

**SCHOOL DISTRICT OF THE
CITY OF HACKENSACK
COUNTY OF BERGEN, NEW JERSEY
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2015**

**School District
of
Hackensack**

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

**Comprehensive Annual Financial Report
Year Ended June 30, 2015**

Comprehensive Annual Financial Report

of the

HACKENSACK BOARD OF EDUCATION
Hackensack, New Jersey

Year Ended June 30, 2015

Prepared by

Louise B. Davis
Interim School Business Administrator/Board Secretary

OUTLINE OF CAFR

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INTRODUCTORY SECTION



HACKENSACK PUBLIC SCHOOLS

191 Second Street, Hackensack, NJ 07601

www.hackensackschools.org

November 3, 2015

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, 2015, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the Basic Financial Statements and results of Operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The Comprehensive Annual Financial Report is presented in four Sections as follows:

- The Introductory Section includes this transmittal letter, the District's Organizational Chart, list of professional advisors and a list of principal officials.
- The Financial Section includes the basic Financial Statements and Schedules, required supplementary information, Management's Discussion and Analysis as well as the auditor's report thereon.
- The Statistical Section includes selected financial and demographic information, generally presented on a multi-year basis.
- The Single Audit Section includes the Auditor's report on the internal control structure and compliance with applicable laws and regulations and finding and recommendations. The District is required to undergo an Annual Single Audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the United States Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations," and New Jersey States Office of Management and Budget Circular 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." Information related to this Single Audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations are included in the Single Audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES:

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

The District provides a full range of educational services appropriate to grade levels Pre-K through 12. These include regular academic, technological, vocational, as well as, special education for handicapped students. This District is also a receiving school District from Maywood, Rochelle Park and South Hackensack.

The District completed the 2014-2015 fiscal year with an Average Daily Enrollment of 5,612 students, which is 149 students above the previous year's enrollment. The following details the changes in the student enrollment of the District over the last nine years:

<u>Fiscal Year</u>	<u>Average Daily Student Enrollment</u>	<u>Number Change</u>	<u>Percent Change</u>
2014-15	5,612	149	2.73%
2013-14	5,463	57	1.05%
2012-13	5,406	182	3.48%
2011-12	5,224	92	1.79%
2010-11	5,132	99	1.97%
2009-10	5,033	131	2.67%
2008-09	4,902	(20)	-0.41%
2007-08	4,922	(27)	-0.55%
2006-07	4,949	97	1.99%

For the 2014-15 school year, the District was configured as follows:

•	Early Childhood Developmental Center	Grades Pre-K through K
•	Fairmount Elementary School	Grades K through 4
•	Fanny M. Hillers Elementary School	Grades K through 4
•	Jackson Avenue Elementary School	Grades K through 4
•	Nellie K. Parker Elementary School	Grades K through 4
•	Hackensack Middle School	Grades 5 through 8
•	Hackensack High School	Grades 9 through 12

Based on Demographic Projections prepared in February 2014 by Whitehall Associates, the Hackensack Board of Education determined that the District maybe facing the need to expand in order to meet the projected growth in enrollment. In 2013, the Hackensack Board of Education approved a five year lease for a school located in Hackensack from the Archdiocese of Newark to help alleviate the immediate need for space. This facility is referred to as the Hackensack Early Childhood Development Center and houses Pre-K through Kindergarten.

2. MAJOR INITIATIVES – 2014-2015:

Educational programs, Grades Pre-K-12

1. Our District includes a Pre-K Program, 4 elementary schools, a middle school and high school serving a diverse student population which exceeds 5400 students.

Our Program of instruction focuses on meeting students' needs while addressing and closing the achievement gap and the focus is on preparing students for more rigorous CCCS content and 21st Century skills.

- The Pre-K through 12 Program is designed to assist student in meeting 21st Century Skills through a rigorous academic Program following the Core Curriculum Content Standards; at the elementary level, this means designating time on all elementary school schedules for Science and Social Studies content (apart from the literacy block period).
- Our 1:1 technology initiative for high school students will continue with Chromebooks and will expand opportunities to use technology not only as an instructional tool, but also as resources for students to integrate and extend learning. The use of technology utilizing this model is also being integrated in the elementary and middle school as our school environments to provide students with increased access to technology for learning and to prepare for PARCC assessments.

Adoption of the Teachscape Model of teacher evaluation and the Professional Development Programs have allowed our administrative staff to better asses teacher effectiveness through classroom practice and adherence to the common core. The MPPR or Multi-Dimensional Principal Practice Rubric focuses administrators on specific areas related to educational practice, management and school climate.

Professional Development for SY 2014-2015

2. Administrative, professional and support staff in our District work together to support student learning while providing for individual differences and the focus is on:
 - The expansion of our Pre-K program
 - Use of Differentiated Instruction, including support programs such as Read 180, Bilingual Programs and after school tutorials, all work to assist our children make gains and meet academic improvement goals.
 - Providing students with increased individualized learning opportunities and extended learning via devices (Chromebooks) on programs like Voyager Learning, Raz-Kids and Learning A-Z.

In addition to our rigorous academic programs, we offer students many activities during and after school that support their growth. Our competitive and recreational sports programs, clubs and activities, such as Robotics, engage students in hands-on, inquiry-based learning and provide students with opportunities to learn life skills in various settings.

Other Initiatives

- High school upgrades including pool pump and pipe replacements, upper gym.
- Boiler repairs throughout the District.
- The District encourages the entire community to respect and celebrate the diverse strengths and experiences of each individual in the global community through civic service and an appreciation of various perspectives an emphasis on personal integrity, ethical responsibility, teambuilding, persistence, and accountability.
- District Public Relations Initiative – available on Channel 77.
- Hackensack Honor Roll in recognition of the great contributions made by the members of the community.
- Showcase each school at monthly Board of Education Meetings.

3. INTERNAL ACCOUNTING CONTROLS:

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

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

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

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

4. BUDGETARY CONTROLS:

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as Reservations of Fund Balance at June 30, 2015.

5. ACCOUNTING SYSTEM AND REPORTS:

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

6. DEBT ADMINISTRATION:

At June 30, 2015, the District had \$3,346,075.00 in outstanding bonds payable and zero in capital leases payable. Additional information regarding the District's debt is contained in the "Notes to the Financial Statements", Note 7.

7. FINANCIAL INFORMATION AT FISCAL YEAR-END:

The Board developed its 2014-15 Budget under the State's funding formula. An analysis of the expenditures in the financial section of this report will show that the Board was prudent in presenting the community with an accurate picture of educational needs.

8. CASH MANAGEMENT:

The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 2. The District has adopted a Cash Management Plan, which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

9. RISK MANAGEMENT:

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

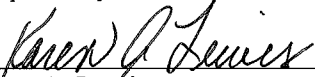
OTHER INFORMATION:

Independent Audit - State statutes require an annual audit by independent certified public accountants (CPA) or registered municipal accountants. The accounting firm of Ferraioli, 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 Single Audit Act Amendments of 1996 and the related Office of Management and Budget Circular A-133 and State Treasury Circular Letter 04-04 OMB. The auditor's report on the basic financial statements and specific required supplemental information is included in the financial section of this report. The auditor's reports related specifically to the Single Audit are included in the Single Audit section of this report.

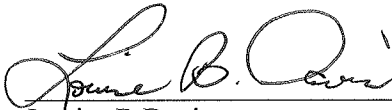
10. ACKNOWLEDGMENTS:

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

Respectfully submitted,



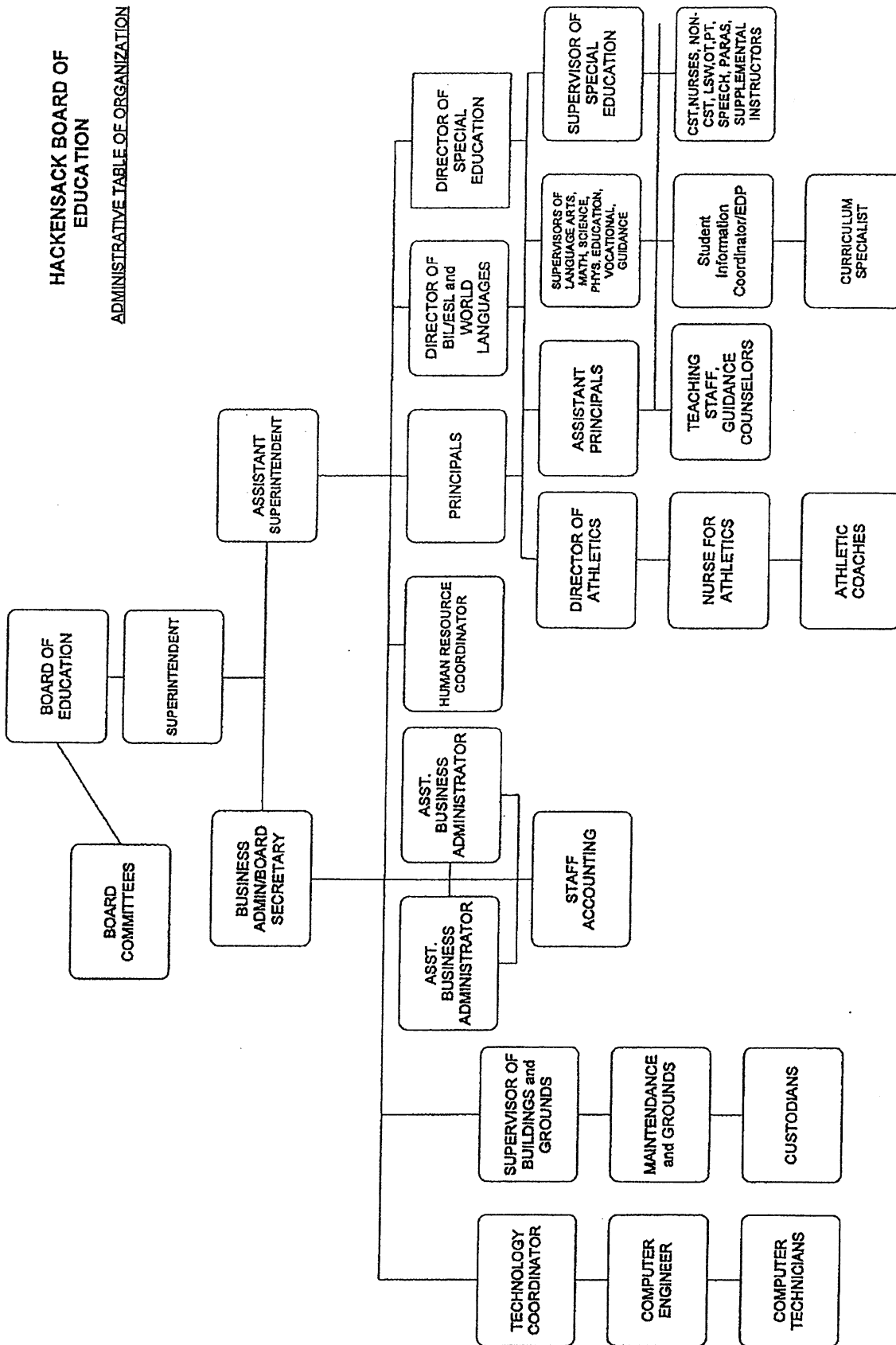
Karen A. Lewis
Superintendent of Schools



Louise B Davis
Interim School Business Administrator/
Board Secretary

HACKENSACK BOARD OF EDUCATION

ADMINISTRATIVE TABLE OF ORGANIZATION



HACKENSACK BOARD OF EDUCATION

ROSTER OF OFFICIALS

JUNE 30, 2015

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Jason Nunnermacker, President	2018
Lara Rodriguez, Vice President	2016
Francis W. Albolino	2016
Timothy Hoffman	2016
Veronica Bolcik McKenna	2017
Robin Coles	2017
Joseph A. Barreto	2017
Mark A. Stein	2018
Daniel F. Carola	2018
Danyel Cicarelli (Maywood Rep.)	2017

Other Officials

Karen A. Lewis, Superintendent

Rosemary Marks, Assistant Superintendent

Joseph Cicchelli, Assistant Superintendent

Louise B. Davis, Interim School Business Administrator/Board Secretary

HACKENSACK BOARD OF EDUCATION

CONSULTANTS & ADVISORS

JUNE 30, 2015

Attorney

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

Negotiation Counsel

MACHADO LAW GROUP
136 Central Avenue
Clark, New Jersey 07066

Special Education Counsel

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

Bond Counsel

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

Insurance Broker/Risk Manager

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

Insurance Brokerage Services-Health Benefits/Dental

BROWN & BROWN BENEFIT ADVISORS
24 Arnett Avenue, Suite 200
Lambertville, New Jersey 08530

Policy Service Providers

NEW JERSEY SCHOOL BOARDS ASSOCIATION
413 West State Street
Trenton, New Jersey 08618

STRAUSS ESMAY ASSOCIATES, LLP
1886 Hinds Road, Suite 1
Toms River, New Jersey 08753

District Auditor

FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
401 Wanaque Avenue
Pompton Lakes, New Jersey 07442

Official Depository

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

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, NJ 07860
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Fax 973-579-7128

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the City of Hackensack School District, in the County of Bergen, State of New Jersey, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Hackensack Board of Education, in the County of Bergen, State of New Jersey, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Information and schedules related to accounting and reporting for pensions (GASB 68) identified in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 3, 2015 on our consideration of the City of Hackensack Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations,

Honorable President and
Members of the Board of Education
Page 4.

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

Steven D. Wielkatz

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

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

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

November 3, 2015

**REQUIRED SUPPLEMENTARY
INFORMATION - PART I**

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

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
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, 2015.

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

FINANCIAL HIGHLIGHTS

- In total, net position increased \$1,292,397. Net position of governmental activities increased \$1,026,930 while net position of business-type activity increased by \$265,467.
- General revenues accounted for \$117,303,733 in revenue or 94 percent of all district revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$6,355,686 or 6 percent of total revenues of \$123,659,419.
- The School District had \$120,030,982 in expenses related to governmental activities; only \$3,778,555 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily grants, entitlements and property taxes) of \$117,279,379 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, 2015
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 position* presents information on all of the City of Hackensack School District's assets and liabilities using the accrual basis of accounting, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Hackensack School District is improving or deteriorating.

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

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

Fund Financial Statements

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

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

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
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, 2015
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 Position provides the perspective of the District as a whole. Net position may, over time, serve as a useful indicator of a government's financial position.

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

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

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED (continued)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

The School District's net position was \$236,305 at June 30, 2015 and \$25,565,828 at June 30, 2014. Restricted items of net position are reported separately to show legal constraints that limit the School District's ability to use these items of net position for day-to-day operations. Our analysis below focuses on the net position for 2015 compared to 2014 (Table 1) and change in net position (Table 2) of the School District.

Table 1

**Net Position
June 30,**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Assets						
Current and Other Assets	13,726,424	10,792,174	621,736	373,370	14,348,160	11,165,544
Capital Assets:						
Land and Construction in Progress	68,800	68,800			68,800	68,800
Depreciable Buildings, Improvements and Equipment (Net)	<u>20,989,601</u>	<u>21,895,441</u>	<u>318,696</u>	<u>346,164</u>	<u>21,308,297</u>	<u>22,241,605</u>
Total Assets	<u>34,784,825</u>	<u>32,756,415</u>	<u>940,432</u>	<u>719,534</u>	<u>35,725,257</u>	<u>33,475,949</u>
Deferred Outflows:						
Unamortized Bond Issuance Costs	41,000	49,201			41,000	49,201
Deferred Outflows of Resources						
Related to PERS	<u>4,265,975</u>	<u> </u>	<u> </u>	<u> </u>	<u>4,265,975</u>	<u> </u>
Total Deferred Outflows	<u>4,306,975</u>	<u>49,201</u>	<u> </u>	<u> </u>	<u>4,306,975</u>	<u>49,201</u>
Liabilities						
Current Liabilities	3,507,033	794,671	179,097	223,666	3,686,130	1,018,337
Noncurrent Liabilities	<u>34,204,632</u>	<u>6,677,942</u>	<u> </u>	<u> </u>	<u>34,204,632</u>	<u>6,677,942</u>
Total Liabilities	<u>37,711,665</u>	<u>7,472,613</u>	<u>179,097</u>	<u>223,666</u>	<u>37,890,762</u>	<u>7,696,279</u>
Deferred Inflows:						
Unamortized Bond Issuance Premiums	210,780	252,937			210,780	252,937
Deferred Inflows of Resources						
Related to PERS	<u>1,694,385</u>	<u> </u>	<u> </u>	<u> </u>	<u>1,694,385</u>	<u> </u>
Total Deferred Inflows	<u>1,905,165</u>	<u>252,937</u>	<u> </u>	<u> </u>	<u>1,905,165</u>	<u>252,937</u>
Net Position						
Invested in Capital Assets-						
Net of Related Debt	17,953,621	17,935,592	318,696	346,164	18,272,317	18,281,756
Restricted	8,136,312	8,721,596			8,136,312	8,721,596
Unrestricted	<u>(26,614,963)</u>	<u>(1,587,228)</u>	<u>442,639</u>	<u>149,704</u>	<u>(26,172,324)</u>	<u>(1,437,524)</u>
Total Net Position	<u>(525,030)</u>	<u>25,069,960</u>	<u>761,335</u>	<u>495,868</u>	<u>236,305</u>	<u>25,565,828</u>

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

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED (continued)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

Table 2 below shows the changes in net position for fiscal year 2015 compared to 2014.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Revenues						
Program Revenues:						
Charges for Services and						
Sales			438,598	478,178	438,598	478,178
Operating Grants and						
Contributions	3,778,533	4,007,107	2,138,555	1,977,656	5,917,088	5,984,763
Capital Grants and						
Contributions	9,112	7,390			9,112	7,390
General Revenues:						
Taxes:						
Property taxes	74,147,498	71,871,379			74,147,498	71,871,379
Federal and State Aid not						
Restricted	33,950,195	21,970,153			33,950,195	21,970,153
Tuition Received	8,492,535	8,543,020			8,492,535	8,543,020
Miscellaneous Income	697,352	669,736	2,648	1,671	700,000	671,407
Investment Income	4,241	320	152	199	4,393	519
Transfers	<u>(21,554)</u>	<u> </u>	<u>21,554</u>	<u> </u>	<u> </u>	<u> </u>
Total Revenues and Transfers	<u>121,057,912</u>	<u>107,069,105</u>	<u>2,601,507</u>	<u>2,457,704</u>	<u>123,659,419</u>	<u>109,526,809</u>

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

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED (continued)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Functions/Program Expenses						
Instruction:						
Regular	39,560,046	33,354,824			39,560,046	33,354,824
Special Education	12,925,784	11,333,736			12,925,784	11,333,736
Other Special Instruction	2,753,555	2,328,603			2,753,555	2,328,603
Other Instruction	1,744,437	1,881,660			1,744,437	1,881,660
Support Services:						
Tuition	5,300,618	5,850,284			5,300,618	5,850,284
Student & Instruction						
Related Services	15,296,922	13,795,797			15,296,922	13,795,797
School Administrative						
Services	4,824,863	3,738,373			4,824,863	3,738,373
General Administrative						
Services	1,231,913	962,018			1,231,913	962,018
Central Services and						
Info. Tech.	2,229,429	1,995,738			2,229,429	1,995,738
Plant Operations and						
Maintenance	9,401,587	7,620,236			9,401,587	7,620,236
Pupil Transportation	2,407,699	1,978,391			2,407,699	1,978,391
Unallocated Benefits	9,993,897	8,331,799			9,993,897	8,331,799
Allocated Benefits	8,032,117	8,397,609			8,032,117	8,397,609
Charter Schools	2,990,864	2,478,864			2,990,864	2,478,864
Capital Outlay-						
Non-depreciable	64,638	243,549			64,638	243,549
Interest on Long-Term Debt	145,108	165,390			145,108	165,390
Unallocated depreciation	1,161,461	1,104,117			1,161,461	1,104,117
Capital Lease Obligations						
and Amortization	(33,956)	(33,956)			(33,956)	(33,956)
Food Service			<u>2,336,040</u>	<u>2,699,334</u>	<u>2,336,040</u>	<u>2,699,334</u>
Total Expenses and Transfers	<u>120,030,982</u>	<u>105,527,032</u>	<u>2,336,040</u>	<u>2,699,334</u>	<u>122,367,022</u>	<u>108,226,366</u>
Increase or (Decrease) in						
Net Position	<u>1,026,930</u>	<u>1,542,073</u>	<u>265,467</u>	<u>(241,630)</u>	<u>1,292,397</u>	<u>1,300,443</u>

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

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
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 \$122,367,022. However, the amount that our taxpayers ultimately financed for these activities through School District taxes was only \$74,147,498 because some of the cost was paid by those who benefitted from the programs \$438,598, by other governments and organizations who subsidized certain programs with grants and contributions \$5,917,088, unrestricted federal and state aid \$33,959,307 federal and state aid capital outlay \$9,112, tuition received \$8,492,535, investment income \$4,393, and by miscellaneous sources \$700,000.

