,493,748	335,523	95,299	2,679,144
Federal Sources	232,755							
<b>Total Revenues</b>	<b>6,326,823</b>	<b>1,931</b>	<b>1,019</b>	<b>518,869</b>	<b>1,493,748</b>	<b>335,523</b>	<b>95,299</b>	<b>8,773,212</b>
<b>EXPENDITURES:</b>								
<b>Instruction:</b>								
Salaries of Teachers	3,595,038			207,331	531,307	114,650	24,315	4,472,661
Other Salaries for Instruction	672,505							672,505
Purchased Professional and Technical Services	189,339	1,060	1,019	26,165				217,583
General Supplies	94,618	871		12,496	445,926		10,186	564,097
Textbooks	141,738							141,738
Other Objects	-							-
<b>Total Instruction</b>	<b>4,693,258</b>	<b>1,931</b>	<b>1,019</b>	<b>245,992</b>	<b>977,233</b>	<b>114,650</b>	<b>34,501</b>	<b>6,068,584</b>
<b>Support services:</b>								
Salaries of Program Directors	242,666			178,113	69,367		7,060	497,206
Personal Services - Employee Benefits	1,122,091			60,113	194,541	8,771	1,988	1,387,504
Purchased Professional - Educational Services	149,274			22,186	109,200	145,028	51,750	477,438
Other Purchased Professional Services	47,324							47,324
Contracted Services - Trans. (Between Home and School)	11,732							11,732
Travel	6,499			2,800	18,875	9,008		37,182
Other Purchased Services (400-500 series)	22,474			3,941	72,292	19,999		118,706
Supplies & Materials	24,056			5,724	52,240	38,067		120,087
Other Objects	2,883							2,883
<b>Total support services</b>	<b>1,628,999</b>	<b>-</b>	<b>-</b>	<b>272,877</b>	<b>516,515</b>	<b>220,873</b>	<b>60,798</b>	<b>2,700,062</b>
<b>Facilities acquisition and const. serv.:</b>								
Noninstructional Equipment	4,566							4,566
<b>Total facilities acquisition and const. serv.</b>	<b>4,566</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,566</b>
<b>Total Expenditures</b>	<b>6,326,823</b>	<b>1,931</b>	<b>1,019</b>	<b>518,869</b>	<b>1,493,748</b>	<b>335,523</b>	<b>95,299</b>	<b>8,773,212</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**HACKENSACK BOARD OF EDUCATION**  
**Special Revenue Fund**  
**Combining Schedule of Program Revenues and Expenditures - Budgetary Basis**  
**Fiscal Year Ended June 30, 2008**

	Total Brought Forward (Ex. E-1f)	Small Learning Communities	Perkins - Vocational Education	Workforce Year Round Youth Program - Drop-in	Reaching Everyone By Exposing Lies	Teacher Quality Mentoring	Project Acce 2007-08	Total Carried Forward
<b>REVENUES</b>								
Local Sources	-							6,094,068
State Sources	6,094,068	130,549	53,295	17,220	1,000	14,272	16,419	232,755
Federal Sources	-							
<b>Total Revenues</b>	<b>6,094,068</b>	<b>130,549</b>	<b>53,295</b>	<b>17,220</b>	<b>1,000</b>	<b>14,272</b>	<b>16,419</b>	<b>6,326,823</b>
<b>EXPENDITURES:</b>								
<b>Instruction:</b>								
Salaries of Teachers	3,562,893	31,165			1,000			3,595,058
Other Salaries for Instruction	672,505							672,505
Purchased Professional and Technical Services	189,339							189,339
General Supplies	41,323		53,295					94,618
Textbooks	141,738							141,738
Other Objects	-							-
<b>Total Instruction</b>	<b>4,607,798</b>	<b>31,165</b>	<b>53,295</b>	<b>-</b>	<b>1,000</b>	<b>-</b>	<b>-</b>	<b>4,693,258</b>
<b>Support services:</b>								
Salaries of Program Directors	212,129			15,377			15,160	242,666
Personal Services - Employee Benefits	1,117,370	2,384		1,177			1,160	1,122,091
Purchased Professional - Educational Services	64,002	71,000				14,272		149,274
Other Purchased Professional Services	47,324							47,324
Contracted Services - Trans. (Between Home and School)	11,732							11,732
Travel	499	6,000						6,499
Other Purchased Services (400-500 series)	22,474						99	22,474
Supplies & Materials	3,291	20,000		666				24,056
Other Objects	2,883							2,883
<b>Total support services</b>	<b>1,481,704</b>	<b>99,384</b>	<b>-</b>	<b>17,220</b>	<b>-</b>	<b>14,272</b>	<b>16,419</b>	<b>1,628,999</b>
<b>Facilities acquisition and const. serv.:</b>								
Noninstructional Equipment	4,566							4,566
<b>Total facilities acquisition and const. serv.</b>	<b>4,566</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,566</b>
<b>Total Expenditures</b>	<b>6,094,068</b>	<b>130,549</b>	<b>53,295</b>	<b>17,220</b>	<b>1,000</b>	<b>14,272</b>	<b>16,419</b>	<b>6,326,823</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



**HACKENSACK BOARD OF EDUCATION**  
**Special Revenue Fund**  
**Combining Schedule of Program Revenues and Expenditures - Budgetary Basis**  
**Fiscal Year Ended June 30, 2008**

	Total Brought Forward (Ex. E-1g)	Early Childhood Program Aid	Demonstrably Effective Aid	Targeted At-Risk Aid	Early Launch to Learning Initiative 2007-08	Special Ed Self Assessment 2007-08	School Based Youth Service Program 2007-08	Total Carried Forward
<b>REVENUES</b>								
Local Sources	-	2,520,482	1,898,844	829,062	169,016	14,000	295,170	6,094,068
State Sources	-	-	-	-	-	-	-	-
Federal Sources	-	-	-	-	-	-	-	-
<b>Total Revenues</b>	<b>367,494</b>	<b>2,520,482</b>	<b>1,898,844</b>	<b>829,062</b>	<b>169,016</b>	<b>14,000</b>	<b>295,170</b>	<b>6,094,068</b>
<b>EXPENDITURES:</b>								
<b>Instruction:</b>								
Salaries of Teachers	28,332	1,292,311	1,623,966	558,321	46,628	13,335	-	3,562,893
Other Salaries for Instruction	5,865	637,220	-	-	29,420	-	-	672,505
Purchased Professional and Technical Services	189,339	-	-	-	-	-	-	189,339
General Supplies	259	-	-	-	41,064	-	-	41,323
Textbooks	28,846	-	-	112,892	-	-	-	141,738
Other Objects	-	-	-	-	-	-	-	-
<b>Total Instruction</b>	<b>252,641</b>	<b>1,929,531</b>	<b>1,623,966</b>	<b>671,213</b>	<b>117,112</b>	<b>13,335</b>	<b>-</b>	<b>4,607,798</b>
<b>Support services:</b>								
Salaries of Program Directors	1,400	-	-	-	-	-	210,729	212,129
Personal Services - Employee Benefits	2,616	590,951	274,878	157,849	35,825	-	55,251	1,117,370
Purchased Professional - Educational Services	41,039	-	-	-	11,513	-	11,450	64,002
Other Purchased Professional Services	47,324	-	-	-	-	-	11,732	47,324
Contracted Services - Trans. (Between Home and School)	-	-	-	-	-	-	499	11,732
Travel	-	-	-	-	-	-	-	-
Other Purchased Services (400-500 series)	22,474	-	-	-	-	665	2,626	22,474
Supplies & Materials	-	-	-	-	-	-	-	3,291
Other Objects	-	-	-	-	-	-	2,883	2,883
<b>Total support services</b>	<b>114,853</b>	<b>590,951</b>	<b>274,878</b>	<b>157,849</b>	<b>47,338</b>	<b>665</b>	<b>295,170</b>	<b>1,481,704</b>
<b>Facilities acquisition and const. serv.:</b>								
Noninstructional Equipment	-	-	-	-	4,566	-	-	4,566
<b>Total facilities acquisition and const. serv.</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,566</b>	<b>-</b>	<b>-</b>	<b>4,566</b>
<b>Total Expenditures</b>	<b>367,494</b>	<b>2,520,482</b>	<b>1,898,844</b>	<b>829,062</b>	<b>169,016</b>	<b>14,000</b>	<b>295,170</b>	<b>6,094,068</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**HACKENSACK BOARD OF EDUCATION**  
**Special Revenue Fund**  
**Combining Schedule of Program Revenues and Expenditures - Budgetary Basis**  
**Fiscal Year Ended June 30, 2008**

	Total Brought Forward (Ex. E-1h)	Family Friendly 2007-08	Chapter 194 Nonpublic Textbook 2007-08	Chapter 192 Compensatory Education 2007-08	Chapter 192 ESL 2007-08	Chapter 193 Supplemental Instruction 2007-08	Chapter 193 Exam & Classification 2007-08	Total Carried Forward
<b>REVENUES</b>								
Local Sources	93,885	39,612	28,846	138,152	27,100	15,446	24,453	367,494
State Sources	-	-	-	-	-	-	-	-
Federal Sources	-	-	-	-	-	-	-	-
<b>Total Revenues</b>	<b>93,885</b>	<b>39,612</b>	<b>28,846</b>	<b>138,152</b>	<b>27,100</b>	<b>15,446</b>	<b>24,453</b>	<b>367,494</b>
<b>EXPENDITURES:</b>								
<b>Instruction:</b>								
Salaries of Teachers	-	28,332	-	-	-	-	-	28,332
Other Salaries for Instruction	-	5,865	-	-	-	-	-	5,865
Purchased Professional and Technical Services	24,087	-	-	138,152	27,100	-	24,453	189,339
General Supplies	-	259	-	-	-	-	-	259
Textbooks	-	-	28,846	-	-	-	-	28,846
Other Objects	-	-	-	-	-	-	-	-
<b>Total instruction</b>	<b>24,087</b>	<b>34,456</b>	<b>28,846</b>	<b>138,152</b>	<b>27,100</b>	<b>-</b>	<b>-</b>	<b>252,641</b>
<b>Support services:</b>								
Salaries of Program Directors	-	1,400	-	-	-	-	-	1,400
Personal Services - Employee Benefits	-	2,616	-	-	-	-	-	2,616
Purchased Professional - Educational Services	-	1,140	-	-	-	15,446	24,453	41,039
Other Purchased Professional Services	47,324	-	-	-	-	-	-	47,324
Contracted Services - Trans. (Between Home and School)	-	-	-	-	-	-	-	-
Travel	-	-	-	-	-	-	-	-
Other Purchased Services (400-500 series)	22,474	-	-	-	-	-	-	22,474
Supplies & Materials	-	-	-	-	-	-	-	-
Other Objects	-	-	-	-	-	-	-	-
<b>Total support services</b>	<b>69,798</b>	<b>5,156</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,446</b>	<b>24,453</b>	<b>114,853</b>
<b>Facilities acquisition and const. serv.:</b>								
Noninstructional Equipment	-	-	-	-	-	-	-	-
<b>Total facilities acquisition and const. serv.</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditures</b>	<b>93,885</b>	<b>39,612</b>	<b>28,846</b>	<b>138,152</b>	<b>27,100</b>	<b>15,446</b>	<b>24,453</b>	<b>367,494</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**HACKENSACK BOARD OF EDUCATION**  
**Special Revenue Fund**  
**Combining Schedule of Program Revenues and Expenditures - Budgetary Basis**  
**Fiscal Year Ended June 30, 2008**

	Chapter 193 Corrective Speech 2007-08	Nonpublic Nursing 2007-08	Technology Grant 2007-08	Total Carried Forward
<b>REVENUES</b>				
Local Sources	24,087	47,324	22,474	93,885
State Sources				-
Federal Sources				-
<b>Total Revenues</b>	<b>24,087</b>	<b>47,324</b>	<b>22,474</b>	<b>93,885</b>
<b>EXPENDITURES:</b>				
<b>Instruction:</b>				
Salaries of Teachers				-
Other Salaries for Instruction				-
Purchased Professional and Technical Services	24,087			24,087
General Supplies				-
Textbooks				-
Other Objects				-
<b>Total instruction</b>	<b>24,087</b>	<b>-</b>	<b>-</b>	<b>24,087</b>
<b>Support services:</b>				
Salaries of Program Directors				-
Personal Services - Employee Benefits				-
Purchased Professional - Educational Services		47,324		47,324
Other Purchased Professional Services				-
Contracted Services - Trans. (Between Home and School)				-
Travel			22,474	22,474
Other Purchased Services (400-500 series)				-
Supplies & Materials				-
Other Objects				-
<b>Total support services</b>	<b>-</b>	<b>47,324</b>	<b>22,474</b>	<b>69,798</b>
<b>Facilities acquisition and const. serv.:</b>				
Noninstructional Equipment				-
<b>Total facilities acquisition and const. serv.</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditures</b>	<b>24,087</b>	<b>47,324</b>	<b>22,474</b>	<b>93,885</b>
<b>Excess (Deficiency) of Revenues Over (Under)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Expenditures and Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

HACKENSACK BOARD OF EDUCATION  
Special Revenue Fund  
Statement of Demonstrably Effective Program Aid Expenditures  
Budgetary Basis  
Fiscal Year Ended June 30, 2008

	District Wide Total		
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Expenditures:</b>			
<b>Instruction:</b>			
Salaries of teachers	1,623,966	1,623,966	
Other salaries for instruction			
Purchase professional and technical services			
Other purchased services			
General supplies			
Textbooks			
Other objects			
<b>Total instruction</b>	<u>1,623,966</u>	<u>1,623,966</u>	
<b>Support services:</b>			
Salaries of program directors			
Salaries of supervisors of instruction			
Salaries of other professional staff			
Salaries of secr. and clerical assistants			
Other salaries			
Personal services - employee benefits	274,878	274,878	
Purchased professional - ed services			
Other purchased professional services			
Purchased technical services			
Rentals			
Contr. sev. - Trans.(Other than bet. Home & sch.)			
Travel			
Other purchased services			
Supplies and materials			
Other objects			
<b>Total support services</b>	<u>274,878</u>	<u>274,878</u>	
<b>Facility Acquisition and Construction Services:</b>			
Buildings			
Instructional equipment			
Noninstructional equipment			
<b>Total facility acquisition and construction services</b>			
<b>Total expenditures</b>	<u>1,898,844</u>	<u>1,898,844</u>	