The following schedules present a summary of governmental fund revenues and expenditures for the fiscal year ended June 30, 2015, 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 2014</u>	<u>Percent of Increase/ (Decrease)</u>	<u>Prior Year</u>
Local Source	\$83,341,626	75.3%	\$2,256,287	2.78%	\$81,085,339
State Source	23,976,186	21.7	1,245,109	5.48	22,731,077
Federal Source	<u>3,316,277</u>	<u>3.0</u>	<u>63,588</u>	1.95	<u>3,252,689</u>
Total	<u>\$110,634,089</u>	<u>100.0%</u>	<u>\$3,564,984</u>	3.33%	<u>\$107,069,105</u>

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2014</u>	<u>Percent of Increase/ (Decrease)</u>	<u>Prior Year</u>
Current Expenditures:					
Instruction	\$46,426,608	42.5%	\$884,324	1.94%	\$45,542,284
Undistributed	61,256,521	56.2	2,879,213	4.93	58,377,308
Debt Service	758,025	0.7	(25,838)	(3.30)	783,863
Capital Outlay	<u>600,172</u>	<u>0.6</u>	<u>(2,586,975)</u>	(81.17)	<u>3,187,147</u>
Total	<u>\$109,041,326</u>	<u>100.0%</u>	<u>\$1,150,724</u>	1.07%	<u>\$107,890,602</u>

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, 2015
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, 2015, the School District amended the special revenue fund by \$1,289,446 for increases in federal and state grants.

General Fund

The general fund actual revenue was \$106,130,129. That amount is \$9,462,613 above the final amended budget of \$96,667,516. The variance between the actual revenues and final budget was the result of non-budgeted on-behalf payments of \$9,428,672 for TPAF pension and social security reimbursements, \$(99,492) deficit in miscellaneous anticipated revenues, \$(146,563) deficit in extraordinary aid and \$279,996 increase in federal aid.

The actual expenditures of the general fund were \$104,517,210 including transfers which is \$2,808,054 above the final amended budget of \$101,709,157. The variance between the actual expenditures and final budget was due to non-budget on-behalf payments of \$9,428,672 for TPAF pension and social security reimbursements, and \$6,620,618 of unexpended budgeted funds.

General fund had total revenues and other financing sources of \$106,130,129 and total expenditures including transfers of \$104,517,210 with an ending fund balance of \$12,651,441 on the budgetary basis of accounting.

Special Revenue Fund

The special revenue fund actual revenue was \$4,217,005 including transfers. That amount is \$630,339 below the final amended budget of \$4,847,344. The variance between the actual revenues and the final budget was state and federal grant revenue that was anticipated to be spent by fiscal year end. The state and federal grant revenue will be received/realized in the next fiscal year.

The actual expenditures of the special revenue fund were \$4,217,005, which is \$630,339 below the final amended budget of \$4,847,344. 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, 2015
UNAUDITED (continued)**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2015 the School District had \$49,719,043 invested in sites, buildings, equipment and construction in progress. Of this amount \$28,341,946 in depreciation has been taken over the years. We currently have a net book value of \$21,377,097. Total additions for the year were \$255,621, 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 2015 balances compared to 2014.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Land	68,800	68,800			68,800	68,800
Buildings and Improvements	19,577,882	20,466,936	165,380	174,786	19,743,262	20,641,722
Furniture, Equipment and Vehicles	<u>1,411,719</u>	<u>1,428,505</u>	<u>153,316</u>	<u>171,378</u>	<u>1,565,035</u>	<u>1,599,883</u>
	<u>21,058,401</u>	<u>21,964,241</u>	<u>318,696</u>	<u>346,164</u>	<u>21,377,097</u>	<u>22,310,405</u>

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

Debt Administration

At June 30, 2015, the District had \$34,204,632 of long-term debt. Of this amount, \$2,837,762 is for compensated absences, \$2,935,000 of serial bonds for school construction, and \$28,431,870 is for net pension liability.

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

	<u>2015</u>	<u>2014</u>
2009 Refunding School Improvement Bonds	<u>2,935,000</u>	<u>3,545,000</u>

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

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
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 2015-2016 school year that is equal to the level of the 2014-2015 school year.

These factors were considered in preparing the City of Hackensack School District's budgets for the 2015-2016 fiscal year.

REQUESTS FOR INFORMATION

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

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

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

HACKENSACK BOARD OF EDUCATION
Statement of Net Position
June 30, 2015

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	8,043,323	284,843	8,328,166
Receivables, net	3,170,464	332,002	3,502,466
Inventory		8,337	8,337
Internal Balances	3,446	(3,446)	
Restricted assets:			
Capital reserve account - cash	1,357,248		1,357,248
Emergency reserve account - cash	500,845		500,845
Maintenance reserve account - cash	651,098		
Capital assets:			
Land and Construction in Progress	68,800		68,800
Depreciable Buildings, Improvements and Equipment (net)	20,989,601	318,696	21,308,297
Total Assets	<u>34,784,825</u>	<u>940,432</u>	<u>35,074,159</u>
Deffered Outflows:			
Unamortized bond issuance costs	41,000		41,000
Deferred outflows of resources related to PERS	4,265,975		4,265,975
Total Deffered Outflows	<u>4,306,975</u>	<u>-</u>	<u>4,306,975</u>
LIABILITIES			
Accounts payable and accrued liabilities	3,345,639	179,097	3,524,736
Payable to state government	158,870		158,870
Unearned revenue	2,524		2,524
Noncurrent liabilities:			
Due within one year	595,000		595,000
Due beyond one year	33,609,632		33,609,632
Total liabilities	<u>37,711,665</u>	<u>179,097</u>	<u>37,890,762</u>
Deferred Inflows:			
Unamortized bond issuance premiums	210,780		210,780
Deferred inflows of resources related to PERS	1,694,385		1,694,385
Total Deffered Inflows	<u>1,905,165</u>		<u>1,905,165</u>
NET POSITION			
Invested in capital assets, net of related debt	17,953,621	318,696	18,272,317
Restricted for:			
Debt service	18		18
Capital projects	3,857,248		3,857,248
Other purposes	4,279,046		4,279,046
Unrestricted (Deficit)	<u>(26,614,963)</u>	<u>442,639</u>	<u>(26,172,324)</u>
Total net position	<u>(525,030)</u>	<u>761,335</u>	<u>236,305</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, 2015

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues		Net (Expense) Revenue and Changes in Net Assets		
			Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
Instruction:							
Regular	32,526,740	7,033,306		2,574,736	(36,985,310)		(36,985,310)
Special education	10,245,356	2,680,428			(12,925,784)		(12,925,784)
Other special instruction	2,178,302	575,253			(2,753,555)		(2,753,555)
Other instruction	1,476,210	268,227			(1,744,437)		(1,744,437)
Support services:							
Tuition	5,300,618				(5,300,618)		(5,300,618)
Student & instruction related services	12,604,597	2,692,325		1,203,797	(14,093,125)		(14,093,125)
School administrative services	3,822,606	1,002,257			(4,824,863)		(4,824,863)
General administrative services	1,120,063	111,850			(1,231,913)		(1,231,913)
Central services and administrative information technology	1,844,386	385,043			(2,229,429)		(2,229,429)
Plant operations and maintenance	8,396,580	1,005,007			(9,401,587)		(9,401,587)
Pupil transportation	2,394,399	13,300			(2,407,699)		(2,407,699)
Allocated benefits	8,032,117				(8,032,117)		(8,032,117)
Unallocated benefits	9,993,897				(9,993,897)		(9,993,897)
Charter schools	2,990,864				(2,990,864)		(2,990,864)
Capital outlay - non-depreciable	64,638				(64,638)		(64,638)
Interest on long-term debt	145,108				(145,108)		(145,108)
Unallocated depreciation	1,161,461				(1,161,461)		(1,161,461)
Amortization	(33,956)				33,956		33,956
Total governmental activities	104,263,986	15,766,996	-	3,778,533	(116,252,449)	-	(116,252,449)
Business-type activities:							
Food Service	2,336,040		438,598	2,138,555		241,113	241,113
Total business-type activities	2,336,040		438,598	2,138,555		241,113	241,113
Total primary government	106,600,026		438,598	5,917,088	(116,252,449)	241,113	(116,011,336)
General revenues:							
Taxes:							
Levied for general purposes					73,389,592		73,389,592
Taxes levied for debt service					757,906		757,906
Federal and State aid not restricted					33,950,195		33,950,195
Federal and State aid - Capital Outlay					9,112		9,112
Tuition received					8,492,535		8,492,535
Investment Earnings					4,241	152	4,393
Miscellaneous Income					697,352	2,648	700,000
Transfers					(21,554)	21,554	-
Total general revenues, special items, extraordinary items and transfers					117,279,379	24,354	117,303,733
Change in Net Position					1,026,930	265,467	1,292,397
Net Position—beginning (restated)					(1,551,960)	495,868	(1,056,092)
Net Position—ending					(525,030)	761,335	236,305

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, 2015

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents					
Checking	8,043,305		10	8	8,043,323
Accounts Receivable -					
Interfunds	203,993			10	204,003
Intergovernmental - Federal	78,669	481,652			560,321
Intergovernmental - State	1,067,535	36,459			1,103,994
Other receivables	1,499,149	7,000			1,506,149
Restricted cash and cash equivalents					
Capital reserve	1,357,248				1,357,248
Maintenance reserve	500,845				500,845
Emergency reserve	651,098				651,098
Total assets	<u>13,401,842</u>	<u>525,111</u>	<u>10</u>	<u>18</u>	<u>13,926,981</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	1,808,477	163,170			1,971,647
Contracts Payable					-
Intergovernmental accounts payable - State		158,870			158,870
Interfund payables		200,547	10		200,557
Unearned revenue		2,524			2,524
Total liabilities	<u>1,808,477</u>	<u>525,111</u>	<u>10</u>	<u>-</u>	<u>2,333,598</u>
Fund Balances:					
Restricted for:					
Excess Surplus - current year	1,452,235				1,452,235
Excess Surplus - prior year - designated for subsequent year's expenditures	1,174,868				1,174,868
Capital reserve account	3,857,248				3,857,248
Maintenance reserve account	651,098				651,098
Emergency reserve account	1,000,845				1,000,845
Assigned to:					
Year-end Encumbrances	296,744				296,744
Designated by the BOE for subsequent year's expenditures	2,317,063				2,317,063
Debt service fund				18	18
Unassigned:					
General fund	<u>843,264</u>				<u>843,264</u>
Total Fund balances	<u>11,593,365</u>	<u>-</u>	<u>-</u>	<u>18</u>	<u>11,593,383</u>
Total liabilities and fund balances	<u>13,401,842</u>	<u>525,111</u>	<u>10</u>	<u>18</u>	

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 \$49,132,669 and the accumulated depreciation is \$28,074,268.	21,058,401
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	(21,754)
Accounts payable for subsequent Pension payment is not a payable in the funds	(1,352,238)
Bond issuance premium is recorded as revenue in the Governmental Funds in the year of receipt. The original premium is \$421,570 and accumulated amortization is \$210,790	(210,780)
Bond issuance costs are reported as expenditures in the Governmental Funds in the year of the expenditure. The costs are \$82,010 and accumulated amortization is \$41,010	41,000
Deferred outflows and inflows of resources are applicable to future periods and therefore are not reported in the funds.	
Deferred outflows of resources related to PERS Pension Liability	4,265,975
Deferred inflows of resources related to PERS Pension Liability	(1,694,385)
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)	(34,204,632)
Net position of governmental activities	<u>(525,030)</u>

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 Balance:
Governmental Funds
Fiscal Year Ended June 30, 2015

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
REVENUES				
Local sources:				
Municipal tax levy	73,389,592		757,906	74,147,498
Tuition charges	8,492,535			8,492,535
Interest Earned on Capital Reserve Funds	2,298			2,298
Interest Earned on Maintenance Reserve Funds	845			845
Interest Earned on Emergency Reserve Funds	1,098			1,098
Miscellaneous	697,352			697,352
Total - Local Sources	82,583,720	-	757,906	83,341,626
State sources	23,106,678	869,508		23,976,186
Federal sources	398,140	2,918,137		3,316,277
Total revenues	106,088,538	3,787,645	757,906	110,634,089
EXPENDITURES				
Current:				
Regular instruction	29,490,660	3,036,080		32,526,740
Special education instruction	10,245,356			10,245,356
Other special instruction	2,178,302			2,178,302
School sponsored/other instructional	1,476,210			1,476,210
Support services and undistributed costs:				
Tuition	5,300,618			5,300,618
Attendance and social work services	10,000			10,000
Health services	941,811			941,811
Student & instruction related services	10,448,989	1,203,797		11,652,786
School administrative services	3,822,606			3,822,606
General administrative services	1,120,063			1,120,063
Central services & administrative information technology	1,844,386			1,844,386
Plant operations and maintenance	8,396,580			8,396,580
Pupil transportation	2,394,399			2,394,399
Allocated benefits	8,032,117			8,032,117
Unallocated benefits	5,321,619			5,321,619
On-behalf contributions	9,428,672			9,428,672
Transfer to charter school	2,990,864			2,990,864
Debt service:				
Principal			610,000	610,000
Interest and other charges			148,025	148,025
Capital outlay	591,060	9,112		600,172
Total expenditures	104,034,312	4,248,989	758,025	109,041,326
Excess (Deficiency) of revenues	2,054,226	(461,344)	(119)	1,592,763
OTHER FINANCING SOURCES (USES)				
Transfers in		461,344		461,344
Transfers out	(482,898)			(482,898)
Total other financing sources and uses	(482,898)	461,344	-	(21,554)
Net change in fund balances	1,571,328	-	(119)	1,571,209
Fund balance—July 1	10,022,037	-	137	10,022,174
Fund balance—June 30	11,593,365	-	18	11,593,383

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, 2015

Total net change in fund balances - governmental funds (from B-2) 1,571,209

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

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

This is the amount by which capital outlays exceeded depreciation in the period.

Depreciation expense	(1,161,461)	
Depreciable Capital outlays	<u>255,621</u>	
		(905,840)

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

In the current year, these amounts consist of:

General Bond Obligations - Principal	610,000	
Capital Lease Obligations - Principal	<u>279,913</u>	
		889,913

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	24,671	
General Bond Obligations	<u>(21,754)</u>	
		2,917

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	15,267
--	--------

District pension contributions are reported as expenditures in the governmental funds when made.

However, per GASB No. 68 they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changed in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.

District Pension Contributions	1,251,891	
Less: Pension Expense	<u>(1,832,383)</u>	
Increase in Pension Expense		(580,492)

Per GASB No. 68, Non-employer contributing entities are required to record any increases in revenue and expense for On-behalf TPAF pension payments paid by the State of New Jersey on the Statement of Activities that are in excess of those amounts reported in the fund financial statements.