Summary of Location Totals

Total 2007-08 DEPA Allocation	1,880,343
Add: Actual DEPA Carryover (June 30, 2007)	30,030
Total DEPA Funds Available for 2007-08 Budget	1,910,373
Less: 2007-08 Budgeted DEPA ( Including prior year budgeted carryover)	1,898,844
2007-08 Carryover Available for Transfer to G/F	11,529

**HACKENSACK BOARD OF EDUCATION**  
**Special Revenue Fund**  
**Statement of Demonstrably Effective Program Aid Expenditures**  
**Budgetary Basis**  
**Fiscal Year Ended June 30, 2008**

**Nellie Parker School:**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Expenditures:</b>			
<b>Instruction:</b>			
Salaries of teachers	63,636	63,636	
Other salaries for instruction			
Purchase professional and technical services			
Other purchases services			
General supplies			
Textbooks			
Other objects			
	<u>63,636</u>	<u>63,636</u>	
<b>Total instruction</b>			
<b>Support services:</b>			
Salaries of program directors			
Salaries of supervisors of instruction			
Salaries of other professional staff			
Salaries of secr. and clerical assistants			
Other salaries			
Personal services - employee benefits	5,462	5,462	
Purchased professional - ed services			
Other purchased professional services			
Purchased technical services			
Rentals			
Contr. sev. - Trans.(Other than bet. Home & sch.)			
Travel			
Other purchased services			
Supplies and materials			
Other objects			
	<u>5,462</u>	<u>5,462</u>	
<b>Total support services</b>			
<b>Facility Acquisition and Construction Services:</b>			
Buildings			
Instructional equipment			
Noninstructional equipment			
<b>Total facility acquisition and construction services</b>			
<b>Total expenditures</b>	<u>69,098</u>	<u>69,098</u>	

**Calculation of Budget and Carryover**

Total 2007-08 DEPA Allocation	69,051
Add: Actual DEPA Carryover (June 30, 2007)	<u>47</u>
Total DEPA Funds Available for 2007-08 Budget	69,098
Less: 2007-08 Budgeted DEPA ( Including prior year budgeted carryover)	<u>69,098</u>
2007-08 Carryover Available for Transfer to G/F	<u></u>

**HACKENSACK BOARD OF EDUCATION**  
**Special Revenue Fund**  
**Statement of Demonstrably Effective Program Aid Expenditures**  
**Budgetary Basis**  
**Fiscal Year Ended June 30, 2008**

Jackson Avenue School:

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Expenditures:</b>			
<b>Instruction:</b>			
Salaries of teachers	249,808	249,808	
Other salaries for instruction			
Purchase professional and technical services			
Other purchases services			
General supplies			
Textbooks			
Other objects			
<b>Total instruction</b>	<u>249,808</u>	<u>249,808</u>	
<b>Support services:</b>			
Salaries of program directors			
Salaries of supervisors of instruction			
Salaries of other professional staff			
Salaries of secr. and clerical assistants			
Other salaries			
Personal services - employee benefits	33,946	33,946	
Purchased professional - ed services			
Other purchased professional services			
Purchased technical services			
Rentals			
Contr. sev. - Trans.(Other than bet. Home & sch.)			
Travel			
Other purchased services			
Supplies and materials			
Other objects			
<b>Total support services</b>	<u>33,946</u>	<u>33,946</u>	
<b>Facility Acquisition and Construction Services:</b>			
Buildings			
Instructional equipment			
Noninstructional equipment			
<b>Total facility acquisition and construction services</b>			
<b>Total expenditures</b>	<u>283,754</u>	<u>283,754</u>	

Calculation of Budget and Carryover

Total 2007-08 DEPA Allocation	276,676
Add: Actual DEPA Carryover (June 30, 2007)	<u>3,463</u>
Total DEPA Funds Available for 2007-08 Budget	280,139
Less: 2007-08 Budgeted DEPA ( Including prior year budgeted carryover)	<u>283,754</u>
2007-08 Carryover Available for Transfer to G/F	<u>(3,615)</u>

**HACKENSACK BOARD OF EDUCATION**  
**Special Revenue Fund**  
**Statement of Demonstrably Effective Program Aid Expenditures**  
**Budgetary Basis**  
**Fiscal Year Ended June 30, 2008**

**Fanny M. Hillers School:**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Expenditures:</b>			
<b>Instruction:</b>			
Salaries of teachers	255,938	255,938	
Other salaries for instruction			
Purchase professional and technical services			
Other purchases services			
General supplies			
Textbooks			
Other objects			
<b>Total instruction</b>	<u>255,938</u>	<u>255,938</u>	
<b>Support services:</b>			
Salaries of program directors			
Salaries of supervisors of instruction			
Salaries of other professional staff			
Salaries of secr. and clerical assistants			
Other salaries			
Personal services - employee benefits	58,304	58,304	
Purchased professional - ed services			
Other purchased professional services			
Purchased technical services			
Rentals			
Contr. sev. - Trans.(Other than bet. Home & sch.)			
Travel			
Other purchased services			
Supplies and materials			
Other objects			
<b>Total support services</b>	<u>58,304</u>	<u>58,304</u>	
<b>Facility Acquisition and Construction Services:</b>			
Buildings			
Instructional equipment			
Noninstructional equipment			
<b>Total facility acquisition and construction services</b>			
<b>Total expenditures</b>	<u>314,242</u>	<u>314,242</u>	

**Calculation of Budget and Carryover**

Total 2007-08 DEPA Allocation	307,213
Add: Actual DEPA Carryover (June 30, 2007)	<u>11,535</u>
Total DEPA Funds Available for 2007-08 Budget	318,748
Less: 2007-08 Budgeted DEPA ( including prior year budgeted carryover)	<u>314,242</u>
2007-08 Carryover Available for Transfer to G/F	<u>4,506</u>

**HACKENSACK BOARD OF EDUCATION**  
**Special Revenue Fund**  
**Statement of Demonstrably Effective Program Aid Expenditures**  
**Budgetary Basis**  
**Fiscal Year Ended June 30, 2008**

**Fairmount Avenue School:**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Expenditures:</b>			
<b>Instruction:</b>			
Salaries of teachers	171,437	171,437	
Other salaries for instruction			
Purchase professional and technical services			
Other purchases services			
General supplies			
Textbooks			
Other objects			
	<u>171,437</u>	<u>171,437</u>	
<b>Total instruction</b>			
<b>Support services:</b>			
Salaries of program directors			
Salaries of supervisors of instruction			
Salaries of other professional staff			
Salaries of secr. and clerical assistants			
Other salaries			
Personal services - employee benefits	35,468	35,468	
Purchased professional - ed services			
Other purchased professional services			
Purchased technical services			
Rentals			
Contr. sev. - Trans.(Other than bet. Home & sch.)			
Travel			
Other purchased services			
Supplies and materials			
Other objects			
	<u>35,468</u>	<u>35,468</u>	
<b>Total support services</b>			
<b>Facility Acquisition and Construction Services:</b>			
Buildings			
Instructional equipment			
Noninstructional equipment			
<b>Total facility acquisition and construction services</b>			
<b>Total expenditures</b>	<u>206,905</u>	<u>206,905</u>	

**Calculation of Budget and Carryover**

Total 2007-08 DEPA Allocation	203,246
Add: Actual DEPA Carryover (June 30, 2007)	14,297
Total DEPA Funds Available for 2007-08 Budget	217,543
Less: 2007-08 Budgeted DEPA ( Including prior year budgeted carryover)	206,905
2007-08 Carryover Available for Transfer to G/F	<u>10,638</u>



**HACKENSACK BOARD OF EDUCATION**  
**Special Revenue Fund**  
**Statement of Demonstrably Effective Program Aid Expenditures**  
**Budgetary Basis**  
**Fiscal Year Ended June 30, 2008**

**Middle School:**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Expenditures:</b>			
<b>Instruction:</b>			
Salaries of teachers	610,490	610,490	
Other salaries for instruction			
Purchase professional and technical services			
Other purchases services			
General supplies			
Textbooks			
Other objects			
<b>Total instruction</b>	<u>610,490</u>	<u>610,490</u>	
<b>Support services:</b>			
Salaries of program directors			
Salaries of supervisors of instruction			
Salaries of other professional staff			
Salaries of secr. and clerical assistants			
Other salaries			
Personal services - employee benefits	114,239	114,239	
Purchased professional - ed services			
Other purchased professional services			
Purchased technical services			
Rentals			
Contr. sev. - Trans.(Other than bet. Home & sch.)			
Travel			
Other purchased services			
Supplies and materials			
Other objects			
<b>Total support services</b>	<u>114,239</u>	<u>114,239</u>	
<b>Facility Acquisition and Construction Services:</b>			
Buildings			
Instructional equipment			
Noninstructional equipment			
<b>Total facility acquisition and construction services</b>			
<b>Total expenditures</b>	<u>724,729</u>	<u>724,729</u>	

**Calculation of Budget and Carryover**

Total 2007-08 DEPA Allocation	724,041
Add: Actual DEPA Carryover (June 30, 2007)	688
Total DEPA Funds Available for 2007-08 Budget	724,729
Less: 2007-08 Budgeted DEPA ( Including prior year budgeted carryover)	724,729
2007-08 Carryover Available for Transfer to G/F	

**HACKENSACK BOARD OF EDUCATION**  
**Special Revenue Fund**  
**Statement of Demonstrably Effective Program Aid Expenditures**  
**Budgetary Basis**  
**Fiscal Year Ended June 30, 2008**

**High School:**

	<u><b>Budget</b></u>	<u><b>Actual</b></u>	<u><b>Variance</b></u>
<b>Expenditures:</b>			
<b>Instruction:</b>			
Salaries of teachers	272,657	272,657	
Other salaries for instruction			
Purchase professional and technical services			
Other purchases services			
General supplies			
Textbooks			
Other objects			
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total instruction</b>	<u>272,657</u>	<u>272,657</u>	<u>          </u>
<b>Support services:</b>			
Salaries of program directors			
Salaries of supervisors of instruction			
Salaries of other professional staff			
Salaries of secr. and clerical assistants			
Other salaries			
Personal services - employee benefits	27,459	27,459	
Purchased professional - ed services			
Other purchased professional services			
Purchased technical services			
Rentals			
Contr. sev. - Trans.(Other than bet. Home & sch.)			
Travel			
Other purchased services			
Supplies and materials			
Other objects			
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total support services</b>	<u>27,459</u>	<u>27,459</u>	<u>          </u>
<b>Facility Acquisition and Construction Services:</b>			
Buildings			
Instructional equipment			
Noninstructional equipment			
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total facility acquisition and construction services</b>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total expenditures</b>	<u>300,116</u>	<u>300,116</u>	<u>          </u>

**Calculation of Budget and Carryover**

Total 2007-08 DEPA Allocation	300,116
Add: Actual DEPA Carryover (June 30, 2007)	<u>          </u>
Total DEPA Funds Available for 2007-08 Budget	300,116
Less: 2007-08 Budgeted DEPA ( Including prior year budgeted carryover)	<u>300,116</u>
2007-08 Carryover Available for Transfer to G/F	<u>          </u>

**HACKENSACK BOARD OF EDUCATION**  
**Special Revenue Fund**  
**Early Childhood Program Aid Schedule of Expenditures**  
**Budgetary Basis**  
**Fiscal Year Ended June 30, 2008**

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
<b>EXPENDITURES:</b>			
<b>Instruction:</b>			
Salaries of Teachers	1,292,311	1,292,311	
Other Salaries for Instruction	637,220	637,220	
General Supplies			
Textbooks			
<b>Total instruction</b>	<u>1,929,531</u>	<u>1,929,531</u>	
<b>Support services:</b>			
Salaries of Supervisors of Instruction			
Salaries of Other Professional Staff			
Personal Services - Employee Benefits	590,951	590,951	
Purchased Professional - Educational Services			
Supplies and Materials			
<b>Total support services</b>	<u>590,951</u>	<u>590,951</u>	
<b>Equipment</b>			
Instructional equipment			
Non-Instructional Equipment			
<b>Total Equipment</b>			
<b>Contribution to Whole School Reform</b>			
<b>Contribution to Charter Schools</b>			
<b>Total expenditures</b>	<u>2,520,482</u>	<u>2,520,482</u>	

**Calculation of Budget and Carryover**

Total Revised 2007-08 Early Childhood Program Aid Allocation	2,507,806
Actual Early Childhood Program Aid Carryover (June 30, 2007)	122,368
Budgeted Transfer from the General Fund 2007-08	
Total Early Childhood Program Aid Available for 2007-08 Budget	2,630,174
Less: 2007-08 Budgeted Early Childhood Program Aid (Including prior year budgeted carryover)	2,520,482
Available & Unbudgeted ECPA Funds as of June 30, 2008	109,692
<b>Add: 2007-08 Unexpended ECPA</b>	
2007-08 Actual Carryover - ECPA/Preschool Programs	<u>109,692</u>
2007-08 ECPA Carryover Budgeted for Preschool Programs in 2008-09	

**HACKENSACK BOARD OF EDUCATION**  
**Special Revenue Fund**  
**Targeted At-Risk Aid Schedule of Expenditures**  
**Budgetary Basis**  
**Fiscal Year Ended June 30, 2008**

**District - Wide Totals**

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
<b>EXPENDITURES:</b>			
<b>Instruction:</b>			
Salaries of Teachers	558,321	558,321	
Other Salaries for Instruction			
General Supplies			
Textbooks	204,830	112,892	91,938
<b>Total instruction</b>	<u>763,151</u>	<u>671,213</u>	<u>91,938</u>
<b>Support services:</b>			
Salaries of Supervisors of Instruction			
Salaries of Other Professional Staff			
Personal Services - Employee Benefits	157,849	157,849	
Purchased Professional - Educational Services			
Supplies and Materials			
<b>Total support services</b>	<u>157,849</u>	<u>157,849</u>	
<b>Equipment</b>			
Instructional equipment			
Non-Instructional Equipment			
<b>Total Equipment</b>			
<b>Contribution to Whole School Reform</b>			
<b>Contribution to Charter Schools</b>			
<b>Total expenditures</b>	<u>921,000</u>	<u>829,062</u>	<u>91,938</u>

**Calculation of Budget and Carryover**

Total 2007-08 TARA Allocation	921,000
Less: TARA Transferred to General Fund - Tax Relief	
TARA Available for 2007-08 Program Budget	921,000
2007-08 TARA Expended/Obligated	829,062
2007-08 Carryover Available for Transfer to G/F	<u>91,938</u>

**CAPITAL PROJECTS FUND**

**HACKENSACK BOARD OF EDUCATION**  
**Capital Projects Fund**  
**Summary Schedule of Revenues, Expenditures, and Changes**  
**in Fund Balance-Budgetary Basis**  
**Fiscal Year Ended June 30, 2008**