Increase in On-behalf State Aid TPAF Pension	10,445,377
Increase in On-behalf TPAF Pension Expense	(10,445,377)

The governmental funds report the effect of bond premiums when debt is first issued. Whereas these amounts are deferred and amortized in the Statement of Activities (+)

42,157

The governmental funds report the effect of issuance costs when debt is first issued. Whereas these amounts are deferred and amortized in the Statement of Activities (-)

(8,201)

Change in net assets of governmental activities

1,026,930

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

HACKENSACK BOARD OF EDUCATION
Statement of Net Position
Proprietary Funds
June 30, 2015

	<u>Business-type Activities - Enterprise Fund</u>	<u>Food Service Program</u>
ASSETS		
Current assets:		
Cash and cash equivalents	284,843	
Accounts receivable:		
State	11,822	
Federal	181,618	
Other	138,562	
Inventories	8,337	
Total current assets	<u>625,182</u>	
Noncurrent assets:		
Capital assets:		
Building and building improvements	188,123	
Equipment	398,251	
Less accumulated depreciation	<u>(267,678)</u>	
Total capital assets (net of accumulated depreciation)	<u>318,696</u>	
Total assets	<u>943,878</u>	
Current Liabilities:		
Accounts Payable	179,097	
Interfund Payable	<u>3,446</u>	
Total Liabilities	<u>182,543</u>	
NET POSITION		
Invested in capital assets net of related debt	318,696	
Unrestricted	<u>442,639</u>	
Total net position	<u><u>761,335</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, 2015

	<u>Business-type Activities - Enterprise Fund</u>
	<u>Food Service Program</u>
Operating revenues:	
Charges for services:	
Daily sales - reimbursable programs	276,652
Daily sales - non-reimbursable programs	161,946
Total operating revenues	<u>438,598</u>
Operating expenses:	
Cost of sales	1,107,022
Salaries	618,538
Supplies and materials	85,439
Employee benefits	194,069
Depreciation expense	27,468
Repairs and other expenses	126,499
Purchased services	172,463
Miscellaneous	950
CCD Fees	3,592
Total Operating Expenses	<u>2,336,040</u>
Operating income (loss)	<u>(1,897,442)</u>
Nonoperating revenues (expenses):	
State sources:	
School lunch program	28,553
Snack program	82,080
Federal sources:	
National school lunch program	1,324,877
Breakfast program	588,433
U.S.D.A. Commodities	114,612
Miscellaneous Income	2,648
Interest Income	152
Total nonoperating revenues (expenses)	<u>2,141,355</u>
Income (loss) before contributions & transfers	243,913
Other financing sources/(uses)	
Transfer In	21,554
Change in net assets	<u>265,467</u>
Total net position—beginning	<u>495,868</u>
Total net position—ending	<u><u>761,335</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, 2015

	<u>Business-type Activities - Enterprise Fund</u>
	<u>Food Service Program</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	425,139
Payments to suppliers	<u>(2,259,418)</u>
Net cash provided by (used for) operating activities	<u>(1,834,279)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State Sources	103,534
Federal Sources	1,868,708
Miscellaneous Income	2,648
Interest Income	152
Transfer In	<u>21,554</u>
Net cash provided by (used for) non-capital financing activities	<u>1,996,596</u>
 Net increase (decrease) in cash and cash equivalents	 <u>162,317</u>
Balances—beginning of year	<u>122,526</u>
Balances—end of year	<u><u>284,843</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	(1,897,442)
Adjustments to reconcile operating income (loss) to net cash provided by	
Depreciation and net amortization	27,468
Food Distribution Program	114,612
(Increase) decrease in accounts receivable, net	(44,394)
(Increase) decrease in inventories	6,600
Increase (decrease) in accounts payable	<u>(41,123)</u>
Total adjustments	<u>63,163</u>
Net cash provided by (used for) operating activities	<u><u>(1,834,279)</u></u>

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

HACKENSACK BOARD OF EDUCATION
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2015

	<u>Unemployment Compensation Trust Fund</u>	<u>Scholarship and Memorial Funds</u>	<u>Agency Fund</u>
ASSETS			
Cash and cash equivalents	359,648	118,299	791,016
Total assets	<u>359,648</u>	<u>118,299</u>	<u>791,016</u>
LIABILITIES			
Payable to student groups	-	-	258,746
Due to State of NJ - Unemployment	16,327	-	-
Payroll deductions and withholdings	-	-	531,270
Total liabilities	<u>16,327</u>	<u>-</u>	<u>790,016</u>
NET POSITION			
Held in trust for unemployment claims and other purposes	<u>343,320</u>		
Reserved for scholarships		<u>118,299</u>	
	<u>359,647</u>	<u>118,299</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 Position
Fiduciary Funds
Fiscal Year Ended June 30, 2015

	Unemployment Compensation Trust Fund	Scholarship and Memorial Funds
ADDITIONS		
Contributions:		
Donations		3,400
Payroll withholdings	79,085	
Budget contributions	85,000	
Total Contributions	<u>164,085</u>	<u>3,400</u>
Investment earnings:		
Interest	968	341
Net investment earnings	<u>968</u>	<u>341</u>
Total additions	<u>165,053</u>	<u>3,741</u>
DEDUCTIONS		
Unemployment claims	100,812	
Scholarships awarded		23,120
Total deductions	<u>100,812</u>	<u>23,120</u>
Change in net assets	64,241	(19,379)
Net position—beginning of the year	<u>279,079</u>	<u>137,678</u>
Net position—end of the year	<u><u>343,320</u></u>	<u><u>118,299</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS

City of Hackensack School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015

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

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

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

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

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

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

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The financial statements of the Board of Education of the City of Hackensack School District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more 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, 2015**

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

A. Basis of Presentation:

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

District-wide Financial Statements:

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

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

Fund Financial Statements:

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

City of Hackensack School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015

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

GOVERNMENTAL FUNDS

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

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

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

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

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

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

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

**City of Hackensack School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

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

PROPRIETARY FUNDS

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

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

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

FIDUCIARY FUNDS

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

B. Measurement Focus:

District-wide Financial Statements

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

Fund Financial Statements

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

City of Hackensack School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015

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

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

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

C. Basis of Accounting:

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

Revenues - Exchange and Non-exchange Transactions

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

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

City of Hackensack School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015

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

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

Expenses/Expenditures

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

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

D. Budgets/Budgetary Control:

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

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

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

**City of Hackensack School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

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

E. Encumbrances:

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

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

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

F. Cash, Cash Equivalents and Investments:

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

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

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

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

**City of Hackensack School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

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

G. Tuition Revenues/Receivable:

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

H. Inventories:

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

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

I. Prepaid Items:

Payments made to vendors for services that will benefit periods beyond June 30, 2015, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year in which services are consumed.

J. Short-Term Interfund Receivables/Payables:

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

K. Capital Assets:

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

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

City of Hackensack School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015

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

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

<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

L. Compensated Absences:

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

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

M. Unearned Revenue:

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

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

N. Accrued Liabilities and Long-term Obligations:

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

City of Hackensack School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015

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

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

O. Accounting and Financial Reporting for Pensions:

In fiscal year 2015, the District implemented GASB 68. This Statement amends GASB Statement No. 27. It improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local government employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces the requirement of Statement No. 27, *Accounting for Pension by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement. This statement is effective for periods beginning after June 15, 2014.

The District has also implemented GASB Statement 71, Pension Transition for Contributions made Subsequent to the Measurement Date-an amendment to GASB No. 68. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, Accounting and Financial Reporting for Pensions. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

Statement 68 requires a state or local government employer (or nonemployer contributing entity in a special funding situation) to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. If a state or local government employer or nonemployer contributing entity makes a contribution to a defined benefit pension plan between the measurement date of the reported net pension liability and the end of the government's reporting period, Statement 68 requires that the government recognize its contribution as a deferred outflow of resources.

**City of Hackensack School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

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

O. Accounting and Financial Reporting for Pensions: (continued)

In addition, Statement 68 requires recognition of deferred outflows of resources and deferred inflows of resources for changes in the net pension liability of a state or local government employer or nonemployer contributing entity that arise from other types of events. At transition to Statement 68, if it is not practical for an employer or nonemployer contributing entity to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, paragraph 137 of Statement 68 required that beginning balances for deferred outflows of resources and deferred inflows of resources not be reported. Consequently, if it is not practical to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, contributions made after the measurement date of the beginning net pension liability could not have been reported as deferred outflows of resources at transition. This could have resulted in a significant understatement of an employer or nonemployer contributing entity's beginning net position and expense in the initial period of implementation.

This Statement amends paragraph 137 of Statement 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Statement 68, as amended, continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts.

P. Fund Balances:

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

- **Nonspendable** fund balance includes amounts that are not in a spendable form (inventory, for example) or are required to be maintained intact (the principal of an endowment fund, for example).
- **Restricted** fund balance includes amounts that can be spent only for the specific purposes stipulated by external resource providers (for example, grant providers), constitutionally, or through enabling legislation (that is, legislation that creates a new revenue source and restricts its use). Effectively, restrictions may be changed or lifted only with the consent of resource providers.
- **Committed** fund balance includes amounts that can be used only for the specific purposes determined by a formal action of the Board's highest level of decision-making authority. Commitments may be changed or lifted only by the government taking the same formal action that imposed the constraint originally.

**City of Hackensack School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

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

P. Fund Balances: (continued)

- **Assigned** fund balance comprises amounts *intended* to be used by the Board for specific purposes. Intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.
- **Unassigned** fund balance is the residual classification for the general fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose. If another governmental fund has a fund balance deficit, then it will be reported as a negative amount in the unassigned classification in that fund. Positive unassigned amounts will be reported only in the general fund.

Q. Net Position:

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

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

R. 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.

S. 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.

City of Hackensack School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015

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

T. 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.

U. 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.

V. Recent Accounting Pronouncements:

The Governmental Accounting Standards Board (GASB) issued Statement No. 68, "Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27". This statement, which is effective for fiscal periods beginning after June 15, 2014 and was implemented by the District for the year ended June 30, 2015.

The Governmental Accounting Standards Board (GASB) issued Statement No. 71 "Pension Transition for Contributions Made Subsequent to the Measurement Date-an-amendment of GASB Statement No. 68". The provisions of this statement are required to be applied simultaneously with the provisions of Statement 68 which is effective for periods beginning after June 15, 2014 and was implemented by the District for the year ended June 30, 2015.

The Government Accounting Standards Board issued GASB Statement No. 72, *Fair Value Measurement and Application*. This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of *fair value* is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement also provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The District is currently reviewing what effect, if any, this Statement might have on future financial statements.

City of Hackensack School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015

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

V. Recent Accounting Pronouncements: (continued)

The Government Accounting Standards Board issued GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68 and Amendments to Certain Provisions of GASB Statements 67 and 68*. This Statement is effective for fiscal years beginning after June 15, 2015 – except those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement 68, which are effective for financial statements for fiscal years beginning after June 15, 2016. The District is currently reviewing what effect, if any, this Statement might have on future financial statements.

The Government Accounting Standards Board issued GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. This Statement applies to OPEB plans and basically parallels GASB Statement 67 and replaces GASB Statement 43 and is effective for fiscal years beginning after June 15, 2016. The District is currently reviewing what effect, if any, this Statement might have on future financial statements.

The Government Accounting Standards Board issued GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This Statement applies to government employers who provided OPEB plans to their employees and basically parallels GASB Statement 68 and replaces GASB Statement 45. The Statement is effective for fiscal years beginning after June 15, 2017. The District is currently reviewing what effect, if any, this Statement might have on future financial statements.

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, 2015, \$0- of the District's bank balance of \$13,396,976 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.

City of Hackensack School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS: (continued)

Credit Risk

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

Concentration of Credit Risk

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

NOTE 4. RECEIVABLES:

Receivables at June 30, 2015, 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	\$204,003	\$	\$
State Aid	1,103,994	11,822	1,115,816
Federal Aid	560,321	181,618	741,939
Other	<u>1,506,149</u>	<u>138,562</u>	<u>1,644,711</u>
Gross Receivables	3,374,467	332,002	3,502,466
Less: Allowance for Uncollectibles			
Total Receivables, Net	<u>\$3,374,467</u>	<u>\$332,002</u>	<u>\$3,502,466</u>

NOTE 5. INTERFUND BALANCE AND ACTIVITY:

Balances due to/from other funds at June 30, 2015 consist of the following:

\$10	Due to the Debt Service Fund from the Capital Projects Fund for interest earnings.
200,557	Due to the General Fund from the Special Revenue Fund for short term loans.
<u>3,446</u>	Due to the General Fund from the Food Service Fund for funds transferred in error.
<u>\$204,013</u>	

City of Hackensack School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015

NOTE 6. CAPITAL ASSETS:

Capital asset activity for the fiscal year ended June 30, 2015 was as follows:

	<u>Balance</u> <u>6/30/2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/2015</u>
Governmental Activities				
Capital assets that are not being depreciated:				
Land	<u>\$68,800</u>	<u>\$</u>	<u>\$</u>	<u>\$ 68,800</u>
Total capital assets not being depreciated	<u>68,800</u>	<u> </u>	<u> </u>	<u>68,800</u>
Building and building improvements	44,269,292	12,408		44,281,700
Machinery and equipment	<u>4,538,956</u>	<u>243,213</u>	<u> </u>	<u>4,782,169</u>
Totals at historical cost	<u>48,808,248</u>	<u>255,621</u>	<u> </u>	<u>49,063,869</u>
Less accumulated depreciation for:				
Buildings and improvements	(23,802,356)	(901,462)		(24,703,818)
Equipment	<u>(3,110,451)</u>	<u>(259,999)</u>	<u> </u>	<u>(3,370,450)</u>
Total accumulated depreciation	<u>(26,912,807)</u>	<u>(1,161,461)</u>	<u> </u>	<u>(28,074,268)</u>
Total capital assets being depreciated, net of accumulated depreciation	<u>21,895,441</u>	<u>(905,840)</u>	<u> </u>	<u>20,989,601</u>
Governmental activities capital assets, net	<u><u>\$21,964,241</u></u>	<u><u>(\$905,840)</u></u>	<u><u>\$</u></u>	<u><u>\$21,058,401</u></u>
Business-type activities:				
Building and Building improvements	188,123			188,123
Equipment	<u>398,251</u>	<u> </u>	<u> </u>	<u>398,251</u>
Totals at historical cost	<u>586,374</u>	<u> </u>	<u> </u>	<u>586,374</u>
Less accumulated depreciation for:				
Building and building improvements	(13,337)	(9,406)		(22,743)
Equipment	<u>(226,873)</u>	<u>(18,062)</u>	<u> </u>	<u>(244,935)</u>
	<u>(240,210)</u>	<u>(27,468)</u>	<u> </u>	<u>(267,678)</u>
Business-type activities capital assets, net	<u><u>\$346,164</u></u>	<u><u>(\$27,468)</u></u>	<u><u>\$</u></u>	<u><u>\$318,696</u></u>

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

City of Hackensack School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015

NOTE 7. LONG-TERM OBLIGATION ACTIVITY:

Advance and Current Refundings of Debt

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

Changes in long-term obligations for the fiscal year ended June 30, 2015 were as follows:

	Balance <u>June 30, 2014</u>	<u>Issued</u>	<u>Retired</u>	Balance <u>June 30, 2015</u>	Amount Due Within <u>One Year</u>
Governmental Activities:					
Bonds Payable:					
General Obligation Debt	<u>\$3,545,000</u>	<u>\$</u>	<u>(\$610,000)</u>	<u>\$2,935,000</u>	<u>\$595,000</u>
Total Bonds Payable	<u>\$3,545,000</u>	<u></u>	<u>(610,000)</u>	<u>2,935,000</u>	<u>595,000</u>
Other Liabilities:					
Obligations Under Capital					
Lease	279,913		(279,913)		
Compensated Absences					
Payable	2,853,029	206,119	(221,386)	2,837,762	
Net Pension Liability	<u>26,632,026</u>	<u>1,799,844</u>	<u></u>	<u>28,431,870</u>	
Total	<u>29,764,968</u>	<u>2,005,963</u>	<u>(501,299)</u>	<u>31,269,632</u>	<u></u>
	<u>\$33,309,968</u>	<u>\$2,005,963</u>	<u>(\$1,111,299)</u>	<u>\$34,204,632</u>	<u>\$595,000</u>

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.

City of Hackensack School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015

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

Outstanding bonds payable at June 30, 2015, consisted of the following:

<u>Issue</u>	<u>Amount Issued</u>	<u>Issue Date</u>	<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Principal Balance June 30, 2015</u>
School Improvement Bonds 2009	\$5,550,000	09/09/2009	2.00%-5.00%	05/01/2020	<u>\$2,935,000</u>

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

<u>Year</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2016	\$725,525	\$595,000	\$130,525
2017	696,663	585,000	111,663
2018	664,813	580,000	84,813
2019	635,812	580,000	55,812
2020	<u>623,263</u>	<u>595,000</u>	<u>28,263</u>
	<u>\$3,346,076</u>	<u>\$2,935,000</u>	<u>\$411,076</u>

NOTE 8. OPERATING LEASES:

The District has commitments to lease certain office equipment and a building for classroom use under operating leases that expire in 2019. Total operating lease payments made during the year ended June 30, 2015 were \$955,061. Future minimum lease payments are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2016	\$850,394
2017	671,163
2018	683,049
2019	<u>670,235</u>
	<u>\$2,874,841</u>

City of Hackensack School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015

NOTE 9. PENSION PLANS:

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

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

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

Defined Contribution Retirement Program (DCRP) - The Defined Contribution Retirement Program (DCRP) was established as of July 1, 2008 under the provisions of Chapter 92, P.L. 2008 and Chapter 103, P.L. 2008 (NJSA 43:15C-1 et seq). The DCRP is a cost-sharing multiple-employer defined contribution pension fund. The DCRP provides eligible members, and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by NJSA 43:15C-1 et seq.

Contribution Requirements Fund Based Statements - The contribution policy is set by laws of the State of New Jersey and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The pension funds provide for employee contributions based on 5.5% for PERS and 5.5% for TPAF of the employee's annual compensation. Pursuant to the provisions of Chapter 78, P.L. 2011, this amount will increase to 6.5% plus an additional 1% phased in over 7 years beginning in the first year. For

City of Hackensack School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015

NOTE 9. PENSION PLANS: (continued)

fiscal year 2012, the member rate will increase in October 2011. The phase in will take place on July 1 of each subsequent fiscal year. Employers are required to contribute at an actuarially determined rate in all Funds except the SACT. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PERS and TPAF. In the PERS and TPAF, the employer contribution includes funding for post-retirement medical premiums.

During the year ended June 30, 2015 for TPAF, which is a cost sharing plan with special funding situations, annual pension cost equals annual required contribution. For PERS, which is a cost sharing multi-employer defined benefit pension plan, the annual pension cost differs from the annual required contribution due to the enactment of Chapter 114, P.L. 1997. TPAF employer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997.

The Board's contribution to PERS AND DCRP, equal to the required contributions for each year as reported in the fund based statements, were as follows:

<u>Year</u> <u>Ending</u>	<u>PERS</u>	<u>DCRP</u>
6/30/15	\$1,251,891	\$66,449
6/30/14	1,046,953	26,201
6/30/13	1,147,232	25,133

The State of New Jersey contribution to TPAF (paid on-behalf of the District) for normal and post retirement benefits have been included in the fund-based statements as revenues and expenditures in accordance with GASB 24, paragraphs 7 through 13, as follows:

<u>Year</u> <u>Ending</u>	<u>Pension</u> <u>Contributions</u>	<u>Post-Retirement</u> <u>Medical</u> <u>Contributions</u>	<u>NCGI</u> <u>Premium</u>
6/30/15	\$2,165,710	\$3,685,419	\$155,813
6/30/14	1,725,654	3,079,166	152,318
6/30/13	2,691,050	3,202,996	141,586

In addition, the post-retirement medical benefits are included in the district-wide financial statements.