**Revenues and Other Financing Sources**

State Sources - SCC Grant	-
Bond proceeds and transfers	-
Transfers from Capital Reserve	-
Transfers from Capital Outlay	-
	<hr/>
	-

**Expenditures and Other Financing Uses**

Purchased professional and technical services	-
Land and improvements	-
Construction services	252,919
Equipment purchases	-
	<hr/>
Total expenditures	<hr/> 252,919

Excess (deficiency) of revenues over (under) expenditures (252,919)

**Other Finance Sources (Uses)**

Transfers out	<hr/>
Total other financing sources (uses)	<hr/>

Net change in fund balance (252,919)

Fund balance - beginning 

---

3,704,594

Fund balance - ending 

---

---

3,451,675

**HACKENSACK BOARD OF EDUCATION**  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis**  
**High School Window Replacement Project**  
**Fiscal Year Ended June 30, 2008**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant	370,527		370,527	370,527
Bond proceeds and transfers	855,000		855,000	855,000
Transfers from Capital Reserve			-	-
Transfers from Capital Outlay			-	-
	<u>1,225,527</u>	<u>-</u>	<u>1,225,527</u>	<u>1,225,527</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services	37,053		37,053	37,053
Land and improvements			-	-
Construction services	1,048,268	11,393	1,059,661	1,059,661
Equipment purchases			-	-
	<u>1,085,321</u>	<u>11,393</u>	<u>1,096,714</u>	<u>1,096,714</u>
Excess (deficiency) of revenues over (under) expenditures	<u>140,206</u>	<u>(11,393)</u>	<u>128,813</u>	<u>128,813</u>
<b>Additional project information:</b>				
Project number	xxxxxx			
Grant Date	2/9/1999			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorization cost	855,000.00			
Additional authorized cost	370,527.00			
Revised authorized cost	1,225,527.00			
Percentage increase over original authorized cost	0.43			
Percentage completion	89%			
Original target completion date				
Revised target completion date				

**HACKENSACK BOARD OF EDUCATION**  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis**  
**Other Improvements**  
**Fiscal Year Ended June 30, 2008**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant			-	-
Bond proceeds and transfers	1,945,000		1,945,000	1,945,000
Transfers from Capital Reserve			-	-
Transfers from Capital Outlay			-	-
	<u>1,945,000</u>	<u>-</u>	<u>1,945,000</u>	<u>1,945,000</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services			-	-
Land and improvements			-	-
Construction services	233,844	241,526	475,370	475,370
Equipment purchases	<u>87,322</u>		<u>87,322</u>	<u>87,322</u>
	<u>321,166</u>	<u>241,526</u>	<u>562,692</u>	<u>562,692</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,623,834</u>	<u>(241,526)</u>	<u>1,382,308</u>	<u>1,382,308</u>
<b>Additional project information:</b>				
Project number	1860-050-03-0816			
Grant Date	2/9/1999			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorization cost	1,945,000.00			
Additional authorized cost				
Revised authorized cost	1,945,000.00			
Percentage increase over original authorized cost	-			
Percentage completion	29%			
Original target completion date				
Revised target completion date				



**HACKENSACK BOARD OF EDUCATION**  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis**  
**Nellie K. Parker Chiller Project**  
**Fiscal Year Ended June 30, 2008**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant	95,364		95,364	95,364
Bond proceeds and transfers			-	-
Transfers from Capital Reserve			-	-
Transfers from Capital Outlay	143,047		143,047	143,047
	<u>238,411</u>	<u>-</u>	<u>238,411</u>	<u>238,411</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services	27,126		27,126	27,126
Land and improvements			-	-
Construction services	195,409		195,409	195,409
Equipment purchases			-	-
	<u>222,535</u>	<u>-</u>	<u>222,535</u>	<u>222,535</u>
Excess (deficiency) of revenues over (under) expenditures	<u>15,876</u>	<u>-</u>	<u>15,876</u>	<u>15,876</u>
<b>Additional project information:</b>				
Project number	1860-090-02-0216			
Grant Date	2/15/2003			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorization cost	238,411.00			
Additional authorized cost				
Revised authorized cost	238,411.00			
Percentage increase over original authorized cost	-			
Percentage completion	93%			
Original target completion date	6/30/2006			
Revised target completion date				

**HACKENSACK BOARD OF EDUCATION**  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis**  
**High School Balcony Project**  
**Fiscal Year Ended June 30, 2008**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant	388,038		388,038	388,038
Bond proceeds and transfers			-	-
Transfers from Capital Reserve			-	-
Transfers from Capital Outlay	430,012		430,012	633,515
	<u>818,050</u>	<u>-</u>	<u>818,050</u>	<u>1,021,553</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services	68,972		68,972	68,972
Land and improvements			-	-
Construction services	944,545		944,545	944,545
Equipment purchases	7,904		7,904	7,904
	<u>1,021,421</u>	<u>-</u>	<u>1,021,421</u>	<u>1,021,421</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(203,371)</u>	<u>-</u>	<u>(203,371)</u>	<u>132</u>
<b>Additional project information:</b>				
Project number	1860-050-03-0816			
Grant Date	8/13/2003			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorization cost	818,050.00			
Additional authorized cost	203,503.00			
Revised authorized cost	1,021,553.00			
Percentage increase over original authorized cost	0.25			
Percentage completion	100%			
Original target completion date	6/30/2006			
Revised target completion date				

**HACKENSACK BOARD OF EDUCATION**  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis**  
**High School Fire Alarm Replacement**  
**Fiscal Year Ended June 30, 2008**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant			-	-
Bond proceeds and transfers			-	-
Transfers from Capital Reserve			-	-
Transfers from Capital Outlay	421,150		421,150	498,281
	<u>421,150</u>	<u>-</u>	<u>421,150</u>	<u>498,281</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services	78,400		78,400	78,400
Land and improvements			-	-
Construction services	331,600		331,600	331,600
Equipment purchases			-	-
	<u>410,000</u>	<u>-</u>	<u>410,000</u>	<u>410,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>11,150</u>	<u>-</u>	<u>11,150</u>	<u>88,281</u>
<b>Additional project information:</b>				
Project number	1860-050-04-1000			
Grant Date	6/1/2004			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorization cost	498,281.00			
Additional authorized cost				
Revised authorized cost	498,281.00			
Percentage increase over original authorized cost	-			
Percentage completion	82%			
Original target completion date	6/30/2006			
Revised target completion date				

**HACKENSACK BOARD OF EDUCATION**  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis**  
**Carl E. Padovano Education Center**  
**Fiscal Year Ended June 30, 2008**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant			-	-
Bond proceeds and transfers			-	-
Transfers from Capital Reserve	2,116,899		2,116,899	2,116,899
Transfers from Capital Outlay			-	-
	<u>2,116,899</u>	<u>-</u>	<u>2,116,899</u>	<u>2,116,899</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services			-	-
Land and improvements			-	-
Construction services			-	-
Equipment purchases			-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,116,899</u>	<u>-</u>	<u>2,116,899</u>	<u>2,116,899</u>
<b>Additional project information:</b>				
Project number	1860-N01-07-1000			
Grant Date	1/12/2007			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorization cost	2,116,899.00			
Additional authorized cost				
Revised authorized cost	2,116,899.00			
Percentage increase over original authorized cost	-			
Percentage completion	0%			
Original target completion date				
Revised target completion date				

**HACKENSACK BOARD OF EDUCATION**  
**Capital Projects Fund**  
**Summary Statement of Project Expenditures**  
**Fiscal Year Ended June 30, 2008**

Project Title/Issue	Date	Appropriations	Expenditures to Date		Unexpended Balance June 30, 2008
			Prior Years	Current Year	
Various School Improvements	February 9, 1999				
High School Window Replacement Project		1,225,527	1,085,321	11,393	128,813
Other Improvements		1,945,000	321,166	241,526	1,382,308
Other Improvements		3,170,527	1,406,487	252,919	1,511,121
Nellie K. Parker Chiller Project	February 15, 2003	238,411	222,535		15,876
High School Balcony Project	August 13, 2003	1,021,553	1,021,421		132
High School Fire Alarm Replacement	June 1, 2004	498,281	410,000		88,281
Carl E. Padovano Education Center	January 12, 2007	2,116,899			2,116,899
		7,045,671	3,060,443	252,919	3,732,309
Analysis					
			Project Balance - June 30, 2008		3,732,309
			Unfunded Authorizations		280,634
			Fund Balance (Deficit) - June 30, 2009		3,451,675

## **PROPRIETARY FUNDS**

**HACKENSACK BOARD OF EDUCATION**  
**Combining Statement of Net Assets**  
**Enterprise Funds**  
**June 30, 2008**

	<u>Food Service Program</u>	<u>Totals</u>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	374,463	374,463
Accounts receivable:		-
State	9,896	9,896
Federal	78,634	78,634
Inventories	5,908	5,908
Total current assets	<u>468,901</u>	<u>468,901</u>
Noncurrent assets:		
Capital assets:		
Equipment	253,655	253,655
Less accumulated depreciation	<u>(134,584)</u>	<u>(134,584)</u>
Total capital assets (net of accumulated depreciation)	<u>119,071</u>	<u>119,071</u>
Total assets	<u>587,972</u>	<u>587,972</u>
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts Payable	<u>130,208</u>	<u>130,208</u>
Total Liabilities	<u>130,208</u>	<u>130,208</u>
<b>NET ASSETS</b>		
Invested in capital assets net of related debt	119,071	119,071
Unrestricted	<u>338,693</u>	<u>338,693</u>
Total net assets	<u>457,764</u>	<u>457,764</u>

**HACKENSACK BOARD OF EDUCATION**  
**Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets**  
**Enterprise Funds**  
**Fiscal Year Ended June 30, 2008**

	<b>Food Service Program</b>	<b>Totals</b>
Operating revenues:		
Charges for services:		
Daily sales - reimbursable programs	306,261	306,261
Daily sales - non-reimbursable programs	216,826	216,826
Total operating revenues	<u>523,087</u>	<u>523,087</u>
Operating expenses:		
Cost of food	1,566,355	1,566,355
Salaries	41,748	41,748
Supplies and materials	30,193	30,193
Employee benefits	16,190	16,190
Depreciation	14,578	14,578
Repairs and other expenses	21,267	21,267
Purchased services	30,574	30,574
Total Operating Expenses	<u>1,720,905</u>	<u>1,720,905</u>
Operating income (loss)	<u>(1,197,818)</u>	<u>(1,197,818)</u>
Nonoperating revenues (expenses):		
State sources:		
School lunch program	32,868	32,868
School snack program	56,940	56,940
School breakfast program	41,213	41,213
Federal sources:		
School lunch program	666,539	666,539
School breakfast program	380,138	380,138
U.S.D.A. Commodities	84,912	84,912
Total nonoperating revenues (expenses)	<u>1,262,610</u>	<u>1,262,610</u>
Income (loss) before contributions & transfers	64,792	64,792
Total net assets—beginning	<u>392,972</u>	<u>392,972</u>
Total net assets—ending	<u><u>457,764</u></u>	<u><u>457,764</u></u>



**HACKENSACK BOARD OF EDUCATION**  
**Combining Statement of Cash Flows**  
**Enterprise Funds**  
**Fiscal Year Ended June 30, 2008**

	<u>Food Service Program</u>	<u>Totals</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	523,087	523,087
Payments to suppliers	<u>(1,598,730)</u>	<u>(1,598,730)</u>
Net cash provided by (used for) operating activities	<u>(1,075,643)</u>	<u>(1,075,643)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
State Sources	130,477	130,477
Federal Sources	<u>1,042,536</u>	<u>1,042,536</u>
Net cash provided by (used for) non-capital financing activities	<u>1,173,013</u>	<u>1,173,013</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Acquisition of Capital Assets	<u>(10,264)</u>	<u>(10,264)</u>
Net cash used for capital and related financing activities	<u>(10,264)</u>	<u>(10,264)</u>
Net increase (decrease) in cash and cash equivalents	<u>87,106</u>	<u>87,106</u>
Balances—beginning of year	<u>287,357</u>	<u>287,357</u>
Balances—end of year	<u><u>374,463</u></u>	<u><u>374,463</u></u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>		
Operating income (loss)	(1,197,818)	(1,197,818)
Adjustments to reconcile operating income (loss) to net cash provided by		
Depreciation and net amortization	14,578	14,578
Food distribution program	84,912	84,912
(used for) operating activities		
(Increase) decrease in inventories	694	694
Increase (decrease) in accounts payable	<u>21,991</u>	<u>21,991</u>
Total adjustments	<u>122,175</u>	<u>122,175</u>
Net cash provided by (used for) operating activities	<u><u>(1,075,643)</u></u>	<u><u>(1,075,643)</u></u>

**FIDUCIARY FUND**

**HACKENSACK BOARD OF EDUCATION**  
**Combining Statement of Fiduciary Net Assets**  
**Fiduciary Funds**  
**June 30, 2008**

	<u>Unemployment Compensation Trust Fund</u>	<u>Scholarship and Memorial Funds</u>	<u>Agency Funds</u>
<b>ASSETS</b>			
Cash and cash equivalents	92,629	179,929	587,912
Deficit in reserve for scholarships		8,212	
Total assets	<u>92,629</u>	<u>188,141</u>	<u>587,912</u>
<b>LIABILITIES</b>			
Payable to student groups			168,121
Payroll deductions and withholdings			419,791
Total liabilities	<u>-</u>	<u>-</u>	<u>587,912</u>
<b>NET ASSETS</b>			
Held in trust for unemployment claims and other purposes	<u>92,629</u>		
Reserved for scholarships		<u>188,141</u>	

**HACKENSACK BOARD OF EDUCATION**  
**Combining Statement of Changes in Fiduciary Net Assets**  
**Fiduciary Funds**  
**Fiscal Year Ended June 30, 2008**

	<u>Unemployment Compensation Trust Fund</u>	<u>Scholarship and Memorial Funds</u>
<b>ADDITIONS</b>		
Contributions:		
Donations		39,250
Payroll withholdings	64,103	
Total Contributions	<u>64,103</u>	<u>39,250</u>
Investment earnings:		
Interest	3,211	6,717
Net investment earnings	<u>3,211</u>	<u>6,717</u>
Total additions	<u>67,314</u>	<u>45,967</u>
<b>DEDUCTIONS</b>		
Quarterly contribution reports	88,699	
Scholarships awarded		44,272
Total deductions	<u>88,699</u>	<u>44,272</u>
<b>OTHER CHANGES TO FIDUCIARY NET ASSETS</b>		
Net changes to deficit in reserve for scholarships		1,363
Total changes to fiduciary net assets	<u>-</u>	<u>1,363</u>
Change in net assets	(21,385)	3,058
Net assets—beginning of the year	114,014	185,083
Net assets—end of the year	<u><u>92,629</u></u>	<u><u>188,141</u></u>

**HACKENSACK BOARD OF EDUCATION**  
**Student Activity Agency Fund**  
**Schedule of Receipts and Disbursements**  
**Fiscal Year Ended June 30, 2008**

	<u>Balance July 1, 2007</u>	<u>Cash Receipts</u>	<u>Cash Disbursed</u>	<u>Balance June 30, 2008</u>
Elementary Schools:				
Fairmount Avenue School	4,047	3,380	5,026	2,401
Fairmount - School Spirit	257		257	-
Jackson Avenue School	2,410	3,589	4,262	1,737
Fanny M. Hillers School	(41)	2,658	1,856	761
Fanny M. Hillers School - School Store	1,093	350	978	465
Nellie Parker School	4,499	17,385	20,740	1,144
Nellie Parker School Donation	1,331	46		1,377
Total Elementary Schools	<u>13,596</u>	<u>27,408</u>	<u>33,119</u>	<u>7,885</u>
Middle School:				
5/6 Middle School	4,151	5,779	9,395	535
Middle School	25,753	50,069	53,194	22,628
Total Middle Schools	<u>29,904</u>	<u>55,848</u>	<u>62,589</u>	<u>23,163</u>
High School:				
High School	108,071	251,421	252,314	107,178
Varsity H	20,826	95,115	90,174	25,767
Total High Schools	<u>128,897</u>	<u>346,536</u>	<u>342,488</u>	<u>132,945</u>
Athletic Departments:				
Athletic Department	23,904	103,682	123,458	4,128
Total Athletic Department	<u>23,904</u>	<u>103,682</u>	<u>123,458</u>	<u>4,128</u>
Total All Schools	<u>196,301</u>	<u>533,474</u>	<u>561,654</u>	<u>168,121</u>

**HACKENSACK BOARD OF EDUCATION**  
**Payroll Agency Fund**  
**Schedule of Receipts and Disbursements**  
**Fiscal Year Ended June 30, 2008**

	<u>Balance July 1, 2007</u>	<u>Cash Receipts</u>	<u>Cash Disbursed</u>	<u>Balance June 30, 2008</u>
Net Payroll	4,361	32,137,980	32,070,687	71,654
Payroll Deductions and Withholdings	293,970	22,654,020	22,599,853	348,137
	<hr/>	<hr/>	<hr/>	<hr/>
	<u>298,331</u>	<u>54,792,000</u>	<u>54,670,540</u>	<u>419,791</u>

## **LONG-TERM DEBT**

**HACKENSACK BOARD OF EDUCATION**  
**General Long-Term Debt Account Group**  
**Schedule of Serial Bonds**  
**Fiscal Year Ended June 30, 2008**

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance, July 1, 2007</u>	<u>Retired</u>	<u>Balance, June 30, 2008</u>
			<u>Date</u>	<u>Amount</u>				
School Improvement bonds	May 1, 2001	8,998,000	5/1/2009	585,000	4.625	7,758,000	555,000	7,203,000
			5/1/2010	600,000	4.625			
			5/1/2011	600,000	4.625			
			5/1/2012	600,000	4.625			
			5/1/2013	600,000	4.75			
			5/1/2014	600,000	4.75			
			5/1/2015	600,000	4.875			
			5/1/2016	600,000	4.875			
			5/1/2017	600,000	5.00			
			5/1/2018	600,000	5.00			
			5/1/2019	600,000	5.00			
			5/1/2020	618,000	5.00			
						<u>\$ 7,758,000</u>	<u>555,000</u>	<u>7,203,000</u>



HACKENSACK BOARD OF EDUCATION  
General Long-Term Debt Account Group  
Schedule of Capital Leases Payable  
Fiscal Year Ended June 30, 2008

<u>Improvement description</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Amount</u>	<u>Balance, June 30, 2007</u>	<u>Payments</u>
Energy equipment	Aug. 19, 1997	Aug. 19, 2007	122,375	\$ 122,375	122,375
				<u>\$ 122,375</u>	<u>122,375</u>

**HACKENSACK BOARD OF EDUCATION**  
**General Long-Term Debt Account Group**  
**Schedule of Long-Term Loans**  
**Fiscal Year Ended June 30, 2008**

<u>Issue</u>	<u>Date of Loan</u>	<u>Amount of Loan</u>	<u>Principal Payment</u>		<u>Interest Rate</u>	<u>Balance, June 30, 2007</u>	<u>Retired</u>	<u>Balance, June 30, 2008</u>
			<u>Date</u>	<u>Amount</u>				
School improvement loans	8/17/1989	\$ 811,550	7/15/2008	57,967	1.50%	115,934	57,967	57,967
School improvement loans	8/17/1989	1,022,300	7/15/2008	56,902	5.04%	111,030	54,128	56,902
School improvement loans	1/29/2004	157,716	7/15/2008	42,459	5.04%	82,849	40,390	42,459
						\$ 309,813	152,485	157,328

**HACKENSACK BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**Debt Service Fund**  
**Fiscal Year Ended June 30, 2008**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	820,098		820,098	820,098	-
<b>Total Revenues</b>	<b>820,098</b>	<b>-</b>	<b>820,098</b>	<b>820,098</b>	<b>-</b>
<b>EXPENDITURES:</b>					
Regular Debt Service:					
Interest	381,819	-	381,819	381,820	1
Redemption of Principal	707,487	-	707,487	707,485	(2)
<b>Total Regular Debt Service</b>	<b>1,089,306</b>	<b>-</b>	<b>1,089,306</b>	<b>1,089,305</b>	<b>(1)</b>
<b>Total expenditures</b>	<b>1,089,306</b>	<b>-</b>	<b>1,089,306</b>	<b>1,089,305</b>	<b>(1)</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(269,208)	-	(269,208)	(269,207)	1
Other Financing Sources:					
Operating Transfers In:					
Excess Bond Proceeds - Capital Projects Fund	-	-	-	127,963	127,963
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(269,208)	-	(269,208)	(141,244)	127,964
Fund Balance, July 1	367,020	-	367,020	367,020	-
Fund Balance, June 30	97,812	-	97,812	225,776	127,964
<b>Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures</b>					
Budgeted Fund Balance	(269,208)	-	(269,208)	(141,244)	127,964

## STATISTICAL SECTION

## STATISTICAL SECTION (UNAUDITED) - INTRODUCTION

### J SERIES

#### Contents

#### Page

#### **Financial Trends**

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

**J-1 to J-5**

#### **Revenue Capacity**

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

**J-6 to J-9**

#### **Debt Capacity**

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

**J-10 to J-13**

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

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

**J-14 to J-15**

#### **Operating Information**

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

**J-16 to J-20**

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

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

	2003	2004	Fiscal Year Ending June 30, 2005	2006	2007	2008
<b>Governmental activities</b>						
Invested in capital assets, net of related debt	\$ 681,324	\$ 268,767	\$ (383,406)	\$ 6,001,034	\$ 8,813,583	\$ 9,408,979
Restricted	4,636,223	8,313,996	11,111,514	12,270,231	11,069,478	11,798,879
Unrestricted	1,532,464	(272,060)	(794,984)	(540,537)	(168,906)	(465,466)
Total governmental activities net assets	<u>\$ 6,850,011</u>	<u>\$ 8,310,703</u>	<u>\$ 9,933,124</u>	<u>\$ 17,730,728</u>	<u>\$ 19,714,155</u>	<u>\$ 20,742,392</u>
<b>Business-type activities</b>						
Invested in capital assets, net of related debt	\$ 54,034	\$ 33,295	\$ 42,143	\$ 76,284	\$ 123,386	\$ 119,071
Restricted						
Unrestricted	105,054	173,096	248,499	238,751	269,586	338,693
Total business-type activities net assets	<u>\$ 159,088</u>	<u>\$ 206,391</u>	<u>\$ 290,642</u>	<u>\$ 315,035</u>	<u>\$ 392,972</u>	<u>\$ 457,764</u>
<b>District-wide</b>						
Invested in capital assets, net of related debt	\$ 735,358	\$ 302,062	\$ (341,263)	\$ 6,077,318	\$ 8,936,969	\$ 9,528,050
Restricted	4,636,223	8,313,996	11,111,514	12,270,231	11,069,478	11,798,879
Unrestricted	1,637,518	(98,964)	(546,485)	(301,786)	100,680	(126,773)
Total district net assets	<u>\$ 7,009,099</u>	<u>\$ 8,517,094</u>	<u>\$ 10,223,766</u>	<u>\$ 18,045,763</u>	<u>\$ 20,107,127</u>	<u>\$ 21,200,156</u>

Source: CAFR Schedule A-1

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

	Fiscal Year Ending June 30,				
	2003	2004	2005	2006	2007
					2008
<b>Expenses</b>					
Governmental activities					
Instruction					
Regular	\$ 24,082,200	\$ 28,839,153	\$ 29,722,525	\$ 30,941,044	\$ 33,572,639
Special education	4,391,270	5,275,334	5,625,742	5,821,140	7,044,607
Other special education	1,248,895	1,464,612	1,719,429	1,756,818	1,901,500
Vocational					
Other instruction	933,403	1,109,127	1,123,570	1,125,674	1,213,520
Nonpublic school programs					
Adult/continuing education programs					
Support Services:					
Tuition	7,576,845	7,094,482	7,206,461	7,563,097	7,739,692
Student & instruction related services	7,760,187	8,459,610	9,893,130	9,739,489	11,692,928
General administrative services	919,656	994,963	1,061,435	1,123,149	1,173,600
School administrative services	2,844,388	3,408,196	3,462,532	3,850,389	4,064,188
Central Administration			975,257	942,653	1,048,764
Business administrative services	840,529	1,032,551			1,004,006
Plant operations and maintenance	5,684,012	6,401,793	6,277,415	6,999,156	7,256,598
Pupil transportation	1,704,227	1,902,695	1,661,685	1,888,254	2,063,235
Unallocated Benefits	9,134,144	4,366,605	4,846,463	5,616,007	8,196,847
Special Schools	43,082	25,606	45,995	51,551	405,936
Charter Schools					
Interest on long-term debt	608,934	490,649	451,157	430,364	372,506
Unallocated depreciation	599,397	1,701,292	1,505,836	1,565,246	326,819
Capital Outlay - nondepreciable	1,244,460	2,240,372	1,052,006	492,516	608,561
Total governmental activities expenses	69,615,629	74,807,040	76,630,638	79,906,547	88,637,182
Business-type activities:					
Food service	1,308,895	1,333,849	1,589,991	1,677,666	1,720,905
Academy School					
Total business-type activities expense	1,308,895	1,333,849	1,589,991	1,677,666	1,720,905
Total district expenses	\$ 70,924,524	\$ 76,140,889	\$ 78,220,629	\$ 81,584,213	\$ 90,358,087
<b>Program Revenues</b>					
Governmental activities:					
Charges for services:					
Operating grants and contributions	8,567,407	9,892,212	10,438,431	10,724,264	11,109,185
Capital grants and contributions	-	-	-	-	-
Total governmental activities program revenues	8,567,407	9,892,212	10,438,431	10,724,264	11,109,185

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

	Fiscal Year Ending June 30,				
	2003	2004	2005	2006	2007
<b>Business-type activities:</b>					
Charges for services					
Food service	525,987	608,509	585,142	569,155	501,936
Operating grants and contributions	719,118	772,643	1,089,100	1,132,924	1,202,162
Capital grants and contributions					
Total business type activities program revenues	<u>1,245,105</u>	<u>1,381,152</u>	<u>1,674,242</u>	<u>1,702,079</u>	<u>1,704,098</u>
Total district program revenues	<u>\$ 9,812,512</u>	<u>\$ 11,273,364</u>	<u>\$ 12,112,673</u>	<u>\$ 12,426,343</u>	<u>\$ 12,165,681</u>
<b>Net (Expense)/Revenue</b>					
Governmental activities	<u>\$(61,048,222)</u>	<u>\$(64,914,828)</u>	<u>\$(66,192,207)</u>	<u>\$(69,182,283)</u>	<u>\$(75,226,534)</u>
Business-type activities	<u>(63,790)</u>	<u>47,303</u>	<u>84,251</u>	<u>24,413</u>	<u>77,937</u>
Total district-wide net expense	<u><u>\$(61,112,012)</u></u>	<u><u>\$(64,867,525)</u></u>	<u><u>\$(66,107,956)</u></u>	<u><u>\$(69,157,870)</u></u>	<u><u>\$(75,148,597)</u></u>
<b>General Revenues and Other Changes in Net Assets</b>					
Governmental activities:					
Property taxes levied for general purposes, net	\$ 46,625,009	\$ 48,760,747	\$ 49,879,303	\$ 50,953,742	\$ 53,452,727
Taxes levied for debt service	1,045,523	1,017,520	1,084,591	1,082,034	1,053,774
Unrestricted grants and contributions	8,786,752	10,129,837	11,019,986	12,071,563	14,673,639
Tuition Received	4,176,793	4,371,631	4,745,492	4,909,035	5,273,917
Investment earnings	155,917	132,701	318,333	606,367	763,868
Miscellaneous income	744,834	1,571,629	743,123	930,780	318,740
Excess Refinanced Loan Proceeds			23,800		
State Aid- State Facilities Grant	95,364	388,038		6,426,366	
Local Aid - Port Authority Grant					
Transfers	(70,000)				
Federal and State Aid - Capital outlay					
Total governmental activities	<u>61,560,192</u>	<u>66,372,103</u>	<u>67,814,628</u>	<u>76,979,887</u>	<u>75,536,665</u>
<b>Business-type activities:</b>					
Investment earnings	106				
Miscellaneous Income	70,000				
Transfers	<u>70,106</u>	<u>66,372,103</u>	<u>67,814,628</u>	<u>76,979,887</u>	<u>75,536,665</u>
Total business-type activities	<u>\$ 61,630,298</u>	<u>\$ 1,457,275</u>	<u>\$ 1,622,421</u>	<u>\$ 7,797,604</u>	<u>\$ 310,131</u>
Total district-wide		<u>\$ 1,504,578</u>	<u>\$ 1,706,672</u>	<u>\$ 7,822,017</u>	<u>\$ 388,068</u>
<b>Change in Net Assets</b>					
Governmental activities	\$ 511,970	\$ 1,457,275	\$ 1,622,421	\$ 7,797,604	\$ 310,131
Business-type activities	6,316	47,303	84,251	24,413	77,937
Total district	<u>\$ 518,286</u>	<u>\$ 1,504,578</u>	<u>\$ 1,706,672</u>	<u>\$ 7,822,017</u>	<u>\$ 388,068</u>