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$3,421,730 during the year ended June 30, 2015 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been included in the fund-based statements as revenues and expenditures in accordance with GASB 24, paragraphs 7 through 13.

City of Hackensack School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015

NOTE 9. PENSION PLANS: (continued)

ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE DISTRICT-WIDE STATEMENTS PER - GASB NO. 68

Public Employees Retirement System (PERS)

At June 30, 2015, the District reported a liability of \$28,431,870 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2014, the District's proportion was .1518574603 percent, which was an increase of .0001251022 percent from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the District recognized pension expense of \$1,832,383. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of assumptions	\$894,051	\$
Net difference between projected and actual earnings on pension plan investments		1,694,385
Changes in proportion and differences between District contributions and proportionate share of contributions	2,019,686	
District contributions subsequent to the measurement date	<u>1,352,238</u>	<u> </u>
Total	<u>\$4,265,975</u>	<u>\$1,694,385</u>

The \$1,352,238 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2015, the plan measurement date is June 30, 2014) will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2016	\$(259,249)
2017	(259,249)
2018	(259,249)
2019	164,348
Thereafter	72,313

City of Hackensack School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015

NOTE 9. PENSION PLANS: (continued)

Additional Information

Local Group Collective balances at December 31, 2014 and 2013 are as follows:

	<u>Dec. 31, 2014</u>	<u>Dec. 31, 2013</u>
Collective deferred outflows of resources	\$952,194,675	Not Available
Collective deferred inflows of resources	1,479,224,662	Not Available
Collective net pension liability	18,722,735,003	19,111,986,911
District's Proportion	.1518574603%	.1393472411%

Actuarial Assumptions

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

Inflation	3.01 Percent
Salary Increases:	
2012-2021	2.15-4.40 Percent (based on age)
Thereafter	3.15-5.40 Percent (based on age)
Investment Rate of Return	7.90 Percent

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

Mortality Rates

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

City of Hackensack School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015

NOTE 9. PENSION PLANS: (continued)

Long-Term Rate of Return

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

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

Discount Rate

The discount rate used to measure the total pension liability was 5.39% and 5.55% as of June 30, 2014 and 2013, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 4.29% and 4.63% as of June 30, 2014 and 2013, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

City of Hackensack School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015

NOTE 9. PENSION PLANS: (continued)

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate

The following presents the collective net pension liability of the participating employers as of June 30, 2014 respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 -percentage point lower or 1 -percentage-point higher than the current rate:

	June 30, 2014		
	1%	At Current	1%
	Decrease	Discount Rate	Increase
	<u>4.39%</u>	<u>5.39%</u>	<u>6.39%</u>
District's proportionate share of the pension liability	\$35,768,260	\$28,431,870	\$22,271,169

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS).

Teachers Pensions and Annuity Fund (TPAF)

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

The portion of the TPAF Net Pension Liability that was associated with the District recognized at June 30, 2015 was as follows:

Net Pension Liability:	
District's proportionate share	\$ -0-
State's proportionate share	
associated with the District	<u>237,261,570</u>
	<u>\$237,261,570</u>

City of Hackensack School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015

NOTE 9. PENSION PLANS: (continued)

The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013. The net pension liability associated with the District was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2014, the proportion of the TPAF net pension liability associated with the District was .4439214560%.

For the year ended June 30, 2015, the District recognized on-behalf pension expense and revenue of \$12,766,900 for contributions provided by the State in the District-Wide Financial Statements.

Actuarial Assumptions

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

Inflation rate	2.50%
Salary Increases:	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment Rate of Return	7.90%

Mortality Rates

Mortality rates were based on the RP-2000 Health Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement. The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2012.

City of Hackensack School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015

NOTE 9. PENSION PLANS: (continued)

Long-Term Expected Rate of Return

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

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

Discount Rate

The discount rate used to measure the total pension liability was 4.68% and 4.95% as of June 30, 2014 and 2013, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 4.29% and 4.63% as of June 30, 2014 and 2013, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made

City of Hackensack School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015

NOTE 9. PENSION PLANS: (continued)

at the current member contribution rates and that contributions from employers will be made based on the average of the last five years. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2027. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2027, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability,

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

Because the District's proportionate share of the net pension liability is zero, consideration of potential changes in the discount rate is not applicable to the District.

NOTE 10. POST-RETIREMENT BENEFITS:

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required Teachers' Pension and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2014, there were 103,432 retirees receiving post-retirement medical benefits, and the State contributed \$1.04 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994 Chapter 62. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to P.L. 1992 Chapter 126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$165.8 million toward Chapter 126 benefits for 18,122 eligible retired members in Fiscal Year 2014.

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:

AXA Equitable
MASS Mutual/Duncan Financial Lincoln Investments
AIG Valic
MetLife

City of Hackensack School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015

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>
2014-2015	\$85,968	\$79,085	\$100,812	\$343,320
2013-2014	34,523	80,642	77,426	279,079
2012-2013	227,300	78,640	122,336	241,340

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 \$3,857,248 in the capital reserve account at June 30, 2015.

City of Hackensack School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015

NOTE 13. CAPITAL RESERVE ACCOUNT: (continued)

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amount when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2014 to June 30, 2015 fiscal year is as follows:

Beginning balance, July 1, 2014	\$1,354,950
Deposits:	
Interest Earnings	2,298
Board Resolution - June 16, 2015	<u>2,500,000</u>
Ending balance, June 30, 2015	<u>\$3,857,248</u>

The balance in the capital reserve amount at June 30, 2015 does not exceed the balance of local support costs of uncompleted capital projects in its LRFP.

NOTE 14. EMERGENCY RESERVE:

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

The activity of the emergency reserve for the July 1, 2014 to June 30, 2015 fiscal year is as follows:

Beginning balance, July 1, 2014	\$500,000
Deposits:	
Interest Earnings	845
Board Resolution - June 16, 2015	<u>500,000</u>
Ending balance, June 30, 2015	<u>\$1,000,845</u>

City of Hackensack School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015

NOTE 15. MAINTENANCE RESERVE:

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

The activity of the maintenance reserve for the July 1, 2014 to June 30, 2015 fiscal year is as follows:

Beginning balance, July 1, 2014	\$650,000
Deposits:	
Interest Earnings	<u>1,098</u>
Ending balance, June 30, 2015	<u><u>\$651,098</u></u>

NOTE 16. FUND BALANCE APPROPRIATED:

General Fund [Exhibit B-1] - Of the \$11,593,365 General Fund fund balance at June 30, 2015, \$296,744 is reserved for encumbrances; \$2,627,103 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7; (\$1,174,868 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2016); \$3,857,248 has been reserved in the Capital Reserve Account; \$651,098 has been reserved in the Maintenance Reserve; \$1,000,845 has been reserved in the Emergency Reserve; \$2,317,063 of unreserved and undesignated has been appropriated and included as anticipated revenue for the year ending June 30, 2016; and \$843,264 is unreserved and undesignated.

Debt Service Fund - The Debt Service Fund balance at June 30, 2015 of \$18 is unreserved and undesignated.

NOTE 17. CALCULATION OF EXCESS SURPLUS:

In accordance with N.J.S.A. 18A:7F-7, the designation for Reserved Fund Balance — Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2015 is \$2,627,103 of which \$1,452,235 is the result of current year operations.

City of Hackensack School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015

NOTE 18. INVENTORY:

Inventory in the Food Service Fund at June 30, 2015 consisted of the following:

Food	\$2,008
Supplies	<u>6,329</u>
	<u><u>\$8,337</u></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 19. RESTATEMENT:

Net position for June 30, 2014 was restated in the amount of \$26,632,026 to reflect the net pension liability at June 30, 2013 for the Public Employee Retirement System (PERS) as per Governmental Accounting Standards Board ("GASB") number 68. This resulted in restatement of net position as of June 30, 2014 as follows:

	<u>Governmental Activities</u>
Net Position at June 30, 2014	\$25,080,066
Prior Period Adjustment for Net Pension Liability	<u>(26,632,026)</u>
Net Position at June 30, 2014 - Restated	<u><u>(\$1,551,960)</u></u>

NOTE 20. CONTINGENT LIABILITIES:

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

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

NOTE 21. SUBSEQUENT EVENTS:

The District has evaluated subsequent events through November 3, 2015, the date which the financial statements were available to be issued and no other items were noted for disclosure.

**REQUIRED SUPPLEMENTARY
INFORMATION - PART II**

BUDGETARY COMPARISON SCHEDULES

Exhibit C-1

HACKENSACK BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
REVENUES:					
General Fund:					
Revenues from Local Sources:					
Local Tax Levy	73,389,592		73,389,592	73,389,592	
Tuition	8,882,260		8,882,260	8,492,535	(389,725)
Interest Earned on Capital Reserve Funds				2,298	2,298
Interest Earned on Maintenance Reserve				845	845
Interest Earned on Emergency Reserve				1,098	1,098
Unrestricted Miscellaneous Revenues	411,360		411,360	697,352	285,992
Total - Local Sources	82,683,212		82,683,212	82,583,720	(99,492)
Revenues from State Sources:					
Categorical Special Education Aid	2,812,756		2,812,756	2,812,756	
Equalization Aid	9,445,263		9,445,263	9,445,263	
Categorical Security Aid	363,386		363,386	363,386	
Categorical Transportation Aid	92,175		92,175	92,175	
Other State Aid	102,580		102,580	102,580	
Extraordinary Aid	1,050,000		1,050,000	903,437	(146,563)
On-behalf TPAF Pension and Post Retirement					
Medical Contributions (non-budgeted)				3,685,419	3,685,419
On-behalf TPAF Pension (non-budgeted)				2,165,710	2,165,710
On-behalf TPAF NCGI Premium (non-budgeted)				155,813	155,813
Reimbursed TPAF Social Security Contributions (non-budgeted)				3,421,730	3,421,730
Total - State Sources	13,866,160		13,866,160	23,148,269	9,282,109
Revenues from Federal Sources:					
Special Education Medicaid Initiative	118,144		118,144	372,365	254,221
Medicaid Administrative Claiming (MAC)				25,775	25,775
Total - Federal Sources	118,144		118,144	398,140	279,996
TOTAL REVENUES	96,667,516		96,667,516	106,130,129	9,462,613
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
Preschool - Salaries of Teachers	117,110	(4,010)	113,100		113,100
Kindergarten - Salaries of Teachers	1,248,035	(52,000)	1,196,035	1,096,250	99,785
Grades 1-5 - Salaries of Teachers	9,569,775	(130,000)	9,439,775	9,389,316	50,459
Grades 6-8 - Salaries of Teachers	6,240,341	(47,000)	6,193,341	6,148,015	45,326
Grades 9-12 - Salaries of Teachers	9,728,885	(273,780)	9,455,105	9,153,433	301,672
Regular Programs - Home Instruction:					
Salaries of Teachers	40,457	(3,000)	37,457	19,322	18,135
Purchased Professional-Educational Services	32,986		32,986	12,562	20,424
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	279,889	(5,000)	274,889	273,918	971
Purchased Professional - Educational Services	1,967	863,190	865,157	864,040	1,117
Purchased Technical Services	91,833	(333)	91,500	75,074	16,426
Other Purchased Services (400-500 series)	923,594	(144,241)	779,353	721,994	57,359
General Supplies	1,836,019	(123,442)	1,712,577	1,602,260	110,317
Textbooks	101,710	39,352	141,062	133,805	7,257
Other Objects	4,980	(204)	4,776	671	4,105
TOTAL REGULAR PROGRAMS - INSTRUCTION	30,217,581	119,532	30,337,113	29,490,660	846,453
SPECIAL EDUCATION - INSTRUCTION					
Cognitive - Mild					
Purchased Professional - Educational Services	100,000	(100,000)			
Purchased Technical Services	15,000		15,000		15,000
Total Cognitive - Mild	115,000	(100,000)	15,000		15,000
Learning and/or Language Disabilities					
Salaries of Teachers	757,235	71,000	828,235	809,481	18,754
Other Salaries for Instruction	859,638	(90,000)	769,638	730,751	38,887
Purchased Professional - Educational Services		37,038	37,038	37,038	
General Supplies	14,741	300	15,041	9,618	5,423
Textbooks	2,000		2,000		2,000
Other Objects	280		280	150	130
Total Learning and/or Language Disabilities	1,633,894	18,338	1,652,232	1,587,038	65,194

Exhibit C-1

HACKENSACK BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
Behavioral Disabilities					
Salaries of Teachers	296,862	(3,000)	293,862	227,871	65,991
Other Salaries for Instruction	205,460	(2,000)	203,460	176,491	26,969
Purchased Professional - Educational Services		10,283	10,283	10,283	
General Supplies	12,256	272	12,528	6,282	6,246
Textbooks	2,000		2,000		2,000
Total Behavioral Disabilities	516,578	5,555	522,133	420,927	101,206
Multiple Disabilities					
Salaries of Teachers	671,839	(6,000)	665,839	635,732	30,107
Other Salaries for Instruction	404,922	(6,000)	398,922	390,905	8,017
Purchased Professional - Educational Services		24,528	24,528	24,528	
General Supplies	4,405	5,450	9,855	8,820	1,035
Textbooks	2,500	(100)	2,400		2,400
Other Objects	300		300	221	79
Total Multiple Disabilities	1,083,666	17,878	1,101,844	1,060,206	41,638
Resource Room/Resource Center:					
Salaries of Teachers	4,508,342	(53,000)	4,455,342	4,148,694	306,648
Other Salaries for Instruction	1,964,799	(45,000)	1,919,799	1,742,218	177,581
Purchased Professional - Educational Services		134,088	134,088	134,088	
General Supplies	67,180	2,038	69,218	18,752	50,466
Textbooks	2,000	3,828	5,828	1,770	4,058
Total Resource Room/Resource Center	6,542,321	41,954	6,584,275	6,045,522	538,753
Preschool Disabilities - Part-Time:					
Salaries of Teachers	275,018	(3,000)	272,018	208,157	63,861
Other Salaries for Instruction	225,292	(9,490)	215,802	168,089	47,713
Purchased Professional - Educational Services		22,074	22,074	22,074	
General Supplies	5,050		5,050	3,708	1,342
Other Objects	1,120		1,120		1,120
Total Preschool Disabilities - Part Time	506,480	9,584	516,064	402,028	114,036
Preschool Disabilities- Full-Time:					
Salaries of Teachers	265,562	(3,414)	262,148	255,110	7,038
Other Salaries for Instruction	329,745	47,018	376,763	375,417	1,346
Purchased Professional - Educational Services		16,366	16,366	16,366	
Other Purchased Services (400-500 Series)	1,548		1,548	400	1,148
General Supplies	5,119		5,119	3,361	1,758
Other Objects	1,120		1,120		1,120
Total Preschool Disabilities - Full-Time	603,094	59,970	663,064	650,654	12,410
Home Instruction					
Salaries of Teachers	80,914	(10,510)	70,404	70,403	1
Purchased Professional - Educational Services	34,520		34,520	8,578	25,942
Total Home Instruction	115,434	(10,510)	104,924	78,981	25,943
TOTAL SPECIAL EDUCATION - INSTRUCTION	11,116,467	42,769	11,159,536	10,245,556	914,180
Bilingual Education - Instruction					
Salaries of Teachers	2,010,807	(16,872)	1,993,935	1,992,685	1,250
Other Salaries for Instruction	184,715	(33,128)	151,587	140,417	11,170
Purchased Professional - Educational Services		34,993	34,993	34,993	
Other Purchased Services (400-500 series)	4,500		4,500		4,500
General Supplies	21,201	(3,203)	17,998	8,586	9,412
Textbooks	6,875		6,875	1,621	5,254
Total Bilingual Education - Instruction	2,228,098	(18,210)	2,209,888	2,178,302	31,586
School-Sponsored Cocurricular Activities - Instruction					
Salaries	164,500	20,000	184,500	161,575	22,925
Purchased Services (300-500 series)	5,025	7,295	12,320	10,644	1,676
Supplies and Materials	13,297		13,297	10,731	2,566
Other Objects	1,000		1,000	557	443
Total School-Sponsored Cocurricular Activities - Instruction	183,822	27,295	211,117	183,507	27,610
School-Sponsored Athletics - Instruction					
Salaries	764,850	20,630	785,480	756,465	29,015
Purchased Services (300-500 series)	333,199	17,570	350,769	346,939	3,830
Supplies and Materials	83,857	(8,250)	75,607	75,085	522
Other Objects	35,542	2,100	37,642	37,638	4
Total School-Sponsored Athletics - Instruction	1,217,448	32,050	1,249,498	1,216,127	33,371
Summer School - Instruction					
Salaries of Teachers	28,455		28,455	18,996	9,459
Total Summer School Programs Instruction	28,455		28,455	18,996	9,459
Instructional Alternative Ed Programs - Instruction					
Salaries of Teachers	372,203	(87,000)	285,203	41,960	243,243
Other Salaries of Instruction	51,866	(5,000)	46,866		46,866
Total Instructional Alternative Ed Programs - Instruction	424,069	(92,000)	332,069	41,960	290,109

Exhibit C-1

HACKENSACK BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
Instructional Alternative Ed Programs - Support Services					
Salaries of Teachers	183,067	(25,000)	158,067	15,620	142,447
Total Instructional Alternative Ed Programs - Support Services	183,067	(25,000)	158,067	15,620	142,447
TOTAL INSTRUCTION	45,599,007	86,436	45,685,743	43,390,528	2,295,215
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State - Regular	129,400		129,400		129,400
Tuition to Other LEAs Within the State - Special	623,977	(75,000)	548,977	390,728	158,249
Tuition to County Voc. School Dist. - Regular	335,160		335,160	308,608	26,552
Tuition to County Voc. School Dist. - Special	329,732		329,732	309,121	20,611
Tuition to CSSD & Regional Day Schools	3,319,601	(132,000)	3,187,601	2,762,349	425,252
Tuition to Private Schools for the Handicapped - Within State	2,360,644	75,000	2,435,644	1,529,812	905,832
Tuition - State Facilities	189,641		189,641		189,641
Tuition - Other	15,000		15,000		15,000
Total Undistributed Expenditures - Instruction:	7,303,155	(132,000)	7,171,155	5,300,618	1,870,537
Undistributed Exp. - Attend. & Social Work					
Salaries	7,500	2,500	10,000	10,000	
Other Purchased Services (400-500 series)	270		270		270
Total Undistributed Exp. - Attend. & Social Work	7,770	2,500	10,270	10,000	270
Undist. Exp. - Health Services					
Salaries	868,029	39,000	907,029	893,869	13,160
Purchased Professional and Technical Services	45,350	30,242	75,592	32,451	43,141
Other Purchased Services (400-500 series)	2,760	5,877	8,637	6,167	2,470
Supplies and Materials	18,354	2,453	20,807	9,324	11,483
Total Undistributed Expenditures - Health Services	934,493	77,572	1,012,065	941,811	70,254
Undist. Exp. - Speech, OT, PT & Related Svcs.					
Salaries	1,530,932	(39,000)	1,491,932	1,426,157	65,775
Purchased Prof. Services-Educational Services	329,352	100,000	429,352	297,870	131,482
Supplies and Materials	10,225	400	10,625	2,784	7,841
Other Objects	2,081		2,081	1,005	1,076
Total Undist. Exp. - Speech, OT, PT, & Related Svcs	1,872,590	61,400	1,933,990	1,727,816	206,174
Undist. Exp. - Other Supp. Serv. Students-Extra Serv.					
Salaries	1,054,941	48,000	1,102,941	1,094,582	8,359
Purchased Prof. Services-Educational Services	959,929	(86,794)	873,135	662,246	210,889
Supplies and Materials	2,060	4,925	6,985	6,085	900
Other Objects					
Total Undist. Exp. - Other Supp. Serv. Students-Extra Svcs.	2,016,930	(33,869)	1,983,061	1,762,913	220,148
Undist. Exp. - Guidance					
Salaries of Other Professional Staff	1,299,328	(208,750)	1,090,578	1,073,611	16,967
Salaries of Secretarial and Clerical Assistants	102,167	975	103,142	103,141	1
Other Purchased Professional and Technical Services	12,615	3,700	16,315	16,263	52
Other Purchased Services (400-500 series)	2,445	11,748	14,193	13,563	630
Supplies and Materials	12,540	(3,700)	8,840	4,005	4,835
Total Undist. Exp. - Guidance	1,429,095	(196,027)	1,233,068	1,210,583	22,485
Undist. Exp. - Child Study Teams					
Salaries of Other Professional Staff	3,062,859	(51,102)	3,011,757	2,970,514	41,243
Salaries of Secretarial and Clerical Assistants	260,217	1,111	261,328	261,328	
Purchased Prof. Services-Educational Services	209,046		209,046	163,980	45,066
Other Purchased Professional and Technical Services	21,788		21,788	16,127	5,661
Misc. Pur Services (400-500 Series)	15,708	13,351	29,059	20,255	8,804
Supplies and Materials	132,802	(19,990)	112,812	48,733	64,079
Other Objects	1,100	820	1,920	1,020	900
Total Undist. Exp. - Child Study Teams	3,703,520	(55,810)	3,647,710	3,481,957	165,753
Undist. Exp. - Improvement of Instructional Services					
Salaries of Supervisors of Instruction	874,746	332,191	1,206,937	1,202,892	4,045
Salaries of Other Professional Staff	349,456	(38,920)	310,536	292,197	18,339
Salaries of Secretarial and Clerical Assistants	212,982	(100,000)	112,982	112,262	720
Salaries of Facilitators, Math & Literacy Coaches	76,271	(76,271)			
Purchased Professional - Educational Services	3,600	(400)	3,200	908	2,292
Other Purch Services (400-500)	22,499	2,885	25,384	19,662	5,722
Supplies and Materials	14,834	(4,862)	9,972	2,706	7,266
Other Objects	3,915		3,915	1,964	1,951
Total Undist. Exp. - Improvement of Inst. Services	1,558,303	114,623	1,672,926	1,632,591	40,335
Undist. Exp. - Educational Media Serv./Sch. Library					
Salaries	662,672	(60,000)	602,672	542,882	59,790
Purchased Professional and Technical Services	795	3,394	4,189	3,394	795
Other Purch Services (400-500)	13,055	5,001	18,056	15,673	2,383
Supplies and Materials	29,673	(4,359)	25,314	21,942	3,372
Total Undist. Exp. - Educational Media Serv./Sch. Library	706,195	(55,964)	650,231	583,891	66,340

Exhibit C-1

HACKENSACK BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Instructional Staff Training Serv.					
Salaries-Other Prof. Staff	338		338		338
Purchased Professional - Educational Services	47,350		47,350	10,600	36,750
Other Purchased Prof. and Tech. Services	2,309		2,309		2,309
Other Purchased Services (400-500 series)	69,315	4,000	73,315	38,623	34,692
Supplies and Materials	6,806		6,806	15	6,791
Total Undist. Expend. - Instructional Staff Training Serv.	126,118	4,000	130,118	49,238	80,880
Undist. Expend. - Supp. Serv. - General Administration					
Salaries	415,968		415,968	414,755	1,213
Legal Services	197,952	48,500	246,452	220,433	26,019
Audit Fees	92,500		92,500	45,500	47,000
Architectural/Engineering Services	96,840	(13,500)	83,340	41,637	41,703
Other Purchased Professional Services	158,000	(47,750)	110,250	84,959	25,291
Purchased Technical Services	48		48	48	
Communications/Telephone	272,983	(2,640)	270,343	243,854	26,489
BOE Other Purchased Services	6,313	(1,400)	4,913	1,063	3,850
Misc. Purch Services (400-500 Series)	17,021	8,839	25,860	19,791	6,069
General Supplies	7,400	2,700	10,100	9,792	308
BOE In-House Training/Meeting Supplies	1,875	(1,300)	575	82	493
Judgements against the School District		3,140	3,140	3,140	
Misc. Expenditures	5,200	250	5,450	5,396	54
BOE Membership Dues and Fees	29,742		29,742	29,613	129
Total Undist. Expend. - Supp. Serv. - General Administration	1,301,842	(3,161)	1,298,681	1,120,063	178,618
Undist. Expend. - Support Serv. - School Administration					
Salaries of Principals/Assistant Principals	2,520,985	303,768	2,824,753	2,798,344	26,409
Salaries of Secretarial and Clerical Assistants	704,281	219,056	923,337	918,136	5,201
Other Purchased Services (400-500 series)	22,834	67,432	90,266	78,380	11,886
Supplies and Materials	40,331	(1,135)	39,196	26,772	12,424
Other Objects	7,914		7,914	974	6,940
Total Undist. Expend. - Support Serv. - School Administration	3,296,345	589,121	3,885,466	3,822,606	62,860
Undist. Expend. - Support Serv. - Central Services					
Salaries	966,651	(61,000)	905,651	891,848	13,803
Purchased Professional Services	3,744		3,744	227	3,517
Purchased Technical Services	303,908	(252,442)	51,466	38,846	12,620
Misc. Pur Services (400-500 Series)	25,024	3,564	28,588	9,200	19,388
Supplies and Materials	15,740		15,740	8,239	7,501
Interest on Lease Purchase Agreement	5,786		5,786	5,785	1
Other Objects	10,993		10,993	7,028	3,965
Total Undist. Expend. - Support Serv. - Central Services	1,331,846	(309,878)	1,021,968	961,173	60,795
Undist. Expend. - Admin Info. Technology					
Information Technology					
Salaries	547,766	(8,830)	538,936	535,934	3,002
Purchased Professional Services	5,600	4,000	9,600	9,580	20
Purchased Technical Services	47,066	933	47,999	47,508	491
Other Purch Services (400-500 Series)	266,412	23,443	289,855	278,210	11,645
Supplies and Materials	3,725	8,256	11,981	11,981	
Total Undist. Expend. - Support Serv. - Administrative	870,569	27,802	898,371	883,213	15,158
Undist. Expend. - Required Maint. for School Facilities (261)					
Salaries	406,024	(47,000)	359,024	330,922	28,102
Cleaning, Repair and Maintenance Services	896,234	(187,371)	708,863	701,791	7,072
General Supplies	132,230	(35,800)	96,430	92,468	3,962
Undist. Expend. - Required Maint. for School Facilities	1,434,488	(270,171)	1,164,317	1,125,181	39,136
Undist. Expend. - Oth. Oper. & Maint. of Plant (262)					
Salaries	2,954,490	(17,000)	2,937,490	2,899,081	38,409
Salaries of Non-Instructional Aides	276,450	12,000	288,450	285,215	3,235
Purchased Prof. And Tech. Services	124,419	(20,100)	104,319	96,995	7,324
Cleaning, Repair and Maintenance Services	634,375	84,700	719,075	704,099	14,976
Rental of Land & Bldg. Oth. Than Lease Pur Agrmt.	646,920		646,920	623,922	22,998
Other Purchased Property Services	141,095		141,095	110,898	30,197
Insurance	439,800	(1,100)	438,700	421,748	16,952
Miscellaneous Purchased Services	8,500		8,500	3,315	5,185
General Supplies	276,398	89,962	366,360	358,278	8,082
Energy (Natural Gas)	404,525		404,525	367,678	36,847
Energy (Energy and Electricity)	1,100,274	(27,962)	1,072,312	910,531	161,781
Other Objects	250	350	600	516	84
Total Undist. Expend. - Other Oper. & Maint. Of Plant	7,007,496	120,850	7,128,346	6,782,276	346,070

Exhibit C-1

HACKENSACK BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Care & Upkeep of Grounds (263)					
Salaries	143,909		143,909	119,740	24,169
Cleaning, Repair and Maintenance Services	43,933	49,450	93,383	92,038	1,345
General Supplies	36,724	(1,800)	34,924	32,987	1,937
Other Objects	900		900	900	
Total Undist. Expend. - Care & Upkeep of Grounds	225,466	47,650	273,116	245,665	27,451
Undist. Expend. - Security					
Salaries	172,956	(56,029)	116,927	91,717	25,210
Purchased Professional and Technical Services	159,111	(28,990)	130,121	120,806	9,315
Cleaning, Repair and Maintenance Services	10,000	22,215	32,215	16,601	15,614
General Supplies	1,100	14,179	15,279	14,334	945
Total Undist. Expend. - Security	343,167	(48,625)	294,542	243,458	51,084
Undist. Expend. - Student Transportation Services (270)					
Salaries for Pupil Trans (Other than Bet. Home & Sch.)	61,600		61,600	49,319	12,281
Management fee- ECS&CTSA Trans.	80,000	11,200	91,200	85,175	6,025
Other Purchased Prof. and Tech. Services	2,154	85,019	87,173	85,795	1,378
Cleaning, Repair and Maintenance Services	9,105	10,353	19,458	18,387	1,071
Contract Services - Aid in lieu Pymts - Charter School	19,448		19,448	7,956	11,492
Contract Services (Between Home & School)-Vendors	28,878	(27,878)	1,000	470	530
Contract Services (Other than Between Home & School)-Vendors	223,184	42,086	265,270	244,661	20,609
Contract Services (Between Home & School)-Joint Agreements	5,593	(24)	5,569	1,435	4,134
Contract Services (Sp. Ed. Students)-Vendors	325,210	623	325,833	254,772	71,061
Contract Services (Spl. Ed. Students)-ESCs&CTSAs	1,836,060		1,836,060	1,642,770	193,290
Miscellaneous Purchased Services - Transportation	2,582	1,100	3,682	3,285	397
Other Objects	5,850	(2,653)	3,197	374	2,823
Total Undist. Expend. - Student Transportation Services	2,599,664	119,826	2,719,490	2,394,399	325,091
Regular Programs-Instruction-Employee Benefits					
Health Benefits	9,021,668	(915,178)	8,106,490	8,032,117	74,373
TOTAL ALLOCATED BENEFITS	9,021,668	(915,178)	8,106,490	8,032,117	74,373
UNALLOCATED BENEFITS					
Group Insurance	444		444	443	1
Social Security Contributions	1,256,355	(12,500)	1,243,855	1,093,806	150,049
Other Retirement Contributions-PERS	1,508,440	(235,552)	1,272,888	1,201,493	71,395
Other Retirement Contributions-Regular	37,184	35,650	72,834	66,449	6,385
Unemployment Compensation	85,000		85,000	85,000	
Workmen's Compensation	425,000		425,000	421,936	3,064
Health Benefits	1,592,060	663,886	2,255,946	2,209,176	46,770
Tuition Reimbursement	4,000		4,000	1,800	2,200
Other Employee Benefits	214,107	118,947	333,054	241,516	91,538
TOTAL UNALLOCATED BENEFITS	5,122,590	570,431	5,693,021	5,321,619	371,402
On-behalf TPAF Pension and Post Retirement					
Medical Contributions (non-budgeted)				3,685,419	(3,685,419)
On-behalf TPAF Pension (non-budgeted)				2,165,710	(2,165,710)
On-behalf TPAF NCGI Premium (non-budgeted)				155,813	(155,813)
Reimbursed TPAF Social Security Contributions (non-budgeted)				3,421,730	(3,421,730)
TOTAL ON-BEHALF CONTRIBUTIONS				9,428,672	(9,428,672)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	14,144,258	(344,747)	13,799,511	22,782,408	(8,982,897)
TOTAL UNDISTRIBUTED EXPENDITURES	52,213,310	(284,908)	51,928,402	57,061,860	(5,133,458)
TOTAL GENERAL CURRENT EXPENSE	97,812,317	(198,472)	97,614,145	100,452,388	(2,838,243)
Equipment					
Regular Programs - Instruction:					
Grades 9-12	34,315	45,000	79,315	78,019	1,296
Special Education - Instruction:					
Learning and/or Language Disabilities		8,495	8,495	6,441	2,054
Total Equipment	34,315	53,495	87,810	84,460	3,350
Undist. Expenditures:					
Support Serv.-Related & Extra.	5,000	2,700	7,700	2,669	5,031
Required Maint. For School Facilities	120,000	(62,700)	57,300	57,161	139
Custodial Services	18,576		18,576	18,576	
Security		72,977	72,977	72,897	80
Total Undist. Expend.	143,576	12,977	156,553	151,303	5,250

Exhibit C-1

HACKENSACK BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
Facilities Acquisition and Construction Services					
Architectural/Engineering Services	10,554		10,554	8,360	2,194
Construction Services	38,149		38,149	23,010	15,139
Supplies and Materials	6,202		6,202	6,202	
Lease Purchase Agreements - Principal	279,914		279,914	279,913	
Assessment for Debt Service on SDA Funding	37,812		37,812	37,812	
Total Facilities Acquisition and Construction Services	<u>372,631</u>		<u>372,631</u>	<u>355,297</u>	<u>17,333</u>
TOTAL CAPITAL OUTLAY	<u>550,522</u>	<u>66,472</u>	<u>616,994</u>	<u>591,060</u>	<u>25,933</u>
Transfer of Funds to Charter Schools	<u>2,859,674</u>	<u>132,000</u>	<u>2,991,674</u>	<u>2,990,864</u>	<u>810</u>
TOTAL EXPENDITURES	<u>101,222,513</u>		<u>101,222,813</u>	<u>104,034,312</u>	<u>(2,811,500)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(4,555,297)</u>		<u>(4,555,297)</u>	<u>2,095,817</u>	<u>6,651,114</u>
Other Financing Sources/(Uses):					
Operating Transfers Out:					
Transfers to Cover Deficit (Enterprise Fund)	(25,000)		(25,000)	(21,554)	(3,446)
Special Revenue Fund - Preschool Education Aid	(461,344)		(461,344)	(461,344)	
Total Other Financing Sources/(Uses):	<u>(486,344)</u>		<u>(486,344)</u>	<u>(482,898)</u>	<u>(3,446)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	<u>(5,041,641)</u>		<u>(5,041,641)</u>	<u>1,612,919</u>	<u>6,647,668</u>
Fund Balance, July 1	<u>11,038,522</u>		<u>11,038,522</u>	<u>11,038,522</u>	
Fund Balance, June 30	<u>5,996,881</u>		<u>5,996,881</u>	<u>12,651,441</u>	<u>6,647,668</u>
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Adjustment for Prior Year Encumbrances	(1,490,759)		(1,490,759)	(1,490,759)	
Increase in Capital Reserve:					
Principal				2,500,000	(2,500,000)
Interest Deposit to Capital Reserve				2,298	(2,298)
Increase in Emergency Reserve:					
Interest Deposit to Emergency Reserve				1,098	(1,098)
Increase in Maintenance Reserve:					
Principal				500,000	(500,000)
Interest Deposit to Maintenance Reserve				845	(845)
Budgeted Fund Balance	<u>(3,550,882)</u>		<u>(3,550,882)</u>	<u>99,437</u>	<u>9,651,909</u>
	<u>(5,041,641)</u>		<u>(5,041,641)</u>	<u>1,612,919</u>	<u>6,647,668</u>
Recapitulation:					
Restricted Fund Balance:					
Excess Surplus - Current Year				1,452,235	
Excess Surplus - Designated for Subsequent Year's Expenditures				1,174,868	
Capital Reserve				3,857,248	
Maintenance Reserve				1,000,845	
Emergency Reserve				651,098	
Assigned Fund Balance:					
Year-end Encumbrances				296,744	
Designated for Subsequent Year's Expenditures				2,317,063	
Unassigned Fund Balance				<u>1,901,340</u>	
Total Fund Balance per Governmental Funds (Budgetary)				<u>12,651,441</u>	
Recapitulation to Governmental Fund Statement (GAAP):					
Less: Last State Aid Payment not Recognized GAAP Basis				<u>1,058,076</u>	
Total Fund Balance per Governmental Funds (GAAP)				<u>11,593,365</u>	