Source: CAFR Schedule A-2



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

	2003	2004	2005	2006	2007	2008
General Fund						
Reserved	\$ 1,829,818	\$ 5,153,502	\$ 8,653,573	\$ 9,589,036	\$ 7,095,676	\$ 8,121,428
Unreserved	4,144,583	3,357,637	1,688,135	1,933,457	2,089,495	1,673,252
Total general fund	<u>\$ 5,974,401</u>	<u>\$ 8,511,139</u>	<u>\$ 10,341,708</u>	<u>\$ 11,522,493</u>	<u>\$ 9,185,171</u>	<u>\$ 9,794,680</u>
All Other Governmental Funds						
Reserved						
Unreserved, reported in:						
Special revenue fund	(94,358)	(56,708)	(43,950)	(72,318)	(67,009)	(98,186)
Capital projects fund	2,753,338	2,384,657	2,427,919	2,454,283	3,704,594	3,451,675
Debt service fund	53,067	2	30,022	299,230	367,020	225,776
Permanent fund						
Total all other governmental funds	<u>\$ 2,712,047</u>	<u>\$ 2,327,951</u>	<u>\$ 2,413,991</u>	<u>\$ 2,681,195</u>	<u>\$ 4,004,605</u>	<u>\$ 3,579,265</u>

Source: CAFR Schedule B-1

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

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>Revenues</b>										
Tax levy	\$ 40,599,369	\$ 41,026,164	\$ 43,728,083	\$ 44,136,534	\$ 47,670,532	\$ 49,778,267	\$ 50,963,894	\$ 52,035,776	\$ 54,506,501	\$ 57,513,889
Tuition	3,794,643	3,860,569	3,657,164	3,764,991	4,176,793	4,371,631	4,745,492	4,909,035	5,273,917	5,170,100
Interest earnings	276,476	371,135	538,155	321,119	190,966	132,701	265,266	606,367	763,868	387,639
Miscellaneous	661,854	597,036	461,969	1,340,231	836,444	1,804,584	846,631	7,357,146	352,267	312,741
State sources	11,713,179	11,418,759	12,269,350	12,454,630	14,439,272	15,167,607	15,879,405	17,390,538	19,792,837	21,246,188
Federal sources	2,124,493	2,046,278	1,987,568	2,691,129	2,788,228	4,601,475	5,528,571	5,405,289	5,308,858	5,034,862
Total revenue	59,170,014	59,319,941	62,642,289	64,708,634	70,102,235	75,856,265	78,229,259	87,704,151	85,998,248	89,665,419
<b>Expenditures</b>										
Instruction										
Regular instruction	20,326,584	21,249,224	21,615,558	22,680,952	24,082,200	25,861,496	26,487,509	27,651,202	28,946,580	29,735,325
Special education instruction	3,509,963	3,725,980	3,844,653	4,107,116	4,391,270	4,543,289	4,829,682	5,013,079	5,247,901	5,982,963
Other special instruction	1,026,731	1,102,977	1,116,537	1,137,846	1,248,895	1,262,912	1,475,842	1,509,043	1,622,204	1,621,041
Vocational education										
Other instruction	796,545	815,904	857,376	903,554	933,403	998,637	1,004,203	1,000,555	1,067,762	1,085,131
Nonpublic school programs										
Adult/continuing education programs										
Support Services:										
Community Services	250,441	268,829	19,244							
Instruction	6,504,938	6,911,686	6,354,394	7,185,942	7,576,845	7,094,482	7,206,461	7,563,097	7,400,345	7,739,692
Attendance and social work services	20,880	22,620	20,880	20,880	20,880	20,880	22,438	21,756	22,035	22,759
Health Services	565,515	564,038	552,491	566,200	583,069	508,387	549,478	597,869	604,129	668,384
Student & instruction related services	5,444,146	5,621,279	5,865,013	6,692,695	7,156,238	7,224,777	8,561,976	8,426,190	9,162,112	10,136,858
General administrative services	764,719	721,243	827,523	910,060	919,656	932,141	983,500	1,037,811	1,229,298	1,070,555
School Administrative services	2,263,639	2,329,280	2,317,683	2,732,773	2,844,388	2,947,373	2,979,368	3,315,909	3,435,137	3,463,251
Business and other support services	823,186	892,170	874,328	902,536	840,529	910,078	981,632		1,048,764	872,791
Central administrative services							879,960	942,653	6,874,013	6,799,696
Plant operations and maintenance	4,321,873	4,463,662	5,733,777	5,289,926	5,684,012	5,960,569	5,910,196	6,504,115	1,866,036	2,062,025
Pupil transportation	1,405,680	1,386,608	1,589,910	1,678,923	1,704,227	1,898,257	1,655,893	1,882,435	7,812,424	7,600,842
Unallocated employee benefits	4,293,303	3,680,918	4,202,014	4,430,218	5,319,714	5,831,968	5,321,091	6,298,732	8,133,399	8,423,780
TPAF Pension / Social Security	3,583,891	2,622,918	2,907,729	2,094,525	3,807,029	4,499,831	4,758,500	5,559,226		405,936
Special Schools	32,099	37,590	34,285	22,817	43,082	25,606	45,995	51,551		
Charter Schools										
Capital outlay	1,376,361	2,275,740	2,466,850	1,467,746	1,050,361	1,322,524	1,237,617	7,798,904	1,456,226	700,916
Special Revenue Fund										
Debt service:										
Principal	427,763	451,182	474,280	537,827	561,332	580,285	595,380	643,298	672,835	707,485
Interest and other charges	219,910	195,790	621,457	537,246	514,317	490,300	459,191	438,735	410,960	381,820
Total expenditures	57,958,167	59,339,638	62,295,982	63,899,782	69,281,447	72,913,792	75,945,912	86,256,160	87,012,160	89,481,250
Excess (Deficiency) of revenues over (under) expenditures	1,211,847	(19,697)	346,307	808,852	820,788	2,942,473	2,283,347	1,447,991	(1,013,912)	184,169

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

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>Other Financing sources (uses)</b>										
Transfers in	-	30,115	567,865	13,788	-	-	-	269,209	2,214,710	127,963
Transfers out	-	-	-	-	(213,047)	(421,150)	(410,000)	(269,209)	(2,214,710)	(127,963)
Total other financing sources (uses)	-	30,115	567,865	13,788	(213,047)	(421,150)	(410,000)	-	-	-
Net change in fund balances	\$ 1,211,847	\$ 10,418	\$ 914,172	\$ 822,640	\$ 607,741	\$ 2,521,323	\$ 1,873,347	\$ 1,447,991	\$ (1,013,912)	\$ 184,169
Debt service as a percentage of noncapital expenditures	1.1%	1.1%	1.8%	1.7%	1.6%	1.5%	1.4%	1.4%	1.3%	1.2%

NOTE: Capital Projects Fund is not included as these expenditures vary substantially from year to year. The financial data presented would not be as meaningful for comparative purposes if these were included.  
Source: CAFR Schedule B-2 and C-2

Exhibit J-5

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

Fiscal Year Ended June 30,	Interest on Investments	Tuition		Rentals	Refunds	Misc.	Total
		Revenue					
1999	276,476	3,794,643		187,136	203,782	96,868	4,558,905
2000	371,135	3,860,569		155,593	237,227	111,361	4,735,885
2001	538,155	3,657,164		90,135	156,119	44,692	4,486,265
2002	321,119	3,764,991		127,113	75,963	99,231	4,388,417
2003	190,966	4,176,793		107,218	193,478	102,269	4,770,724
2004	132,701	4,371,631		260,299	463,820	41,840	5,270,291
2005	265,266	4,745,492		250,984	157,999	12,404	5,432,145
2006	510,077	4,909,035		250,377	619,925	93,409	6,382,823
2007	763,868	5,273,917		51,097	267,643		6,356,525
2008	387,639	5,170,100		25,911	134,978	12,457	5,731,085

Source: District Records

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

Year Ended Dec. 31	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax- Exempt Property	Public Utilities <sup>a</sup>	Net Valuation Taxable	Total Direct School Tax Rate <sup>b</sup>	Estimated Actual (County Equalized Value)	% of Net Assessed to Estimated Full Cash Valuations
1998	\$ 30,597,800	\$ 890,741,700			\$ 745,606,100	\$ 153,090,200	\$ 384,554,700	\$ 2,204,590,500	\$ -		\$ 2,204,590,500	1.780	Not Available	Not Available
1999	\$ 30,200,200	\$ 886,645,800			\$ 768,810,500	\$ 151,733,100	\$ 385,919,400	\$ 2,223,309,000	\$ -		\$ 2,223,309,000	1.810		
2000	\$ 25,735,500	\$ 887,291,600			\$ 760,813,300	\$ 151,429,600	\$ 385,088,200	\$ 2,210,358,200	\$ -		\$ 2,210,358,200	1.890		
2001	\$ 22,094,600	\$ 899,330,300			\$ 757,508,500	\$ 151,423,700	\$ 385,594,900	\$ 2,216,152,000	\$ -		\$ 2,216,152,000	1.960		
2002	\$ 26,663,000	\$ 904,832,100			\$ 753,744,900	\$ 151,209,900	\$ 388,554,400	\$ 2,225,004,300	\$ -		\$ 2,225,004,300	2.050		
2003	\$ 23,466,000	\$ 924,555,900			\$ 769,171,500	\$ 150,876,700	\$ 385,242,400	\$ 2,253,615,300	\$ -		\$ 2,253,615,300	2.140		
2004	\$ 23,818,600	\$ 926,098,000			\$ 775,313,800	\$ 150,708,400	\$ 386,132,400	\$ 2,262,071,200	\$ -		\$ 2,262,071,200	2.210		
2005	\$ 24,754,500	\$ 928,798,000			\$ 773,001,000	\$ 150,088,200	\$ 386,106,300	\$ 2,262,748,000	\$ -		\$ 2,262,748,000	2.260		
2006	\$ 24,415,900	\$ 954,256,400			\$ 766,726,700	\$ 140,085,800	\$ 374,163,800	\$ 2,259,646,600	\$ -		\$ 2,259,646,600	2.350		
2007	\$ 52,587,500	\$ 2,749,253,400			\$ 2,007,826,000	\$ 342,569,200	\$ 1,121,889,200	\$ 6,274,127,300	\$ -		\$ 6,274,127,300	0.890		

Source: Municipal Tax Assessor

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

Reassessment occurs when ordered by the County Board of Taxation

<sup>a</sup> Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies<sup>b</sup> Tax rates are per \$100

Exhibit J-7

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

Fiscal Year Ended June 30,	Hackensack Board of Education		Overlapping Rates		Total Direct and Overlapping Tax Rate
	General		Town of Hackensack	Bergen County	
	Basic Rate <sup>a</sup>	Obligation Debt Service <sup>b</sup>			
1999	1.79	0.02	1.73	0.28	3.82
2000	1.83	0.06	1.72	0.29	3.90
2001	1.90	0.06	1.72	0.26	3.94
2002	2.00	0.05	1.76	0.32	4.13
2003	2.09	0.05	1.85	0.31	4.30
2004	2.16	0.05	1.93	0.34	4.48
2005	2.21	0.05	2.04	0.39	4.69
2006	2.30	0.05	2.27	0.40	5.02
2007	0.76	0.13	0.93	0.17	1.99
2008	0.93	0.01	0.98	0.18	2.097

Source: District Records and Municipal Tax Collector

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

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

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

Sched. J-9 2005

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

Taxpayer	2008			1999		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Riverside Square Ltd	\$ 197,020,000		3.32%			
Quail Heights	\$ 134,097,400		2.26%	\$ 30,770,500		1.38%
HUMC	\$ 82,928,000		1.40%			
ERP Operating	\$ 75,509,900		1.27%			
Hackensack VF, LLC	\$ 71,639,700		1.21%			
Court Plaza Assoc.	\$ 65,915,800		1.11%	\$ 28,771,400		1.29%
Stellar Capital Mgmt	\$ 55,115,200		0.93%			
Riverside II, LLC	\$ 47,488,000		0.80%			
3 University Plaza	\$ 46,882,400		0.79%	\$ 17,599,000		0.79%
Pierre Towers, LLC	\$ 45,243,200		0.76%	\$ 16,800,000		0.75%
MSNW Continental						
JMB Properties				\$ 59,500,000		2.67%
Continental Plaza Corp.				\$ 35,607,000		1.60%
Continental Investors				\$ 26,151,500		1.17%
Hackbridge Corp				\$ 24,796,800		1.11%
Sommer (Pierre)						
Bloomigdale's				\$ 22,377,500		1.00%
Sebring Associates				\$ 16,000,000		0.72%
Bergen Record						
<b>Total</b>	<b>\$ 821,839,600</b>		<b>13.86%</b>	<b>\$ 278,373,700</b>		<b>12.49%</b>

Net Assessed Valuation: \$ 5,930,737,593

2,228,849,096

Source: Municipal Tax Assessor.