HACKENSACK BOARD OF EDUCATION
Budgetary Comparison Schedule
Special Revenue Fund
Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources		2,500	2,500		(2,500)
State Sources	795,354	243,710	1,039,064	840,059	(199,005)
Federal Sources	2,301,200	1,043,236	3,344,436	2,915,602	(428,834)
Total Revenues	3,096,554	1,289,446	4,386,000	3,755,661	(630,339)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	786,820	373,122	1,159,942	1,019,879	140,063
Other Salaries for Instruction	181,570	15,350	196,920	191,134	5,786
Purchased Professional and Technical Services	40,000	172,166	212,166	62,647	149,519
Other Purchased Services (400-500 series)	1,140,000	367,707	1,507,707	1,439,455	68,252
General Supplies	356,662	50,985	407,647	292,355	115,292
Textbooks		15,015	15,015	8,063	6,952
Total instruction	2,505,052	994,345	3,499,397	3,013,533	485,864
Support services:					
Salaries of Program Directors	500,000	54,512	554,512	520,658	33,854
Personal Services - Employee Benefits	442,906	36,990	479,896	477,996	1,900
Other Purchased Professional Services	10,000	160,957	170,957	114,232	56,725
Travel		5,527	5,527	2,572	2,955
Other Purchased Services (400-500 series)	99,940	(33,292)	66,648	42,748	23,900
Supplies & Materials		50,472	50,472	31,475	18,997
Other Objects		10,823	10,823	4,679	6,144
Total support services	1,052,846	285,989	1,338,835	1,194,360	144,475
Facilities acquisition and const. serv.:					
Instructional Equipment		9,112	9,112	9,112	-
Total facilities acquisition and const. serv.	-	9,112	9,112	9,112	-
Total Expenditures	3,557,898	1,289,446	4,847,344	4,217,005	630,339
Other Financing Sources (Uses)					
Operating Transfer In:					
General Fund - Preschool Education Aid	461,344		461,344	461,344	-
Total Other Financing Sources (Uses)	461,344	-	461,344	461,344	-
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-

HACKENSACK BOARD OF EDUCATION
Required Supplementary Information
Budgetary Comparison Schedule
Note to Required Supplementary Information - Part II
Fiscal Year Ended June 30, 2015

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

		General Fund	Special Revenue Fund
Sources/inflows of resources			
Actual amounts (budgetary basis) "revenue"			
from the budgetary comparison schedule	[C-1]&[C-2]	106,130,129	3,755,661
Difference - budget to GAAP:			
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.			
Prior Year			31,984
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		1,016,485	
The last state aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the state recognizes the related expense (GASB 33).		(1,058,076)	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	<u>106,088,538</u>	<u>3,787,645</u>
Uses/outflows of resources			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]&[C-2]	104,034,312	4,217,005
Differences - budget to GAAP			
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.			
Prior Year			31,984
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	<u>104,034,312</u>	<u>4,248,989</u>

**REQUIRED SUPPLEMENTARY
INFORMATION - PART III**

HACKENSACK BOARD OF EDUCATION
Schedules of Required Supplementary Information
Schedule of District's Share of Net Pension Liability - PERS
*Last 10 Fiscal Years**

	<u>2015</u>
Districts proportion of the net pension liability (asset)	0.1518574603%
District's proportionate share of the net pension liability (asset)	\$ 28,431,870
District's covered payroll - PERS	\$ 10,591,162
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	268.45%
Plan fiduciary net position as a percentage of the total pension liability	52.08%

* GASB requires that ten years of information be presented. However, since fiscal year 2015 was the first year of GASB 68 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

HACKENSACK BOARD OF EDUCATION
Schedules of Required Supplementary Information
Schedule of District's Contributions - PERS
*Last 10 Fiscal Years**

	<u>2015</u>
Contractually required contribution	\$ 1,251,891
Contributions in relation to the contractually required contribution	<u>\$ (1,251,891)</u>
Contribution deficiency (excess)	<u><u>\$ -</u></u>
District's covered payroll - PERS	\$ 10,591,162
Contributions as a percentage of covered payroll	11.82%

* GASB requires that ten years of information be presented. However, since fiscal year 2015 was the first year of GASB 68 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

HACKENSACK BOARD OF EDUCATION
Schedules of Required Supplementary Information
Schedule of District's Share of Net Pension Liability - TPAF
*Last 10 Fiscal Years**

	<u>2015</u>
Districts proportion of the net pension liability (asset)	0.4439214560%
District's proportionate share of the net pension liability (asset)	\$ -
State's proportionate share of the net pension liability Associated with the District (asset)	\$ 237,261,570
District's covered payroll - TPAF	\$ 44,861,914
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	0.00%
Plan fiduciary net position as a percentage of the total pension liability	33.64%

* GASB requires that ten years of information be presented. However, since fiscal year 2015 was the first year of GASB 68 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

HACKENSACK BOARD OF EDUCATION
Note to Required Schedules of Supplementary Information - Part III
Fiscal Year Ended June 30, 2015

PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)

Change in benefit terms

None

Change in assumptions

The calculation of the discount rate used to measure the total pension liability is dependent upon the long-term expected rate of return, and the municipal bond index rate. There was a change in the municipal bond index rate from the prior measurement date (4.63%) to the current measurement date (4.29%), resulting in a change in the discount rate from 5.55% to 5.39%. This change in the discount rate is considered to be a change in actuarial assumptions under GASBS No. 68.

TEACHERS PENSION AND ANNUITY FUND (TPAF)

Change in benefit terms

Change in assumptions

The calculation of the discount rate used to measure the total pension liability is dependent upon the long-term expected rate of return, and the municipal bond index rate. There was a change in the municipal bond index rate from the prior measurement date (4.63%) to the current measurement date (4.29%), resulting in a change in the discount rate from 4.95% to 4.68%. This change in the discount rate is considered to be a change in actuarial assumptions under GASBS No. 68.

SPECIAL REVENUE FUND

HACKENSACK BOARD OF EDUCATION
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
Fiscal Year Ended June 30, 2015

	Total Brought Forward (Ex. E-1a)	Anti- Bullying	IDEA Part - B	IDEA Part - B Preschool	NCLB Title I	Title II, Part A Training & Recruiting	Totals 2015
REVENUES							
State Sources	833,142	6,917	1,327,061	82,355	978,422	188,893	840,059
Federal Sources	338,871						2,915,602
Total Revenues	1,172,013	6,917	1,327,061	82,355	978,422	188,893	3,755,661
EXPENDITURES:							
Instruction:							
Salaries of Teachers	565,785				454,094		1,019,879
Other Salaries for Instruction	191,134						191,134
Purchased Professional and Technical Services	37,051	2,050			23,546		62,647
Other Purchased Services (400-500 series)	5,934		1,304,736	82,355	46,430		1,439,455
General Supplies	97,262	3,310	1,005		190,778		292,355
Textbooks	8,063						8,063
Total instruction	905,229	5,360	1,305,741	82,355	714,848	-	3,013,533
Support services:							
Salaries of Program Directors	347,771				68,020	104,867	520,658
Personal Services - Employee Benefits	309,269				141,535	27,192	477,996
Other Purchased Professional Services	36,053				32,040	46,139	114,232
Travel	2,337				235		2,572
Other Purchased Services (400-500 series)	15,013	867	21,320		2,254	3,294	42,748
Supplies & Materials	8,449	690			14,935	7,401	31,475
Other Objects	124				4,555		4,679
Total support services	719,016	1,557	21,320	-	263,574	188,893	1,194,360
Facilities acquisition and const. serv.:							
Instructional Equipment	9,112						9,112
Total facilities acquisition and const. serv.	9,112	-	-	-	-	-	9,112
Total Expenditures	1,633,357	6,917	1,327,061	82,355	978,422	188,893	4,217,005
Other Financing Sources (Uses)							
Operating Transfer In:	461,344						461,344
General Fund - Preschool Education Aid							
Total Other Financing Sources (Uses)	461,344	-	-	-	-	-	461,344
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-	-	-

HACKENSACK BOARD OF EDUCATION
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
Fiscal Year Ended June 30, 2015

	Total Brought Forward (Ex. E-1b)	NCLB Title III	NCLB Title III Immigrant	Perkins - Vocational Education	Project Aces	Total Carried Forward
REVENUES						
State Sources	833,142	95,560	92,720	43,912	106,679	833,142
Federal Sources	-					338,871
Total Revenues	833,142	95,560	92,720	43,912	106,679	1,172,013
EXPENDITURES:						
Instruction:						
Salaries of Teachers	466,036	72,160	26,311	1,278		565,785
Other Salaries for Instruction	191,134					191,134
Purchased Professional and Technical Services	36,491			560		37,051
Other Purchased Services (400-500 series)	-			5,934		5,934
General Supplies	3,240	12,445	59,881	21,696		97,262
Textbooks	8,063					8,063
Total instruction	704,964	84,605	86,192	29,468	-	905,229
Support services:						
Salaries of Program Directors	254,536				93,235	347,771
Personal Services - Employee Benefits	293,858	5,520	2,013		7,878	309,269
Other Purchased Professional Services	27,039	4,499	4,515			36,053
Travel	-			2,337		2,337
Other Purchased Services (400-500 series)	12,241			2,772		15,013
Supplies & Materials	1,724	936		223	5,566	8,449
Other Objects	124					124
Total support services	589,522	10,955	6,528	5,332	106,679	719,016
Facilities acquisition and const. serv.:						
Instructional Equipment	-			9,112		9,112
Total facilities acquisition and const. serv.	-	-	-	9,112	-	9,112
Total Expenditures	1,294,486	95,560	92,720	43,912	106,679	1,633,357
Other Financing Sources (Uses)						
Operating Transfer In:						
General Fund - Preschool Education Aid	461,344					461,344
Total Other Financing Sources (Uses)	461,344	-	-	-	-	461,344
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-	-

HACKENSACK BOARD OF EDUCATION
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
Fiscal Year Ended June 30, 2015

	Total Brought Forward (Ex. E-1c)	Nonpublic Nursing	Nonpublic Technology	School Based Youth Service Program	Family Friendly	Chapter 194 Nonpublic Textbook	Chapter 192 Compensatory Education	Total Carried Forward
REVENUES								
State Sources	475,517	13,240	4,372	286,597	29,855	8,063	15,498	833,142
Federal Sources	-	-	-	-	-	-	-	-
Total Revenues	475,517	13,240	4,372	286,597	29,855	8,063	15,498	833,142
EXPENDITURES:								
Instruction:								
Salaries of Teachers	450,920				15,116			466,036
Other Salaries for Instruction	179,747				11,387			191,134
Purchased Professional and Technical Services	8,953	12,040					15,498	36,491
Other Purchased Services (400-500 series)	-							-
General Supplies	2,816				424			3,240
Textbooks	-					8,063		8,063
Total instruction	642,436	12,040	-	-	26,927	8,063	15,498	704,964
Support services:								
Salaries of Program Directors	-			253,636	900			254,536
Personal Services - Employee Benefits	272,586			19,244	2,028			293,858
Other Purchased Professional Services	21,839	1,200	4,000		-			27,039
Travel	-							-
Other Purchased Services (400-500 series)	-		372	11,869				12,241
Supplies & Materials	-			1,724				1,724
Other Objects	-			124				124
Total support services	294,425	1,200	4,372	286,597	2,928	-	-	589,522
Facilities acquisition and const. serv.:								
Instructional Equipment	-							-
Total facilities acquisition and const. serv.	-	-	-	-	-	-	-	-
Total Expenditures	936,861	13,240	4,372	286,597	29,855	8,063	15,498	1,294,486
Other Financing Sources (Uses)								
Operating Transfer In:								
General Fund - Preschool Education Aid	461,344							461,344
Total Other Financing Sources (Uses)	461,344	-	-	-	-	-	-	461,344
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-	-	-	-

HACKENSACK BOARD OF EDUCATION
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
Fiscal Year Ended June 30, 2015

	Chapter 192 ESL	Chapter 193 Supplemental Instruction	Chapter 193 Exam & Classification	Chapter 193 Corrective Speech	Preschool Education Aid	Total Carried Forward
REVENUES						
State Sources	913	7,612	14,227	8,040	444,725	475,517
Federal Sources						-
Total Revenues	913	7,612	14,227	8,040	444,725	475,517
EXPENDITURES:						
Instruction:						
Salaries of Teachers					450,920	450,920
Other Salaries for Instruction					179,747	179,747
Purchased Professional and Technical Services	913			8,040		8,953
Other Purchased Services (400-500 series)						-
General Supplies					2,816	2,816
Textbooks						-
Total instruction	913	-	-	8,040	633,483	642,436
Support services:						
Salaries of Program Directors						-
Personal Services - Employee Benefits					272,586	272,586
Other Purchased Professional Services		7,612	14,227			21,839
Travel						-
Other Purchased Services (400-500 series)						-
Supplies & Materials						-
Total support services	-	7,612	14,227	-	272,586	294,425
Facilities acquisition and const. serv.:						
Instructional Equipment						-
Total facilities acquisition and const. serv.	-	-	-	-	-	-
Total Expenditures	913	7,612	14,227	8,040	906,069	936,861
Other Financing Sources (Uses)						
Operating Transfer In:						
General Fund - Preschool Education Aid					461,344	461,344
Total Other Financing Sources (Uses)					461,344	461,344
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-	-

HACKENSACK BOARD OF EDUCATION
Special Revenue Fund
Schedule of Preschool Education Aid
Budgetary Basis
Fiscal Year Ended June 30, 2015

	District Wide Total		
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Expenditures:			
Instruction:			
Salaries of teachers	450,920	450,920	
Other salaries for instruction	185,524	179,747	5,777
General supplies	4,255	2,816	1,439
Total instruction	640,699	633,483	7,216
Support services:			
Personal Services - Employee Benefits	272,906	272,586	320
Total support services	272,906	272,586	320
Total expenditures	913,605	906,069	7,536

Summary of Location Totals

Total revised 2014-15 Preschool Education Aid	439,952
Add: Actual Carryover (June 30, 2014)	12,309
Add: Budgeted Transfer from the General Fund 2014-15	461,344
Total Preschool Education Aid Funds Available for 2014-15 Budget	913,605
Less: 2013-14 Budgeted Preschool Education Aid prior year budgeted carryover)	913,605
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2015	
Add: June 30, 2015 Unexpended Preschool Education Aid	7,536
2013-14 Carryover - Preschool Education Aid/Preschool	7,536
2014-15 Preschool Education Aid Carryover Budgeted for Preschool Programs 2015-16	

<p>PROPRIETARY FUNDS</p>

HACKENSACK BOARD OF EDUCATION
Combining Statement of Net Position
Enterprise Funds
June 30, 2015

	Food Service Program	Totals
ASSETS		
Current assets:		
Cash and cash equivalents	284,843	284,843
Accounts receivable:		
State	11,822	11,822
Federal	181,618	181,618
Other	138,562	138,562
Inventories	8,337	8,337
Total current assets	<u>625,182</u>	<u>625,182</u>
Noncurrent assets:		
Capital assets:		
Building and building improvements	188,123	188,123
Equipment	398,251	398,251
Less accumulated depreciation	<u>(267,678)</u>	<u>(267,678)</u>
Total capital assets (net of accumulated depreciation)	<u>318,696</u>	<u>318,696</u>
Total assets	<u>943,878</u>	<u>943,878</u>
LIABILITIES		
Current Liabilities:		
Accounts Payable	179,097	179,097
Interfunds Payable	<u>3,446</u>	<u>3,446</u>
Total Liabilities	<u>182,543</u>	<u>182,543</u>
NET POSITION		
Invested in capital assets net of related debt	318,696	318,696
Unrestricted	<u>442,639</u>	<u>442,639</u>
Total net assets	<u><u>761,335</u></u>	<u><u>761,335</u></u>

HACKENSACK BOARD OF EDUCATION
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Enterprise Funds
Fiscal Year Ended June 30, 2015

	Food Service Program	Totals
Operating revenues:		
Charges for services:		
Daily sales - reimbursable programs	276,652	276,652
Daily sales - non-reimbursable programs	161,946	161,946
Total operating revenues	<u>438,598</u>	<u>438,598</u>
Operating expenses:		
Cost of food	1,107,022	1,107,022
Salaries	618,538	618,538
Supplies and materials	85,439	85,439
Employee benefits	194,069	194,069
Depreciation	27,468	27,468
Repairs and other expenses	126,499	126,499
Purchased services	172,463	172,463
Miscellaneous	950	950
CCD Fees	3,592	3,592
Total Operating Expenses	<u>2,336,040</u>	<u>2,336,040</u>
Operating income (loss)	<u>(1,897,442)</u>	<u>(1,897,442)</u>
Nonoperating revenues (expenses):		
State sources:		
School lunch program	28,553	28,553
School snack program	82,080	82,080
Federal sources:		
School lunch program	1,324,877	1,324,877
School breakfast program	588,433	588,433
U.S.D.A. Commodities	114,612	114,612
Miscellaneous Income	2,648	2,648
Interest Income	152	152
Total nonoperating revenues (expenses)	<u>2,141,355</u>	<u>2,141,355</u>
Income (loss) before contributions & transfers	<u>243,913</u>	<u>243,913</u>
Other financing sources/(uses):		
Transfer In	21,554	21,554
Change in net assets	265,467	265,467
Total net position—beginning	<u>495,868</u>	<u>495,868</u>
Total net position—ending	<u><u>761,335</u></u>	<u><u>761,335</u></u>

HACKENSACK BOARD OF EDUCATION
Combining Statement of Cash Flows
Enterprise Funds
Fiscal Year Ended June 30, 2015

	Food Service Program	Totals
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	425,139	425,139
Payments to suppliers	(2,259,418)	(2,259,418)
Net cash provided by (used for) operating activities	(1,834,279)	(1,834,279)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Sources	103,534	103,534
Federal Sources	1,868,708	1,868,708
Miscellaneous Income	2,648	2,648
Interest Income	152	152
Transfer In	21,554	21,554
Net cash provided by (used for) non-capital financing activities	1,996,596	1,972,242
Net increase (decrease) in cash and cash equivalents	162,317	162,317
Balances—beginning of year	122,526	122,526
Balances—end of year	284,843	284,843
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	(1,897,442)	(1,897,442)
Adjustments to reconcile operating income (loss) to net cash provided by		
Depreciation and net amortization	27,468	27,468
Food distribution program	114,612	114,612
(Increase) decrease in accounts receivable	(44,394)	(44,394)
(Increase) decrease in inventories	6,600	6,600
Increase (decrease) in accounts payable	(41,123)	(41,123)
Total adjustments	63,163	63,163
Net cash provided by (used for) operating activities	(1,834,279)	(1,834,279)

FIDUCIARY FUND

HACKENSACK BOARD OF EDUCATION
Combining Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2015

	<u>Unemployment Compensation Trust Fund</u>	<u>Scholarship and Memorial Funds</u>	<u>Agency Funds</u>
ASSETS			
Cash and cash equivalents	359,648	118,299	791,016
Total assets	<u>359,648</u>	<u>118,299</u>	<u>791,016</u>
LIABILITIES			
Payable to student groups			258,746
Due to State of NJ - Unemployment	16,327		
Payroll deductions and withholdings			531,270
Total liabilities	<u>16,327</u>	<u>-</u>	<u>790,016</u>
NET POSITION			
Held in trust for unemployment claims and other purposes	<u>343,320</u>		
Reserved for scholarships		<u>118,299</u>	
	<u>359,647</u>	<u>118,299</u>	

HACKENSACK BOARD OF EDUCATION
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Fiscal Year Ended June 30, 2015

	Unemployment Compensation Trust Fund	Scholarship and Memorial Funds
ADDITIONS		
Contributions:		
Donations		3,400
Payroll withholdings	79,085	
Budget Contributions	85,000	
Total Contributions	<u>164,085</u>	<u>3,400</u>
Investment earnings:		
Interest	968	341
Net investment earnings	968	341
Total additions	<u>165,053</u>	<u>3,741</u>
DEDUCTIONS		
Quarterly contribution reports	100,812	
Scholarships awarded		23,120
Total deductions	<u>100,812</u>	<u>23,120</u>
Change in net assets	64,241	(19,379)
Net position—beginning of the year	279,079	137,678
Net position—end of the year	<u><u>343,320</u></u>	<u><u>118,299</u></u>

HACKENSACK BOARD OF EDUCATION
Student Activity Agency Fund
Schedule of Receipts and Disbursements
Fiscal Year Ended June 30, 2015

	<u>Balance July 1, 2014</u>	<u>Cash Receipts</u>	<u>Cash Disbursed</u>	<u>Balance June 30, 2015</u>
Elementary Schools:				
Fairmount Avenue School	4,255	9,199	11,001	2,453
Jackson Avenue School	2,150	1,621	1,204	2,567
Fanny M. Hillers School	1,307	3,344	2,972	1,679
Nellie Parker School	3,428	8,121	8,771	2,778
Nellie Parker School Donation	1,470			1,470
Total Elementary Schools	<u>12,610</u>	<u>22,285</u>	<u>23,948</u>	<u>10,947</u>
Middle School:				
Middle School	<u>20,845</u>	<u>40,914</u>	<u>41,915</u>	<u>19,844</u>
Total Middle Schools	<u>20,845</u>	<u>40,914</u>	<u>41,915</u>	<u>19,844</u>
High School:				
High School	166,195	400,955	384,459	182,691
Varsity H	<u>8,508</u>	<u>25,887</u>	<u>23,853</u>	<u>10,542</u>
Total High Schools	<u>174,703</u>	<u>426,842</u>	<u>408,312</u>	<u>193,233</u>
Athletic Departments:				
Athletic Department	<u>20,321</u>	<u>15,673</u>	<u>1,272</u>	<u>34,722</u>
Total Athletic Department	<u>20,321</u>	<u>15,673</u>	<u>1,272</u>	<u>34,722</u>
Total All Schools	<u><u>228,479</u></u>	<u><u>505,714</u></u>	<u><u>475,447</u></u>	<u><u>258,746</u></u>

HACKENSACK BOARD OF EDUCATION
Payroll Agency Fund
Schedule of Receipts and Disbursements
Fiscal Year Ended June 30, 2015

	<u>Balance July 1, 2014</u>	<u>Cash Receipts</u>	<u>Cash Disbursed</u>	<u>Balance June 30, 2015</u>
Net Payroll	7,550	35,831,224	35,833,728	5,046
Payroll Deductions and Withholdings	16,468	28,512,905	28,003,149	526,224
	<u>24,018</u>	<u>64,344,129</u>	<u>63,836,877</u>	<u>531,270</u>

LONG-TERM DEBT

HACKENSACK BOARD OF EDUCATION
General Long-Term Debt Account Group
Schedule of Serial Bonds
Fiscal Year Ended June 30, 2015

<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, 2014</u>	<u>Retired</u>	<u>Balance, June 30, 2015</u>
			<u>Date</u>	<u>Amount</u>				
Refunding School Improvement bonds	Sept. 9, 2009	5,550,000	5/1/2016	595,000	3.375	3,545,000	610,000	2,935,000
			5/1/2017	585,000	5.000			
			5/1/2018	580,000	5.000			
			5/1/2019	580,000	4.750			
			5/1/2020	595,000	4.750			
						\$ 3,545,000	610,000	2,935,000

<u>Issue</u>	<u>Date of Lease</u>	<u>Amount of Lease</u>	<u>Principal Payment</u> <u>Date</u> <u>Amount</u>	<u>Interest Rate</u>	<u>Balance, June 30, 2014</u>	<u>Retired</u>
Various Equipment	Nov. 2010	1,338,250.		\$	279,913	\$ 279,913
				\$	279,913	\$ 279,913

HACKENSACK BOARD OF EDUCATION
Budgetary Comparison Schedule
Debt Service Fund
Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	757,906	-	757,906	757,906	
Total Revenues	757,906	-	757,906	757,906	-
EXPENDITURES:					
Regular Debt Service:					
Interest	148,025	-	148,025	148,025	-
Redemption of Principal	610,000	-	610,000	610,000	-
Total Regular Debt Service	758,025	-	758,025	758,025	-
Total expenditures	758,025	-	758,025	758,025	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(119)	-	(119)	(119)	-
Fund Balance, July 1	137	-	137	137	-
Fund Balance, June 30	18	-	18	18	-
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Budgeted Fund Balance	(119)		(119)	(119)	
Total	(119)	-	(119)	(119)	-

STATISTICAL SECTION

STATISTICAL SECTION (UNAUDITED)

Introduction to the Statistical Section

Financial Trends

- J-1 Net Assets/Position by Component
- J-2 Changes in Net Assets/Position
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Revenue Capacity

- J-6 Assessed Value and Estimated Actual Value of Taxable Property
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STATISTICAL SECTION (UNAUDITED) - INTRODUCTION

J SERIES

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Financial Trends These schedules contain trend information to help the reader understand how the district's financial performance and well-being have changes over time.	J-1 to J-5
Revenue Capacity These schedules contain information to help the reader assess the district's most significant local revenue sources, the property tax.	J-6 to J-9
Debt Capacity These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.	J-10 to J-13
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	J-14 to J-15
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	J-16 to J-20
Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year. The district implemented GASB Statement 34 in the fiscal year ending June 30, 2004; schedules presenting district-wide information include information beginning in that year.	

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental activities										
Invested in capital assets, net of related debt	\$ 6,001,034	\$ 8,813,583	\$ 9,408,979	\$ 11,554,919	\$ 13,384,709	\$ 13,922,495	\$ 14,383,804	\$ 15,447,155	\$ 17,935,592	\$ 17,953,621
Restricted	12,270,231	11,069,478	11,798,879	10,520,528	5,742,198	4,985,228	6,775,148	9,354,947	8,721,596	8,136,312
Unrestricted	(540,537)	(168,906)	(465,466)	(1,411,880)	(1,319,876)	(501,070)	(1,321,681)	(1,264,109)	(1,577,122)	(26,614,963)
Total governmental activities net position	\$ 17,730,728	\$ 19,714,155	\$ 20,742,392	\$ 20,663,567	\$ 17,807,031	\$ 18,406,653	\$ 19,837,271	\$ 23,537,993	\$ 25,080,066	\$ (525,030)
Business-type activities										
Invested in capital assets, net of related debt	\$ 76,284	\$ 123,386	\$ 119,071	\$ 113,064	\$ 143,633	\$ 156,752	\$ 190,280	\$ 344,984	\$ 346,164	\$ 318,696
Restricted	238,751	269,586	338,693	421,609	614,875	652,095	687,511	392,514	149,704	442,639
Unrestricted	\$ 315,035	\$ 392,972	\$ 457,764	\$ 534,673	\$ 738,508	\$ 808,847	\$ 877,791	\$ 737,498	\$ 495,868	\$ 761,335
Total business-type activities net position										
District-wide										
Invested in capital assets, net of related debt	\$ 6,077,318	\$ 8,936,969	\$ 9,528,050	\$ 11,667,983	\$ 13,528,342	\$ 14,079,247	\$ 14,574,084	\$ 15,792,139	\$ 18,281,756	\$ 18,272,317
Restricted	12,270,231	11,069,478	11,798,879	10,520,528	5,742,198	4,985,228	6,775,148	9,354,947	8,721,596	8,136,312
Unrestricted	(301,786)	100,680	(126,773)	(990,271)	(705,001)	151,025	(634,170)	(871,595)	(1,427,418)	(26,172,324)
Total district net position	\$ 18,045,763	\$ 20,107,127	\$ 21,200,156	\$ 21,198,240	\$ 18,565,539	\$ 19,215,500	\$ 20,715,062	\$ 24,275,491	\$ 25,575,934	\$ 236,305

Source: CAFR Schedule A-1

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental activities										
Instruction										
Regular	\$ 30,941,044	\$ 33,040,016	\$ 33,572,639	\$ 33,248,841	\$ 37,187,411	\$ 34,070,608	\$ 35,664,211	\$ 33,789,219	\$ 33,354,824	\$ 39,560,046
Special education	5,821,140	6,252,530	7,044,607	6,523,168	7,028,221	7,904,628	8,511,975	11,115,653	11,333,736	12,925,784
Other special education	1,756,818	1,936,358	1,901,500	2,084,806	2,127,599	2,035,260	2,036,424	2,051,464	2,328,603	2,753,555
Other instruction	1,125,674	1,223,418	1,213,520	1,146,402	1,434,801	1,224,741	1,361,102	2,033,545	1,881,660	1,744,437
Support Services:										
Tuition	7,563,097	7,400,345	7,739,692	8,326,732	6,469,010	6,533,987	5,872,964	5,753,383	5,850,284	5,300,618
Student & instruction related services	9,739,489	10,654,734	11,692,928	10,083,677	10,646,432	12,042,453	13,060,606	13,630,248	13,795,797	15,296,922
General administrative services	1,123,149	1,336,685	1,173,600	1,224,772	1,189,885	1,131,062	946,725	877,269	962,018	4,824,863
School administrative services	3,850,389	4,089,255	4,064,188	3,826,379	4,169,690	4,554,281	4,253,322	3,807,103	3,738,373	1,231,913
Central Administration	942,653	1,048,764	1,004,006	1,165,427	1,374,370	1,518,228	1,565,419	1,627,556	1,995,738	2,229,429
Plant operations and maintenance	6,999,156	7,359,751	7,256,598	7,950,463	6,802,338	6,949,843	6,644,370	6,741,300	7,620,236	9,401,587
Pupil transportation	1,888,254	1,867,390	2,063,235	1,961,481	1,819,573	1,609,196	1,914,443	1,833,554	1,978,391	2,407,699
Unallocated Benefits	5,616,007	7,969,874	8,196,847	4,478,053	6,543,098	5,511,656	7,866,070	9,345,453	8,331,799	9,993,897
Allocated Benefits				5,477,494	5,785,254	5,932,855	5,817,476	6,305,195	8,397,609	8,032,117
Special Schools	51,551									
Charter Schools			405,936	565,787	691,043	663,317	881,134	1,287,670	2,478,864	2,990,864
Interest on long-term debt	430,364	402,196	372,506	343,314	174,538	233,263	206,380	186,561	165,390	145,108
Unallocated depreciation	1,565,246	460,613	326,819	595,148	644,696	686,487	914,767	976,090	1,104,117	1,161,461
Amortization & Capital Lease Obligations					471,560	1,041,263	(33,956)	(33,956)	(33,956)	(33,956)
Capital Outlay - nondepreciable	492,516	646,188	608,561	391,229	258,309	76,830	52,665	125,489	243,549	64,638
Total governmental activities expenses	79,906,547	85,688,117	88,637,182	89,393,173	94,817,828	93,719,958	97,536,097	101,452,796	105,527,032	120,030,982
Business-type activities:										
Food service	1,677,666	1,626,161	1,720,905	1,815,586	1,928,573	2,095,850	2,238,297	2,519,991	2,699,334	2,336,040
Academy School										
Total business-type activities expense	1,677,666	1,626,161	1,720,905	1,815,586	1,928,573	2,095,850	2,238,297	2,519,991	2,699,334	2,336,040
Total district expenses	\$ 81,584,213	\$ 87,314,278	\$ 90,358,087	\$ 91,208,759	\$ 96,746,401	\$ 95,815,808	\$ 99,774,394	\$ 103,972,787	\$ 108,226,366	\$ 122,367,022
Program Revenues										
Governmental activities:										
Charges for services:										
Operating grants and contributions	10,724,264	10,461,583	11,109,185	4,823,073	5,716,280	3,961,723	4,052,372	4,190,989	4,007,107	3,778,533
Capital grants and contributions	-	-	-	-	305,552	106,337	232,061	125,124	7,390	9,112
Total governmental activities program revenues	10,724,264	10,461,583	11,109,185	4,823,073	6,021,832	4,068,060	4,284,433	4,316,113	4,014,497	3,787,645

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Business-type activities:										
Charges for services:										
Food service	569,155	501,936	523,087	464,452	447,814	420,974	428,259	424,644	478,178	438,598
Operating grants and contributions	1,132,924	1,202,162	1,262,610	1,428,043	1,710,133	1,725,137	1,878,859	1,921,521	1,977,656	2,138,555
Capital grants and contributions	1,702,079	1,704,098	1,785,697	1,892,495	2,157,947	2,146,111	2,307,118	2,346,165	2,455,834	2,577,153
Total business-type activities program revenues	\$ 12,426,343	\$ 12,165,681	\$ 12,894,882	\$ 6,715,568	\$ 8,179,779	\$ 6,214,171	\$ 6,591,551	\$ 6,662,278	\$ 6,470,331	\$ 6,364,798
Total district program revenues										
Net (Expense)/Revenue										
Governmental activities	\$ (69,182,283)	\$ (75,226,534)	\$ (77,527,997)	\$ (84,570,100)	\$ (88,795,996)	\$ (89,651,898)	\$ (93,251,664)	\$ (97,136,683)	\$ (101,512,535)	\$ (116,243,337)
Business-type activities	24,413	77,937	64,792	76,909	229,374	50,261	68,821	(173,826)	(243,500)	241,113
Total district-wide net expense	\$ (69,157,870)	\$ (75,148,597)	\$ (77,463,205)	\$ (84,493,191)	\$ (88,566,622)	\$ (89,601,637)	\$ (93,182,843)	\$ (97,310,509)	\$ (101,756,035)	\$ (116,002,224)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 50,953,742	\$ 53,452,727	\$ 56,693,791	\$ 58,796,582	\$ 61,239,258	\$ 63,715,174	\$ 66,302,510	\$ 68,520,822	\$ 71,216,667	\$ 73,389,592
Taxes levied for debt service	1,082,034	1,053,774	820,098	994,912	792,436	1,064,132	804,445	572,182	654,712	757,906
Unrestricted grants and contributions	12,071,563	14,673,639	15,183,297	18,505,940	17,217,310	17,246,250	20,398,040	23,271,486	21,970,153	33,950,195
Tuition Received	4,909,035	5,273,917	5,170,100	5,712,114	6,281,947	6,944,414	6,900,539	7,859,900	8,543,020	8,492,535
Investment earnings	606,367	763,868	387,639	100,057	95,646	58,647	966	4,630	320	4,241
Miscellaneous income	930,780	318,740	301,309	381,670	312,863	154,399	275,782	608,385	669,736	697,352
Local Aid - Port Authority Grant	6,426,366									(21,554)
Transfers										117,270,267
Total governmental activities	\$ 76,979,887	\$ 75,536,665	\$ 78,556,234	\$ 84,491,275	\$ 85,939,460	\$ 89,183,016	\$ 94,682,282	\$ 100,837,405	\$ 103,054,608	\$ 117,270,267
Business-type activities:										
Investment earnings						78	123	163	199	152
Miscellaneous Income								33,370	1,671	2,648
Transfers										21,554
Total business-type activities										
Total district-wide	\$ 76,979,887	\$ 75,536,665	\$ 78,556,234	\$ 84,491,275	\$ 85,939,460	\$ 89,183,094	\$ 94,682,405	\$ 100,870,938	\$ 103,056,478	\$ 117,294,621
Change in Net Position										
Governmental activities	\$ 7,797,604	\$ 310,131	\$ 1,028,237	\$ (78,825)	\$ (2,856,536)	\$ (468,882)	\$ 1,430,618	\$ 3,700,722	\$ 1,542,073	\$ 1,026,930
Business-type activities	24,413	77,937	64,792	76,909	229,374	50,339	68,944	(140,293)	(241,630)	265,467
Total district	\$ 7,822,017	\$ 388,068	\$ 1,093,029	\$ (1,916)	\$ (2,627,162)	\$ (418,543)	\$ 1,499,562	\$ 3,560,429	\$ 1,300,443	\$ 1,292,397

Source: CAFR Schedule A-2

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund										
Reserved	\$ 9,589,036	\$ 7,095,676	\$ 8,121,428	\$ 8,232,971	\$ 4,909,752					
Unreserved	1,933,457	2,089,495	1,673,252	769,443	1,249,410	2,628,645	3,768,021	1,911,097	4,430,263	8,136,294.0
Restricted						510,533	262,350			
Committed						889,496	1,855,896	6,884,100	4,291,196	2,613,807
Assigned						1,598,726	1,306,634	1,488,724	1,300,578	843,264
Unassigned										
Total general fund	\$ 11,522,493	\$ 9,185,171	\$ 9,794,680	\$ 9,002,414	\$ 6,159,162	\$ 5,627,400	\$ 7,192,901	\$ 10,283,921	\$ 10,022,037	\$ 11,593,365
All Other Governmental Funds										
Reserved										
Unreserved, reported in:										
Special revenue fund	(72,318)	(67,009)	(98,186)	-	-					
Capital projects fund	2,454,283	3,704,594	3,451,675	1,925,343	756,247					
Debt service fund	299,230	367,020	225,776	168,970	76,199					
Committed, reported in:										
Capital projects fund								418,023		
Assigned, reported in:										
Capital projects fund						683,443	521,812	12,457		
Debt service fund						273,111	367,069	129,270	137	18
Total all other governmental funds	\$ 2,681,195	\$ 4,004,605	\$ 3,579,265	\$ 2,094,313	\$ 832,446	\$ 956,554	\$ 888,881	\$ 559,750	\$ 137	\$ 18