Exhibit J-9

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

Fiscal Year Ended June 30,	District Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
1999	\$40,599,369	\$40,599,369	100.00%	\$ -
2000	\$41,026,164	\$41,026,164	100.00%	\$ -
2001	\$43,728,083	\$43,728,083	100.00%	\$ -
2002	\$44,136,534	\$44,136,534	100.00%	\$ -
2003	\$47,670,532	\$47,670,532	100.00%	\$ -
2004	\$49,778,267	\$49,778,267	100.00%	\$ -
2005	\$50,963,894	\$50,963,894	100.00%	\$ -
2006	\$52,035,776	\$52,035,776	100.00%	\$ -
2007	\$54,506,501	\$54,506,501	100.00%	\$ -
2008	\$57,513,889	\$56,010,195	97.39%	\$1,503,694

Source: Municipal Tax Collector



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

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Percentage of Personal Income <sup>a</sup>	
	General Obligation Bonds/Loans <sup>b</sup>	Certificates of Participation	Capital Leases	Bond Anticipatio n Notes (BANs)	Capital Leases	Total District	Per Capita <sup>a</sup>
1999	3,669,032	-	-	-	-	3,669,032	\$ 46,165
2000	3,221,269	-	-	-	-	3,221,269	\$ 50,303
2001	11,685,987	-	24,103	-	-	11,710,090	\$ 51,900
2002	11,144,743	-	16,500	-	-	11,161,243	\$ 52,687
2003	10,583,411	-	8,474	-	-	10,591,885	\$ 51,758
2004	10,003,126	-	276,400	-	-	10,279,526	\$ 53,873
2005	9,383,946	-	223,100	-	-	9,607,046	\$ 56,725
2006	8,740,648	-	168,700	-	-	8,909,348	\$ 61,264
2007	8,067,814	-	122,378	-	-	8,190,192	Not Available
2008	7,360,328	-	-	-	-	7,360,328	Not Available

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

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

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

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

Exhibit J-11

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds/Loans	Deductions	Net General Bonded Debt Outstanding		
1999	\$ 3,669,032	-	3,669,032	0.17%	\$ 46,165
2000	\$ 3,221,269	-	3,221,269	0.15%	\$ 50,303
2001	\$ 11,685,987	-	11,685,987	0.53%	\$ 51,900
2002	\$ 11,144,743	-	11,144,743	0.50%	\$ 52,687
2003	\$ 10,583,411	-	10,583,411	0.47%	\$ 51,758
2004	\$ 10,003,126	-	10,003,126	0.44%	\$ 53,873
2005	\$ 9,383,946	-	9,383,946	0.41%	\$ 56,725
2006	\$ 8,740,648	-	8,740,648	0.39%	\$ 61,264
2007	\$ 8,067,814	-	8,067,814	0.13%	Not Available
2008	\$ 7,360,328	-	7,360,328	Not Available	Not Available

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

**a** See Exhibit NJ J-6 for property tax data.

**b** Population data can be found in Exhibit NJ J-14.

**Hackensack Board of Education**  
**Ratios of Overlapping Governmental Activities Debt**  
**As of June 30, 2008**

<u>Governmental Unit</u>	<u>Estimated Percentage Applicable <sup>a</sup></u>	<u>Debt Outstanding</u>	<u>Estimated Share of Overlapping Debt</u>
<b>Direct Debt of School District as of June 30, 2008</b>			<b>\$ 7,360,328</b>
<b>Net overlapping debt of School District:</b>			
City of Hackensack	100.000%	\$ 31,066,179	
County of Bergen - City's Share	4.447%	\$ 26,176,077	
Bergen County Utility Authority-City's Share	9.558%	<u>\$ 23,023,924</u>	
<b>Subtotal, overlapping debt</b>			<b>\$ 80,266,180</b>
<b>Total direct and overlapping debt</b>			<b><u>\$ 87,626,508</u></b>

**Sources:** Town of Hackensack Town Administrator / Bergen County Treasurer's Office

**Note:**

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District.

This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Hackensack. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

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

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

**Legal Debt Margin Calculation for Fiscal Year 2008**

Equalized valuation basis									
	2007	\$	5,930,737,593						
	2006		5,767,347,116						
	2005		4,951,308,534						
	<u>[A] \$ 16,649,393,243</u>								
	[A/3]			\$	5,549,797,748				
	Average equalized valuation of taxable property								
	Debt limit (4 % of average equalization value)								
	<u>[B]</u>			221,991,910	a				
	<u>[C]</u>			7,360,328					
	<u>[B-C]</u>			214,631,582					
	Legal debt margin								

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

Year	Population <sup>a</sup>	Personal Income (thousands of dollars) <sup>b</sup>	Per Capita		Unemployment Rate <sup>d</sup>
			Personal Income <sup>c</sup>		
1999	42,677	\$ 1,970,183,705	46,165		4.80%
2000	42,677	\$ 2,146,781,131	50,303		4.00%
2001	42,846	\$ 2,223,707,400	51,900		4.80%
2002	43,426	\$ 2,287,985,662	52,687		6.50%
2003	43,415	\$ 2,247,073,570	51,758		6.40%
2004	43,352	\$ 2,335,502,296	53,873		5.30%
2005	43,334	\$ 2,458,121,150	56,725		4.60%
2006	43,328	\$ 2,654,446,592	61,264		4.60%
2007	43,162	Not Available	Not Available		4.60%
2008	43,062	Not Available	Not Available		4.60%

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

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

	2008			1999		
	Employer	Employees	Rank (Optional)	Percentage of Total Employment	Employees	Rank (Optional)
						Percentage of Total Employment

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

**Source:** Town of Hackensack

\*\* Data was only provided for years noted

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

<u>Function/Program</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Instruction										
Regular			457	472	495	521	543	530	533	533
Special education			19	19	22	26	23	24	26	27
Other special education			-	-	-	-	-	-	-	-
Vocational			-	-	-	-	-	-	-	-
Other instruction			-	-	-	-	-	-	-	-
Nonpublic school programs			-	-	-	-	-	-	-	-
Adult/continuing education programs			-	-	-	-	-	-	-	-
Support Services:										
Tuition			-	-	-	-	-	-	-	-
Student & instruction related services			2	2	5	6	16	17	17	17
General administrative services			4	4	5	5	5	5	6	6
School administrative services			33	34	37	36	39	40	40	40
Business administrative services			1	1	13	13	12	13	13	13
Plant operations and maintenance			56	51	57	57	57	56	57	57
Pupil transportation			-	-	-	-	-	1	-	-
Total	-	-	572	583	633	664	695	686	692	693

Source: District Personnel Records

**Hackensack Board of Education  
Operating Statistics  
Last Ten Fiscal Years**

Fiscal Year	Pupil/Teacher Ratio					Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil	Percentage Change	Teaching Staff <sup>b</sup>				
						Elementary	Middle School	High School	
1999	4,635.0	56,177,974	12,120	1.38%	413	1:23	1:25	1:25	94.63%
2000	4,767.0	56,609,924	11,875	-2.02%	418	1:23	1:25	1:25	94.44%
2001	4,879.0	58,918,978	12,076	1.69%	421	1:23	1:25	1:25	94.43%
2002	4,783.0	61,457,992	12,849	6.40%	430	1:23	1:25	1:25	94.88%
2003	4,854.0	67,345,657	13,874	7.98%	470	1:23	1:25	1:25	94.64%
2004	4,894.0	71,163,610	14,541	4.81%	485	1:23	1:25	1:25	94.59%
2005	4,931.0	74,226,493	15,053	3.52%	485	1:23	1:25	1:25	94.08%
2006	4,984.0	77,095,012	15,469	2.76%	485	1:23	1:25	1:25	94.72%
2007	4,992.0	85,061,777	17,040	13.20%	485	1:23	1:25	1:25	93.59%
2008	4,902.0	87,691,029	17,889	15.65%	485	1:23	1:25	1:25	93.17%

**Sources:** District records, ASSA and Schedules J-2

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

<sup>a</sup> Operating expenditures equal total general fund and special revenue fund expenditures less debt service and capital outlay, Schedule J-2

<sup>b</sup> Teaching staff includes only full-time equivalents of certificated staff.

<sup>c</sup> Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).



**Hackensack Board of Education  
School Building Information  
Last Ten Fiscal Years**

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b><u>District Buildings</u></b>										
<b><u>Elementary</u></b>										
Nellie K. Parker School	-	80,280	80,280	80,280	80,280	80,280	80,280	80,280	80,280	80,280
Square Feet	-	539	539	539	539	539	539	539	539	539
Capacity (students)	-	500	480	420	444	449	442	426	415	415
Enrollment	NOT AVAILABLE									
Fairmount School	-	61,000	61,000	61,000	61,000	61,000	61,000	61,000	61,000	61,000
Square Feet	-	611	611	611	611	611	611	611	611	611
Capacity (students)	-	569	570	569	573	563	532	544	539	539
Enrollment a										
Fanny M. Hillers School	-	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000
Square Feet	-	526	526	526	526	526	526	526	526	526
Capacity (students)	-	484	489	484	484	463	434	454	494	494
Enrollment a										
Jackson Avenue School	-	60,800	60,800	60,800	60,800	60,800	60,800	60,800	60,800	60,800
Square Feet	-	434	434	434	434	434	434	434	434	434
Capacity (students)	-	395	400	405	427	431	407	417	398	398
Enrollment a										
<b><u>Middle School</u></b>										
Middle School	-	103,293	103,293	103,293	103,293	103,293	103,293	103,293	103,293	103,293
Square Feet	-	1,445	1,445	1,445	1,445	1,445	1,445	1,445	1,445	1,445
Capacity (students)	-	1,250	701	705	700	699	715	684	654	654
Enrollment										
<b><u>High School</u></b>										
Hackensack High School	-	158,243	158,243	158,243	158,243	158,243	158,243	158,243	158,243	158,243
Square Feet	-	2,064	2,064	2,064	2,064	2,064	2,064	2,064	2,064	2,064
Capacity (students)	-	1,597	1,610	1,690	1,714	1,837	1,848	1,812	1,748	1,783
Enrollment										
<b><u>Other</u></b>										
Administration Building	-	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Square Feet										
5/6 School	-	N/A	29,977	29,977	29,977	29,977	29,977	29,977	29,977	29,977
Square Feet	-	837	837	837	837	837	837	837	837	837
Capacity (students)	-									
Enrollment a										

Number of Schools at June 30, 2006

Elementary = 4

Middle School = 1

High School = 1

Other School = 2

Source: District records, ASSA

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

Hackensack Board of Education  
 General Fund  
 Schedule of Required Maintenance for School Facilities  
 Last Six Fiscal Years  
 Unaudited

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

School Facilities	Project # (s)	2008	2007	2006	2005	2004	2003	2002
Hackensack High School	N/A	398,937	323,981	384,195	279,830	318,926	231,778	174,006
Middle School	N/A	430,508	468,897	80,812	246,242	265,234	259,373	113,586
Nellie K. Parker School		65,913	99,440	52,727	118,104	111,635	99,550	88,277
Fairmount School		66,577	138,421	68,837	53,768	155,794	112,568	66,857
Fanny M. Hillers School		51,664	60,088	62,998	84,768	273,050	83,996	87,969
Jackson Avenue School		26,608	61,580	297,344	48,256	229,910	83,637	67,077
Administration Building	N/A	39,258	47,454	44,596	61,167	54,098	361,532	67,077
Total School Facilities		1,079,465	1,199,861	991,509	892,135	1,408,647	1,232,434	664,849
Other Facilities								
Grand Total		\$ 1,079,465	\$ 1,199,861	\$ 991,509	\$ 892,135	\$ 1,408,647	\$ 1,232,434	\$ 664,849

**Hackensack Board of Education  
Insurance Schedule  
For the Fiscal Year Ended June 30, 2008  
Unaudited**

<u>Company</u>	<u>Type of Coverage</u>	<u>Coverage</u>	<u>Deductible</u>
	School package policy -		
	Property - Blanket Building and Contents	\$ 152,406,861	\$ 5,000
	Comprehensive General Liability	2,000,000	5,000
	Comprehensive Automobile Liability	1,000,000	5,000
	Comprehensive Crime Coverage	100,000	5,000
	Comprehensive Crime Coverage - excess indemnity	400,000	5,000
	Computers and schedule equipment -		
	Data Processing Equipment	2,500,000	5,000
	Musical instruments	250,000	250
	Other	5,000,000	5,000
	Boiler and machinery -		
	Umbrella policy	59,000,000	10,000
	School Board legal liability -		
	Directors and officers policy	1,000,000	10,000
	Public Employees' Faithful Performance Blanket	400,000	5,000
	Position Bond - Treasurer	360,000	1,000
	Position Bond - Board Secretary	100,000	1,000
	Pollution	300,000	15,000

Source: District Records

**SINGLE AUDIT SECTION**

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

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

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

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

K-1  
Page 1 of 2

## **REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

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

We have audited the financial statements of the governmental activities, the business-type activities and each major fund of the Board of Education of the City of Hackensack School District in the County of Bergen as of and for the fiscal year ended June 30, 2008 which collectively comprise the basic financial statements of the Board of Education of the City of Hackensack School District in the County of Bergen, and have issued our report thereon dated October 31, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### **Internal Control Over Financial Reporting**

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

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affect the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.



A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

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

#### Compliance and Other Matters

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

We noted certain matters that we reported to the Board of Education of the City of Hackensack School District in a separate report entitled, *Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance* dated October 31, 2008.

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



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



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

October 31, 2008

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

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

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

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

K-2  
Page 1 of 3

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

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

### Compliance

We have audited the compliance of the Board of Education of the City of Hackensack School District in the County of Bergen with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the *New Jersey State Office of Management and Budget's State Aid/Grant Compliance Supplement* that are applicable to each of its major federal and state programs for the fiscal year ended June 30, 2008. City of Hackensack School District Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the City of Hackensack School District Board of Education's management. Our responsibility is to express an opinion on the City of Hackensack School District Board of Education's compliance based on our audit.

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



In our opinion, the City of Hackensack School District Board of Education complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal and state programs for the fiscal year ended June 30, 2008.

#### Internal Control Over Compliance

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

A *control deficiency* is an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal or state program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented or detected by the entity's internal control.

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



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



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



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

October 31, 2008

K-3

**HACKENSACK  
BOARD OF EDUCATION**

**Schedule of Expenditures of Federal Awards**

Year ended June 30, 2008

Federal CFDA Number	Federal Grantor/Pass-through Grantor/ Program Title	Grant Period	Award Amount	Balance at June 30, 2007	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2008			Cumulative Total Expenditures
										(Accounts Receivable)	Deferred Revenue	Due to Grantor	
U.S. Department of Agriculture													
Passed-through State Department of Education:													
Enterprise Fund:													
10.565	USDA Commodities	7/1/07-6/30/08	\$ 84,912			84,912	84,912						84,912
10.555	National School Lunch Program	7/1/07-6/30/08	666,539			618,360	666,539			(48,179)			666,539
10.555	National School Lunch Program	7/1/06-6/30/07	634,631	(43,583)		43,583							634,631
10.553	National Breakfast Program	7/1/07-6/30/08	380,138			349,684	380,138			(30,454)			380,138
10.553	National Breakfast Program	7/1/06-6/30/07	380,932	(30,909)		30,909							380,932
				(74,492)		1,127,448	1,131,589			(78,633)			2,147,152
Total U.S. Department of Agriculture													
U.S. Department of Education													
Passed-through State Department of Education:													
Special Revenue Fund:													
84.010	Title I	9/1/07-8/31/08	718,038			693,349	533,012			(24,689)	185,026		533,012
84.010	Title I, Carryover	9/1/06-8/31/07	244,432		244,432		189,089				55,343		189,089
84.010	Title I	9/1/06-8/31/07	950,489	244,432	(244,432)								706,057
84.010	Title I, Carryover	9/1/05-8/31/06	325,724	41,092			3,779					37,313	288,411
84.010	Title I	9/1/04-8/31/05	128,296	1,229								1,229	127,067
84.010	Title I	9/1/03-8/31/04	1,107,275	403								403	1,106,872
84.010	Title I - SIA	9/1/07-8/31/08	68,673			68,673	2,334				66,339		2,334
84.010	Title I - SIA, Carryover	9/1/06-8/31/07	50,352		50,352		39,605				10,947		39,605
84.010	Title I - SIA	9/1/06-8/31/07	50,352	50,352	(50,352)								63,138
84.010	Title I - SIA, Carryover	9/1/05-8/31/06	65,529	35,452			33,061					2,391	26,266
84.010	Title I - SIA, Carryover	9/1/04-8/31/05	30,823	4,557								4,557	26,266
84.010	Title I - SIA, Carryover	9/1/03-8/31/04	3,923	2,823								2,823	900
84.027	ID.E.A. Part B	9/1/07-8/31/08	1,214,384			1,214,384	1,140,733				73,651		1,140,733
84.027	ID.E.A. Part B, Carryover	9/1/06-8/31/07	43,577		43,577		38,787				4,790		38,787
84.027	ID.E.A. Part B	9/1/06-8/31/07	1,178,662	43,577	(43,577)								1,135,085
84.027	ID.E.A. Part B, Carryover	9/1/04-8/31/05	37,219	2,513								2,513	34,706
84.027	ID.E.A. Part B, Carryover	9/1/03-8/31/04	34,951	263								263	34,688
84.173	ID.E.A. Part B Preschool	9/1/07-8/31/08	49,812			49,812	49,812						49,812
84.173	ID.E.A. Part B Preschool, Carryover	9/1/06-8/31/07	25,012		25,012		19,892				5,120		19,892
84.173	ID.E.A. Part B Preschool	9/1/06-8/31/07	49,676	25,012	(25,012)							6,106	13,874
84.173	ID.E.A. Part B Preschool, Carryover	9/1/04-8/31/05	19,980	6,106								243	9,436
84.151	Title V, Carryover	9/1/04-8/31/05	9,679	243								1,887	22,318
84.151	Title V, Carryover	9/1/03-8/31/04	24,205	1,887									4,409
84.298A	Title V, Innovative Education Programs	9/1/07-8/31/08	10,644			10,644	4,409				6,235		4,409
84.298A	Title V, Innovative Education Programs, Carryover	9/1/06-8/31/07	3,330		3,330		3,309				21		3,309
84.298A	Title V, Innovative Education Programs	9/1/06-8/31/07	12,623	3,330	(3,330)								9,293
84.168	Title V, Innovative Education Programs, Carryover	9/1/05-8/31/06	5,334	2,316			2,299					17	5,317
84.168	Title V, Innovative Education Programs	9/1/06-8/31/07	224,706	19,834		224,706	163,879				60,827		163,879
84.168	Title V, Innovative Education Programs	9/1/06-8/31/07	19,834		19,834		6,700				13,134		6,700
84.168	Title V, Innovative Education Programs	9/1/04-8/31/05	5,362	2,579									205,533
84.168	Title V, Innovative Education Programs	9/1/03-8/31/04	14,340	3,620								2,579	6,634
84.168	Title V, Innovative Education Programs	9/1/07-8/31/08	4,898			4,898	584				4,314		584
84.168	Title V, Innovative Education Programs	9/1/06-8/31/07	3,869		3,869		3,862				7		3,862
84.168	Title V, Innovative Education Programs	9/1/05-8/31/06	1,512	121								121	1,391
84.168	Title V, Innovative Education Programs	9/1/04-8/31/05	4,012	1,378								1,378	2,634
84.168	Title V, Innovative Education Programs	9/1/03-8/31/04	1,322	253								253	1,069
84.168	Title V, Innovative Education Programs	9/1/07-8/31/08	96,312			96,312	95,242				1,070		95,242
84.168	Title V, Innovative Education Programs	9/1/06-8/31/07	2,913		2,913		2,913						2,913
84.168	Title V, Innovative Education Programs	9/1/05-8/31/06	121,667	2,913	(2,913)								118,754
84.168	Title V, Innovative Education Programs	9/1/04-8/31/05	68,321	3,906			3,899					7	68,314
84.168	Title V, Innovative Education Programs	9/1/03-8/31/04	22,236	2,245								2,245	19,991
84.168	Title V, Innovative Education Programs	9/1/02-8/31/03	1,280	280								280	1,000

K-3

**HACKENSACK  
BOARD OF EDUCATION**

**Schedule of Expenditures of Federal Awards**

Year ended June 30, 2008

Federal CFDA Number	Federal Grantor/Pass-through Grantor/ Program Title	Grant Period	Award Amount	Balance at June 30, 2007	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2008			MEMO Cumulative Total Expenditures
										(Accounts Receivable)	Deferred Revenue	Due to Grantor	
	(continue from prior page)												
84.186	Title IV	9/1/07-8/31/08	24,221			24,221	18,518				5,703		18,518
84.186	Title IV, Carryover	9/1/06-8/31/07	2,155		2,155		1,931				224		1,931
84.186	Title IV	9/1/06-8/31/07	24,852	2,155	(2,155)								22,697
84.186	Title IV, Carryover	9/1/05-8/31/06	1,420	1,420			1,019					401	1,062
84.186	Title IV	9/1/04-8/31/05	4,906	1,688								1,688	3,218
84.186	Title IV, Carryover	9/1/03-8/31/04	7,055	1,936						(53,295)		1,036	546
84.186	Title IV	9/1/07-8/31/08	55,493				53,295						53,295
84.048	Vocational Education - Perkins	9/1/06-8/31/07	41,485	41,485								41,485	235
84.048	Vocational Education - Perkins	9/1/05-8/31/06	39,132	235								235	38,897
84.048	Vocational Education - Perkins	9/1/04-8/31/05	34,237	22								22	34,215
84.203	Sac-W	9/1/05-6/30/06	154,260	55								55	154,260
	Teacher Quality Mentoring	7/1/07-6/30/08	14,272			14,272	14,272						14,272
	Teacher Quality Mentoring	7/1/06-6/30/07	8,810	469			518,869			(66,636)		469	8,341
84.287	21st Century Grant	7/1/07-6/30/08	535,000			468,364				(17,325)		16,131	518,869
84.287	21st Century Grant	7/1/06-6/30/07	535,000	(50,239)		50,239						17,325	517,675
84.287	21st Century Grant	7/1/05-6/30/06	535,000	12,888								12,888	522,112
	The People of American: Our Nations Heritage -												
	Teaching American History	7/1/04-6/30/08	996,150	(6,631)		164,374	335,523	6,631		(172,989)		1,840	994,310
84.215L	Smaller Learning Communities - Carryover	10/1/04-4/30/08	135,000	17,313		130,899	130,549	(17,313)				350	134,650
84.357	Reading First	7/1/07-6/30/08	1,518,539			1,385,668	1,493,748			(132,671)		24,591	1,493,748
84.357	Reading First	7/1/06-6/30/07	1,522,141	(136,854)		118,961		(21,149)				3,256	1,518,885
84.357	Reading First	7/1/05-6/30/06	1,494,397	17,891								17,891	1,476,706
	Workforce Year Round Youth Program - Drop-in	7/1/07-6/30/08	18,081			8,274	17,220			(9,807)		861	17,843
	Workforce Year Round Youth Program - Drop-in	7/1/06-6/30/07	20,090	(20,060)		9,745		9,689		(656)		24	20,066
	Workforce Year Round Youth Program - Drop-in	7/1/05-6/30/06	24,205	90								90	24,114
	Workforce Year Round Youth Program - Drop-in	7/1/04-6/30/05	29,129	9						(1,686)		711	29,120
	Workforce Year Round Youth Program - Drop-in	9/1/06-8/31/07	182,000	55,866		38,458	95,259			(1,686)		306	181,288
	Comprehensive School Reform Carryover	7/1/07-6/30/08	16,725			8,657	16,419			(8,068)			16,419
	Project ACES	7/1/06-6/30/07	18,500	(8,821)		18,500		(9,679)				254	18,500
	Project ACES	7/1/05-6/30/06	23,010	254								388	22,756
	Project ACES	7/1/04-6/30/05	31,639	388						(1,423)		388	31,271
84.027A	Local Capacity Building & Improvement Project	10/1/04-9/30/06	230,000	(869)								554	249,446
84.027A	Local Capacity Building & Improvement Project, C/O	10/1/03-9/30/05	15,703	4,942								4,942	10,761
	Reaching Everyone By Exposing Lies	9/1/07-6/15/08	3,000			1,000	1,000			(2,000)			1,000
	Reaching Everyone By Exposing Lies	9/1/06-6/15/08	3,000	991							991		2,009
	Total U.S. Department of Education			442,502		4,804,410	5,034,862	(10,672)		(312,394)	495,742	218,030	14,483,352
	Total Federal Financial Assistance		\$	368,010		5,931,858	6,166,451	(10,672)		(591,027)	495,742	218,030	16,630,504

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

K-4

**HACKENSACK  
BOARD OF EDUCATION**

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

Year ended June 30, 2008

State Grant/Program Title	Grant or State Project Number	Grant Period	Balance at June 30, 2007					Balance at June 30, 2008					MEMO	
			Award Amount	Deferred Revenue (Accrued Receivable)	Due to Grantor	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	(Accounts Receivable)	Deferred Revenue/ Interfund Payable	Due to Grantor	Budgetary Reversible
State Department of Education:														
General Fund:														
Transportation aid	495-034-5120-014	7/1/07-6/30/08	580,033				565,509	580,033					(14,524)	580,033
Transportation aid	495-034-5120-014	7/1/06-6/30/07	580,033	(320)			320							580,033
Special Education aid	495-034-5120-011	7/1/07-6/30/08	4,004,188				3,903,934	4,004,188					(100,254)	4,004,188
Special Education aid	495-034-5120-011	7/1/06-6/30/07	4,004,188	(2,205)			2,205							4,004,188
Bilingual Education	495-034-5120-008	7/1/07-6/30/08	472,986				461,144	472,986					(11,842)	472,986
Bilingual Education	495-034-5120-008	7/1/06-6/30/07	472,986	(260)			260							472,986
Stabilization aid	495-034-5120-030	7/1/07-6/30/08	1,689				1,647	1,689					(42)	1,689
Stabilization aid	495-034-5120-030	7/1/06-6/30/07	1,689	(1)			1							1,689
Consolidated Aid	495-034-5120-057	7/1/07-6/30/08	514,697				501,810	514,697					(12,887)	514,697
Consolidated Aid	495-034-5120-057	7/1/06-6/30/07	514,697	(283)			283							514,697
Additional Formula Aid	495-034-5120-044	7/1/07-6/30/08	606,670				591,481	606,670					(15,189)	606,670
Additional Formula Aid	495-034-5120-044	7/1/06-6/30/07	298,852	(164)			164							298,852
High Expectations for Learning Proficiency	495-034-5120-059	7/1/07-6/30/08	367,812				367,812	367,812			(262,513)			367,812
High Expectations for Learning Proficiency	495-034-5120-059	7/1/06-6/30/07	367,812				367,812							367,812
Extraordinary Aid	495-034-5120-044	7/1/07-6/30/08	262,513				275,791	262,513						262,513
Extraordinary Aid	495-034-5120-044	7/1/06-6/30/07	275,791	(275,791)			275,791							275,791
TPAF Social Security	495-034-5095-051	7/1/07-6/30/08	2,825,066				2,679,099	2,825,066			(145,967)			2,679,098
TPAF Social Security	495-034-5095-051	7/1/06-6/30/07	5,598,714				5,598,714							5,598,714
TPAF Pension	495-034-5095-001	7/1/07-6/30/08												
Total General Fund				(279,024)			14,950,174	15,254,568			(408,480)		(154,758)	21,236,636
Special Revenue Fund:														
Demeritably Effective Program Aid	495-034-5064-002	7/1/07-6/30/08	1,880,343			30,030	1,786,326	1,898,844			(82,488) D		(94,017)	1,898,844
Demeritably Effective Program Aid	495-034-5064-002	7/1/06-6/30/07	1,880,343	(63,987)		(36,030)	94,017							1,918,708
Early Childhood Program Aid	495-034-5120-025	7/1/07-6/30/08	2,507,807				2,382,416	2,520,482			(15,698) D		(125,390)	2,520,482
Early Childhood Program Aid	495-034-5120-025	7/1/06-6/30/07	2,507,807	(3,022) D		(122,368)	125,390					45,888		2,538,762
Targeted At-Risk Aid	495-034-5064-005	7/1/07-6/30/08	921,090				874,950	829,062					(46,050)	829,062
Targeted At-Risk Aid	495-034-5064-005	7/1/06-6/30/07	921,090				34,261	28,846				5,415		28,846
Nonpublic Text Chapter 194	100-034-5210-064	7/1/07-6/30/08	34,261		3,354									24,383
Nonpublic Text Chapter 194	100-034-5210-064	7/1/06-6/30/07	27,737				166,320	138,152						138,152
Chapter 192 - Compensatory Education	100-034-5120-067	7/1/07-6/30/08	166,320		17,093		30,450	27,100						27,100
Chapter 192 - Compensatory Education	100-034-5120-067	7/1/06-6/30/07	132,861											132,861
Chapter 192 - EEL	100-034-5120-067	7/1/07-6/30/08	30,450											17,324
Chapter 192 - EEL	100-034-5120-067	7/1/06-6/30/07	18,067		743									743
Chapter 192 - Transportation	100-034-5120-067	7/1/07-6/30/08	4,000				4,000							4,000
Chapter 193 - Supplemental Instruction	100-034-5120-066	7/1/07-6/30/08	23,954		8,095		23,954	15,446						15,446
Chapter 193 - Supplemental Instruction	100-034-5120-066	7/1/06-6/30/07	25,606									8,095		17,511
Chapter 193 - Examination and Classification	100-034-5120-066	7/1/07-6/30/08	32,417				32,417	24,453						24,453
Chapter 193 - Examination and Classification	100-034-5120-066	7/1/06-6/30/07	37,845		4,350									36,433
Chapter 193 - Examination and Classification	100-034-5120-066	7/1/06-6/30/07	37,845											4,350
Chapter 193 - Corrective Speech	100-034-5120-066	7/1/07-6/30/08	40,827				40,827	24,087						24,087
Chapter 193 - Corrective Speech	100-034-5120-066	7/1/06-6/30/07	39,897											32,178
Nonpublic Nursing	100-034-5120-070	7/1/07-6/30/08	47,324		7,719									47,324
Nonpublic Nursing	100-034-5120-070	7/1/06-6/30/07	47,324				47,324	47,324						22,474
Technology Grant	100-034-5120-328	7/1/07-6/30/08	20,680				24,840	22,474						18,530
Technology Grant	100-034-5120-328	7/1/06-6/30/07	20,680											18,530
Early Launch to Learning Initiative	495-034-5120-062	7/1/07-6/30/08	171,600		2,150		138,270	169,016			(33,330)			169,016
Character Education	7/1/04-6/30/05			260										8,262
Friendly Family	7/1/07-6/30/08	44,139					18,289	39,612						39,612
Friendly Family	7/1/06-6/30/07	47,702	(25,850)		12,933		25,850							34,769
Friendly Family	7/1/06-6/30/06	45,702			6,437									37,263
Friendly Family	7/1/03-6/30/06	51,000			5,552									45,448
Friendly Family	7/1/02-6/30/03	50,800			1,797									49,003
Transition Program	7/1/06-6/30/07	15,000		2										49,003
Transition Program	7/1/04-6/30/05	30,000												14,598
Advanced Placement Incentive Program	7/1/06-6/30/06	6,950		205										29,782
School Based Youth Service Program	7/1/06-6/30/08	296,234					198,751	295,170			(97,456)			6,725
School Based Youth Service Program	7/1/06-6/30/07	187,482	(97,483)		1		97,483							295,170
Special Education Self-Assessment	7/1/07-6/30/08	14,000					14,000	14,000						187,481
NEA Foundation Grant	10/18/06-10/17/07	5,000		320										14,000
Total Special Revenue Fund			(189,555)		70,442		6,160,135	6,094,068		43,504	(254,872)	45,888	11,284	11,219,995
													(continue to next page)	

K-4

**HACKENSACK  
BOARD OF EDUCATION**

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

Year ended June 30, 2008

		Balance at June 30, 2007				Balance at June 30, 2008				MEMO					
State Grants/Program Title	Grant or State Project Number	Grant Period	Award Amount	Deferred Revenue (Accounts Receivable)	Due to Grantor	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	(Accounts Receivable)	Deferred Revenue/ Interfund Payable	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
(continue from prior page)															
Enterprise Fund:															
National School Lunch Program (State Share)	00-100-034-5120-122	7/1/07-6/30/08	32,868				30,554	32,868			(2,314)				32,868
National School Lunch Program (State Share)	00-100-034-5120-122	7/1/06-6/30/07	32,203	(2,161)			2,161								32,203
National School Snack Program (State Share)	00-100-034-5120-122	7/1/07-6/30/08	56,940				52,640	56,940			(4,291)				56,940
National School Snack Program (State Share)	00-100-034-5120-122	7/1/06-6/30/07	55,158	(3,789)			3,789								55,158
National Breakfast Program (State Share)	00-100-034-5120-122	7/1/07-6/30/08	41,213				37,922	41,213			(3,291)				41,213
National Breakfast Program (State Share)	00-100-034-5120-122	7/1/06-6/30/07	42,305	(3,402)			3,402								42,305
Total Enterprise Fund				(9,552)			130,477	131,021			(9,896)				260,687
Capital Projects Fund:															
Additional State School Aid-EDA Grant		6/29/08	370,527	(38,906)					(331,621)		(370,527)				370,527
High School Window Replacement				(38,906)					(331,621)		(370,527)				370,527
Total Capital Projects Fund				(516,837)	70,442		21,240,786	21,459,457	(331,621)	43,504	(1,043,725)	45,888	112,384	(420,195)	33,087,845
Total State Financial Assistance															
Local Sources:															
General Fund:															
Paul Baehler Foundation, Inc.		7/1/07-6/30/08	10,000				10,000	10,000							10,000
Total General Fund															
Special Revenue Fund:															
Reading is Fundamental		7/1/07-6/30/08	5,222				5,222	5,221							5,221
Reading is Fundamental		7/1/06-6/30/07	8,328												8,328
Jackson Soundproofing		7/1/02-6/30/06	6,929,350	(45,769)	5						(45,769)	141			6,929,380
Jackson Governor of Excellence		7/1/03-6/30/04	25,000												24,859
Freshman Transition Program		7/1/06-6/30/07	1,500	1								1			1,499
Mark Wahlberg Youth Foundation		7/1/07-6/30/08	5,000				5,000	307				4,693			307
Mark Wahlberg Youth Foundation		7/1/06-6/30/07	5,000	1,460				1,460							5,000
Team Micky Ward Charitable Foundation		7/1/07-6/30/08	5,000				5,000	4,444				556			4,444
Total Special Revenue Fund				(44,167)	5		15,222	11,432			(45,769)	5,391	6		6,979,238
Total Local Sources				(44,167)	5		25,222	21,432			(45,769)	5,391	6		6,989,238
Total State and Local Financial Assistance			\$	(561,004)	70,447		21,266,008	21,480,889	(331,621)	43,504	(1,089,494)	51,279	112,390	(420,195)	40,077,088

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

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

**NOTE 1. GENERAL**

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

**NOTE 2. BASIS OF ACCOUNTING**

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

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

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

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$51,071) for the general fund and (\$31,177) for the special revenue fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Local</u>	<u>Total</u>
General Fund		\$15,183,297		\$15,183,297
Special Revenue Fund	\$5,034,862	6,062,891	\$11,432	11,109,185
Food Service Fund	<u>1,131,589</u>	<u>131,021</u>	<u>          </u>	<u>1,262,610</u>
<u>Total Financial Awards</u>	<u>\$6,166,451</u>	<u>\$21,377,209</u>	<u>\$11,432</u>	<u>\$27,555,092</u>

**NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

**NOTE 5. OTHER**

Revenues and expenditures reported under the U.S.D.A. Food Distribution Program represent current year value received and current year distributions respectively. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2008. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2008.

**CITY OF HACKENSACK SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

*Section I - Summary of Auditor's Results*

**Financial Statements**

Type of auditor's report issued: unqualified

Internal control over financial reporting:

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

Noncompliance material to basic financial statements noted?            yes       X       no

**Federal Awards**

Internal Control over major programs:

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

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

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

Identification of major programs:

<b><u>CFDA Number(s)</u></b>	<b><u>Name of Federal Program or Cluster</u></b>
<u>10.553</u>	<u>National Breakfast Program</u>
<u>10.555</u>	<u>National School Lunch Program</u>
<u>84.010</u>	<u>Title I</u>
<u>84.027</u>	<u>I.D.E.A. Part B</u>
<u>84.357</u>	<u>Reading First</u>
<u>84.287</u>	<u>21<sup>st</sup> Century Grant</u>

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

Auditee qualified as low-risk auditee?                  X       yes            no



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

Dollar threshold used to distinguish between type A and type B programs: \$ 644,427

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

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

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

**GMIS Number(s)**

Name of State Program

## Section II - Financial Statement Findings

-130-

CITY OF HACKENSACK SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

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

**STATE AWARDS**

**Finding 08-1**

**Information on the state program:**

Special Education Act, NJCFS number 495-034-5120-011 Grant Period 7/1/07-6/30/08.  
Additional Formula Aid, NJCFS number 495-034-5120-058 Grant Period 7/1/07-6/30/08.  
Bilingual Education Aid, NJCFS number 495-034-5120-008 Grant Period 7/1/07-6/30/08.  
Consolidated Aid, NJCFS number 495-034-5120-057 Grant Period 7/1/07-6/30/08.

**Criteria or specific requirement:**

In accordance with N.J.S.A. 18A:11-12, each district board of education must adopt a formal policy and procedures pertaining to travel and expense reimbursement for its employees and board members.

**Condition:**

The board of education did not establish a travel and expense maximum for the year.

**Questioned Costs:**

None

**Context:**

A maximum travel and expense reimbursement amount was not established by the board.

**Effect:**

N.J.S.A. 18A:11-12 states that each district board of education must adopt a travel expense maximum for the year.

**Cause:**

The district board of education did not establish a travel and expense maximum for the year.

**Management's response:**

A maximum travel and expense reimbursement will be established by the board of education.

**CITY OF HACKENSACK SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

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

**STATE AWARDS**

**Finding 08-2**

**Information on the state program:**

Special Education Act, NJCFS number 495-034-5120-011 Grant Period 7/1/07-6/30/08.  
Additional Formula Aid, NJCFS number 495-034-5120-058 Grant Period 7/1/07-6/30/08.  
Bilingual Education Aid, NJCFS number 495-034-5120-008 Grant Period 7/1/07-6/30/08.  
Consolidated Aid, NJCFS number 495-034-5120-057 Grant Period 7/1/07-6/30/08.

**Criteria or specific requirement:**

In accordance with N.J.S.A. 18A:11-12, each district board of education must adopt a formal policy and procedures pertaining to travel and expense reimbursement for its employees and board members.

**Condition:**

Some travel expenditures were not approved prior to the actual travel dates.

**Questioned Costs:**

None

**Context:**

Travel expenditures must have prior approval by a majority of the full voting membership of the board.

**Effect:**

N.J.S.A. 18A:11-12 states that travel expenditures must be approved by a majority of the full voting membership of the board prior to the actual travel dates.

**Cause:**

Some travel expenditures were submitted and approved after the actual travel dates.

**Management's response:**

Reimbursements that were approved after the actual travel dates were approved to make the individual whole and the individual was reminded of the district's travel policy. All future travel expenditures will have prior approval by the board.

CITY OF HACKENSACK SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

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

**STATE AWARDS**

**Finding 08-3**

**Information on the state program:**

Special Education Act, NJCFS number 495-034-5120-011 Grant Period 7/1/07-6/30/08.  
Additional Formula Aid, NJCFS number 495-034-5120-058 Grant Period 7/1/07-6/30/08.  
Bilingual Education Aid, NJCFS number 495-034-5120-008 Grant Period 7/1/07-6/30/08.  
Consolidated Aid, NJCFS number 495-034-5120-057 Grant Period 7/1/07-6/30/08.

**Criteria or specific requirement:**

The Board Secretary and Treasurer of School Moneys must prepare and submit financial reports in accordance with N.J.S.A. 18A:17-9 and N.J.S.A. 18A:17-36, respectively. Pursuant to N.J.S.A. 18A:17-10, all districts must submit the Annual Report to the board and the county superintendent by August 1.

**Condition:**

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

**Questioned Costs:**

None

**Context:**

Per N.J.S.A. 18A:17-10, the Board Secretary and Treasurer of School Monies must prepare and submit the Annual Report to the board and the county superintendent by August 1.

**Effect:**

By not preparing and submitting the Annual Reports by August 1, the district is not in compliance with State Aid grant requirements.

**Cause:**

Compliance with the guidelines of the grant award requires the submission of the Annual Report by August 1.

**Management's response:**

Change in personnel throughout the course of the year delayed the year-end closing process, in the future more care will be taken to ensure the timely submission of the report.

**CITY OF HACKENSACK SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

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

**FEDERAL AWARDS**

**Finding 08-4**

**Information on the state program:**

Title I, CFDA number 84.010 Grant Period 9/1/05-8/31/06, 9/1/04-8/31/05 and 9/1/03-8/31/04.  
Title I SIA, CFDA number 84.010 Grant Period 9/1/05-8/31/06, 9/1/04-8/31/05 and 9/1/03-8/31/04.  
I.D.E.A. Part B, CFDA number 84.027 Grant Period 9/1/04-8/31/05 and 9/1/03-8/31/04.  
I.D.E.A. Part B Preschool, CFDA number 84.027 Grant Period 9/1/03-8/31/04.  
Title V, CFDA number 84.151 Grant Period 9/1/04-8/31/05 and 9/1/03-8/31/04.  
Title V, Innovative Education Programs, CFDA number 84.298A Grant Period 9/1/05-8/31/06.  
Title IIA, CFDA number 84.168 Grant Period 9/1/04-8/31/05 and 9/1/03-8/31/04.  
Title IID, CFDA number 84.168 Grant Period 9/1/05-8/31/06, 9/1/04-8/31/05 and 9/1/03-8/31/04.  
Title III, CFDA number 84.168 Grant Period 9/1/05-8/31/06, 9/1/04-8/31/05 and 9/1/03-8/31/04.  
Title IV, CFDA number 84.168 Grant Period 9/1/05-8/31/06, 9/1/04-8/31/05 and 9/1/03-8/31/04.  
Vocational Education - Perkins, CFDA number 84.048 Grant Period 9/1/06-8/31/07, 9/1/05-8/31/06 and 9/1/04-8/31/05.  
Star W, CFDA number 84.203 Grant Period 7/1/05-6/30/06.  
Teacher Quality Mentoring Grant Period 7/1/06-6/30/07.  
21<sup>st</sup> Century Grant CFDA number 84.287 Grant Period 7/1/06-6/30/07 and 7/1/05-6/30/06.  
Reading First CFDA number 84.357 Grant Period 7/1/06-6/30/07 and 7/1/05-6/30/06.  
Workforce Year Round Youth Program Grant Period 7/1/06-6/30/07, 7/1/05-6/30/06 and 7/1/04-6/30/05.  
Comprehensive School Reform Grant Period 9/1/06-8/31/07.  
Project ACES Grant Period 7/1/05-6/30/06 and 7/1/04-6/30/05.  
Local Capacity Building & Improvement Project CFDA number 84.027A Grant Period 10/1/04-9/30/06 and 10/1/03-9/30/05.

**Criteria or specific requirement:**

The Period of Availability of Funds compliance requirement states that non-federal entities subject the A-102 Common Rule shall liquidate all obligations incurred under the award not later than 90 days after the end of the funding period (or as specified in a program regulation) to coincide with the submission of the annual Financial Status report.

**Condition:**

Prior year unused grant awards were not returned to the grantor in accordance with the grant agreements.

**Questioned Costs:**

None.

**CITY OF HACKENSACK SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

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

**FEDERAL AWARDS**

**Finding 08-4 (continued)**

**Context:**

Per A-102 Common Rule, Entities shall liquidate all obligations incurred under the award not later than 90 days after the end of the funding period.

**Effect:**

The district has compiled a large amount of funds that are required to be returned to the grantor.

**Cause:**

Compliance with the guidelines of the grant award requires grants be returned when the funding period has concluded.

**Management's response:**

Changes in personnel throughout the year resulted in the oversight of the returning of unused grant awards to the grantor. These amounts will be investigated and liquidated at the district earliest convenience.

**CITY OF HACKENSACK SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

**Status of Prior Year Findings**

**Finding 07-1**

**Condition:**

A transfer in the amount of \$3,615 was made from the Fanny M. Hillers School to the Jackson Avenue School line item.

**Current Status:**

Corrective action has been taken.