Source: CAFR Schedule B-1

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Tax levy	\$ 52,035,776	\$ 54,506,501	\$ 57,513,889	\$ 59,791,494	\$ 62,031,694	\$ 64,779,306	\$ 67,106,955	\$ 69,093,004	\$ 71,871,379	\$ 74,147,498
Tuition	4,909,035	5,273,917	5,170,100	5,712,114	6,281,947	6,944,414	6,900,539	7,859,900	8,543,020	8,492,535
Interest earnings	606,367	763,868	387,639	100,057	95,646	58,647	966	4,630	320	4,241
Miscellaneous	7,357,146	352,267	312,741	393,411	321,074	162,610	279,599	621,355	670,620	697,352
State sources	17,390,538	19,792,837	21,246,188	19,976,596	16,665,590	18,424,074	21,158,521	24,087,294	22,731,077	23,976,186
Federal sources	5,405,289	5,308,858	5,034,862	3,340,676	6,565,341	2,882,025	3,520,135	3,498,111	3,252,689	3,316,277
Total revenue	87,704,151	85,998,248	89,665,419	89,314,348	91,961,292	93,251,076	98,966,715	105,164,294	107,069,105	110,634,089
Expenditures										
Instruction										
Regular Instruction	27,651,202	28,946,580	29,735,325	30,817,940	34,449,221	30,903,308	32,198,345	30,756,018	31,158,011	32,526,740
Special education instruction	5,013,079	5,247,901	5,982,963	5,985,526	6,421,294	7,077,148	7,580,750	9,957,533	10,245,356	10,245,356
Other special instruction	1,509,043	1,622,204	1,621,041	1,912,361	1,945,035	1,823,109	1,813,458	1,838,113	2,150,846	2,178,302
Other instruction	1,000,555	1,067,762	1,085,131	1,084,857	1,345,485	1,131,868	1,253,065	1,864,498	1,770,382	1,476,210
Support Services:										
Instruction	7,563,097	7,400,345	7,739,692	8,326,732	6,469,010	6,533,987	5,872,964	5,753,383	5,850,284	5,300,618
Attendance and social work services	21,756	22,035	22,759	548,261	426,066	180,928	170,564	9,045	10,400	10,000
Health Services	597,869	604,129	668,384	743,941	903,832	913,268	855,428	861,884	890,880	941,811
Student & instruction related services	8,426,190	9,162,112	10,136,858	8,274,784	8,667,093	9,962,348	10,950,983	11,639,734	12,048,869	11,652,786
General administrative services	1,037,811	1,229,298	1,070,555	1,165,577	1,135,434	1,065,655	899,140	835,180	3,453,363	3,822,606
School Administrative services	3,315,909	3,435,137	3,463,251	3,522,021	3,815,545	4,082,427	3,792,230	3,409,905	929,071	1,120,063
Business and other support services										
Central administrative services	942,653	1,048,764	872,791	1,091,236	1,269,576	1,381,949	1,414,568	1,483,117	1,872,608	1,844,386
Plant operations and maintenance	6,504,115	6,874,013	6,799,696	7,639,165	6,486,289	6,529,339	6,200,809	6,321,376	7,311,018	8,396,580
Pupil transportation	1,882,435	1,866,036	2,062,025	1,960,860	1,819,573	1,608,981	1,914,443	1,826,799	1,974,200	2,394,399
Allocated employee benefits				4,478,053	5,785,254	5,932,855	5,817,476	6,305,195	8,397,609	8,032,117
Unallocated employee benefits	6,298,732	7,812,424	7,600,842	4,468,887	5,095,877	6,379,972	6,914,814	6,714,485	4,956,683	5,321,619
TPAF Pension / Social Security	5,559,226	8,133,399	8,423,780	5,522,866	5,948,156	5,976,421	7,334,294	9,217,396	8,203,459	9,428,672
Charter Schools	51,551		405,936	565,787	691,043	663,317	881,134	1,287,670	2,478,864	2,990,864
Capital outlay	7,798,904	1,456,226	700,916	2,389,989	2,494,355	1,982,112	764,785	1,510,974	3,187,147	600,172
Debt service:										
Principal	643,298	672,835	707,485	742,328	710,000	630,000	630,000	620,000	615,000	610,000
Interest and other charges	438,735	410,960	381,820	350,395	188,273	237,988	209,637	190,100	168,863	148,025
Total expenditures	86,256,160	87,012,160	89,481,250	91,591,566	96,066,411	94,996,980	97,468,887	102,402,405	107,890,602	109,041,326
Excess (Deficiency) of revenues over (under) expenditures	1,447,991	(1,013,912)	184,169	(2,277,218)	(4,105,119)	(1,745,904)	1,497,828	2,761,889	(821,497)	1,592,763

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Other Financing sources (uses)										
Transfers in	269,209	2,214,710	127,963	41,005	3,065	768		219,312	162,248	461,344
Transfers out	(269,209)	(2,214,710)	(127,963)	(41,005)	(3,065)	(768)		(219,312)	(162,248)	(482,898)
Capital leases (non-budgeted)						1,338,250				
Total other financing sources (uses)	-	-	-	-	-	1,338,250	-	-	-	(21,554)
Net change in fund balances	\$ 1,447,991	\$ (1,013,912)	\$ 184,169	\$ (2,277,218)	\$ (4,105,119)	\$ (407,654)	\$ 1,497,828	\$ 2,761,889	\$ (821,497)	\$ 1,571,209
Debt service as a percentage of noncapital expenditures	1.4%	1.3%	1.2%	1.2%	1.0%	0.9%	0.9%	0.8%	0.7%	0.7%

NOTE: Capital Projects Fund is not included as these expenditures vary substantially from year to year. The financial data presented would not be as meaningful for comparative purposes if these were included.

Source: CAFR Schedule B-2 and C-2

Exhibit J-5

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

Fiscal Year Ended June 30,	Interest on Investments	Tuition Revenue	Rentals	Refunds	Misc.	Total
2006	510,077	4,909,035	250,377	619,925	93,409	6,382,823
2007	763,868	5,273,917	51,097	267,643		6,356,525
2008	387,639	5,170,100	25,911	134,978	12,457	5,731,085
2009	100,057	5,712,114	-	54,667	285,998	6,152,836
2010	95,646	6,281,947	-	57,486	242,311	6,677,390
2011	58,647	6,944,414	52,489	1,484	99,658	7,156,692
2012	966	6,900,539	66,928	143,976	64,878	7,177,287
2013	4,630	7,859,900	54,388	110,847	443,031	8,472,796
2014	320	8,543,020	40,104	119,359	510,255	9,213,058
2015	4,241	8,492,535	30,450	14,087	652,815	9,194,128

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.	Qfirm	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax- Exempt Property	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)	% of Net Assessed to Estimated Full Cash Valuations
2005	\$ 24,754,500	\$ 928,798,000			\$ 773,001,000	\$ 150,088,200	\$ 386,106,300	\$ 2,262,748,000	\$ -		\$ 2,262,748,000	2.260		
2006	\$ 24,413,900	\$ 954,256,400			\$ 766,726,700	\$ 140,085,800	\$ 374,163,800	\$ 2,259,646,600	\$ -		\$ 2,259,646,600	2.350		
2007	\$ 52,587,500	\$ 2,749,255,400			\$ 2,007,826,000	\$ 342,569,200	\$ 1,121,889,200	\$ 6,274,127,300	\$ -		\$ 6,274,127,300	0.890		
2008	\$ 57,457,000	\$ 2,728,447,600			\$ 1,987,365,400	\$ 337,615,700	\$ 1,079,890,500	\$ 6,190,776,200	\$ -		\$ 6,190,776,200	1.015	\$ 5,943,910,052	104.15%
2009	\$ 57,457,000	\$ 2,728,447,600			\$ 1,987,365,400	\$ 337,615,700	\$ 1,079,890,500	\$ 6,190,776,200	\$ -		\$ 6,190,776,200	1.015	\$ 6,096,246,072	101.55%
2010	\$ 57,531,800	\$ 2,704,803,000			\$ 1,929,082,100	\$ 323,600,400	\$ 969,174,000	\$ 5,984,191,300	\$ -	\$ 28,273,057	\$ 6,012,464,357	1.038	\$ 6,130,487,593	98.07%
2011	\$ 39,988,200	\$ 2,000,415,500			\$ 1,794,497,900	\$ 296,636,910	\$ 913,359,000	\$ 5,044,897,510	\$ -	\$ 26,094,565	\$ 5,070,992,075	1.300	\$ 5,781,824,970	87.71%
2012	\$ 47,731,400	\$ 1,998,662,800			\$ 1,740,230,570	\$ 295,561,200	\$ 891,042,000	\$ 4,973,227,970	\$ -	\$ 21,534,684	\$ 4,994,762,654	1.363	\$ 5,746,741,785	86.91%
2013	\$ 48,569,100	\$ 1,995,196,200			\$ 1,718,956,070	\$ 288,435,400	\$ 879,727,000	\$ 4,930,683,770	\$ -	\$ 21,534,684	\$ 4,952,218,454	1.424	\$ 5,607,198,120	88.32%
2014	\$ 47,055,600	\$ 1,974,545,090			\$ 1,752,931,970	\$ 283,867,900	\$ 882,157,400	\$ 4,940,557,960	\$ -	\$ 21,534,684	\$ 4,962,092,644	1.478	\$ 5,312,764,739	93.40%

Source: Municipal Tax Assessor

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

Reassessment occurs when ordered by the County Board of Taxation

a Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

b Tax rates are per \$100

Exhibit J-7

Hackensack Board of Education
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

(rate per \$100 of assessed value)

Fiscal Year Ended June 30,	Hackensack Board of Education			Overlapping Rates		Total Direct and Overlapping Tax Rate
	General			Town of Hackensack	Bergen County	
	Basic Rate ^a	Obligation	Total Direct			
		Debt Service ^b				
2005	2.21	0.05	2.26	2.04	0.39	4.69
2006	2.30	0.05	2.35	2.27	0.40	5.02
2007	0.76	0.13	0.89	0.93	0.17	1.99
2008	0.93	0.01	0.94	0.98	0.18	2.097
2009	1.00	0.02	1.02	1.00	0.20	2.215
2010	1.02	0.02	1.04	1.09	0.20	2.328
2011	1.28	0.02	1.30	1.43	0.22	2.951
2012	1.35	0.01	1.36	1.49	0.25	3.095
2013	1.41	0.01	1.42	1.54	0.26	3.217
2014	1.47	0.01	1.48	1.61	0.24	3.322

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.

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

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

Source: Municipal Tax Assessor.

Exhibit J-9

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

Fiscal Year Ended June 30,	District Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2006	\$52,035,776	\$52,035,776	100.00%	\$ -
2007	\$54,506,501	\$54,506,501	100.00%	\$ -
2008	\$57,513,889	\$56,010,195	97.39%	\$ 1,503,694
2009	\$59,791,494	\$59,791,494	100.00%	\$ -
2010	\$62,031,694	\$62,031,694	100.00%	\$ -
2011	\$64,779,306	\$64,779,306	100.00%	\$ -
2012	\$67,106,955	\$67,106,955	100.00%	\$ -
2013	\$69,093,004	\$69,093,004	100.00%	\$ -
2014	\$71,871,379	\$71,871,379	100.00%	\$ -
2015	\$74,147,498	\$74,147,498	100.00%	\$ -

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 ^a	Per Capita ^a
	General Obligation Bonds/Loans ^b	Certificates of Participation	Bond Anticipation Notes (BANs)	Capital Leases	Total District		
2005	8,740,648	-	-	-	8,909,348	0.65%	\$ 57,745
2006	8,067,814	-	-	-	8,190,192	0.77%	\$ 63,103
2007	7,360,328	-	-	-	7,360,328	0.92%	\$ 67,544
2008	6,618,000	-	-	-	6,618,000	1.02%	\$ 67,331
2009	6,040,000	-	-	-	6,040,000	1.06%	\$ 63,874
2010	5,410,000	-	-	-	6,485,219	0.99%	\$ 63,885
2011	4,780,000	-	-	-	5,597,322	1.20%	\$ 67,248
2012	4,160,000	-	-	-	4,712,286	1.47%	\$ 69,281
2013	3,545,000	-	-	-	3,824,913	1.82%	\$ 69,495
2014	2,935,000	-	-	-	2,935,000	Not Available	Not Available

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

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

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

b Includes Early Retirement Incentive Plan (ERIP) refunding

Exhibit J-11

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value a of Property	Per Capita ^b
	General Obligation Bonds/Loans	Deductions	Net General Bonded Debt Outstanding		
2006	\$ 8,740,648	-	8,740,648	0.39%	\$ 139
2007	\$ 8,067,814	-	8,067,814	0.13%	\$ 119
2008	\$ 7,360,328	-	7,360,328	0.12%	\$ 109
2009	\$ 6,618,000	-	6,618,000	0.11%	\$ 104
2010	\$ 6,040,000	-	6,040,000	0.10%	\$ 95
2011	\$ 5,410,000	-	5,410,000	0.11%	\$ 80
2012	\$ 4,780,000	-	4,780,000	0.10%	\$ 69
2013	\$ 4,160,000	-	4,160,000	0.08%	\$ 60
2014	\$ 3,545,000	-	3,545,000	0.07%	Not Available
2015	\$ 2,935,000	-	2,935,000	Not Available	Not Available

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

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

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

Hackensack Board of Education
Ratios of Overlapping Governmental Activities Debt
As of June 30, 2015

<u>Governmental Unit</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Debt Outstanding</u>	<u>Estimated Share of Overlapping Debt</u>
Direct Debt of School District as of June 30, 2015			\$ 2,935,000
Net overlapping debt of School District:			
City of Hackensack	100.000%	\$ 50,063,619	
County of Bergen - City's Share	3.215%	\$ 27,965,430	
Bergen County Utility Authority-City's Share	9.257%	\$ 19,374,859	
Subtotal, overlapping debt			<u>\$ 97,403,908</u>
Total direct and overlapping debt			<u><u>\$ 100,338,908</u></u>

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.

ation basis		
2014	\$	5,457,452,617
2013	\$	5,607,198,120
2012	\$	5,746,741,785
	[A]	\$ 11,353,939,905

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

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

Year	Population ^a	Personal Income (thousands of dollars) ^b	Per Capita		Unemployment Rate ^d
			Personal Income ^c		
2006	42,788	\$ 2,700,051,164	63,103		4.60%
2007	42,634	\$ 2,879,670,896	67,544		4.60%
2008	42,637	\$ 2,870,791,847	67,331		4.60%
2009	42,839	\$ 2,736,298,286	63,874		9.70%
2010	43,197	\$ 2,759,640,345	63,885		9.80%
2011	43,477	\$ 2,923,741,296	67,248		9.50%
2012	44,109	\$ 3,055,915,629	69,281		9.40%
2013	44,309	\$ 3,079,253,955	69,495		8.20%
2014	44,519	Not Available	Not Available		6.40%
2015	Not Available	Not Available	Not Available		Not Available

Source:

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

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

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

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

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

Employer	2014		2005	
	Employees	Rank (Optional)	Percentage of Total Employment	Rank (Optional)
			Employees	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>	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Instruction										
Regular	530	533	533	536	413	375	304	310	284	280
Special education	24	26	27	30	143	135	216	220	184	193
Other special education	-	-	-	-	-	-	-	-	-	-
Vocational	-	-	-	-	-	-	-	-	-	-
Other instruction	-	-	-	-	-	-	-	-	-	-
Nonpublic school programs	-	-	-	-	-	-	-	-	-	-
Adult/continuing education programs	-	-	-	-	-	-	-	-	-	-
Support Services:										
Tuition	-	-	-	-	-	-	-	-	-	-
Student & instruction related services	17	17	17	18	74	17	85	87	87	89
General administrative services	5	6	6	6	6	6	6	6	6	4
School administrative services	40	40	40	37	39	42	52	60	63	37
Business administrative services	13	13	13	15	16	15	16	14	14	17
Plant operations and maintenance	56	57	57	55	56	51	62	81	68	65
Pupil transportation	1									
Total	686	692	693	697	747	641	741	778	706	685

Source: District Personnel Records

Fiscal Year	Pupil/Teacher Ratio											
	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	High School				
2006	4,984.0	77,095,012	15,469	#REF!	485	1:23	1:25	1:25	4,852	4,596	-1.60%	94.72%
2007	4,992.0	85,061,777	17,040	10.16%	485	1:23	1:25	1:25	4,949	4,632	0.37%	93.59%
2008	4,902.0	87,691,029	17,889	4.98%	485	1:23	1:25	1:25	4,922	4,586	1.44%	93.17%
2009	4,970.0	88,108,854	17,728	-0.90%	536	1:23	1:25	1:25	4,902	4,633	-0.41%	94.51%
2010	5,063.0	92,673,783	18,304	3.25%	556	1:23	1:25	1:25	5,033	4,759	2.67%	94.56%
2011	5,114.0	92,146,880	18,019	-1.56%	510	1:23	1:25	1:25	5,132	4,893	1.97%	95.34%
2012	5,258.0	95,864,465	18,232	1.19%	520	1:11	1:10	1:10	5,224	4,994	1.79%	95.60%
2013	5,384.0	100,081,331	18,589	1.96%	531	1:10	1:10	1:12	5,406	5,261	3.48%	97.32%
2014	5,506.0	103,919,592	18,874	1.53%	467	1:12	1:12	1:12	5,463	5,232	1.05%	95.77%
2015	5,673.0	107,704,683	18,985	0.59%	473	1:12	1:11	1:13	5,631	5,391	3.08%	95.74%

Sources: District records, ASSA and Schedules J-4

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

- a Operating expenditures equal total general fund and special revenue fund expenditures less debt service and capital outlay; Schedule J-4
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS)

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<u>District Buildings</u>										
<u>Elementary</u>										
Nellie K. Parker School										
Square Feet	80,280	80,280	80,280	80,280	80,280	80,280	80,280	80,280	80,280	80,280
Capacity (students)	539	539	539	539	539	539	539	539	539	539
Enrollment	426	415	415	440	440	499	531	568	541	581
Fairmount School										
Square Feet	61,000	61,000	61,000	61,000	61,000	61,000	61,000	61,000	61,000	61,000
Capacity (students)	611	611	611	611	611	611	611	611	611	611
Enrollment a	544	539	539	559	559	599	665	670	601	579
Fanny M. Hillers School										
Square Feet	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000
Capacity (students)	526	526	526	526	526	526	526	526	526	526
Enrollment a	454	494	494	516	516	564	568	562	504	569
Jackson Avenue School										
Square Feet	60,800	60,800	60,800	60,800	60,800	60,800	60,800	60,800	60,800	60,800
Capacity (students)	434	434	434	434	434	434	434	434	434	434
Enrollment a	417	398	398	430	430	479	468	454	399	433
ECDC										
Square Feet									40,309	40,309
Capacity (students)									490	490
Enrollment a									280	275
<u>Middle School</u>										
Middle School										
Square Feet	103,293	103,293	103,293	103,293	103,293	103,293	103,293	103,293	141,932	141,932
Capacity (students)	1,445	1,445	1,445	1,445	1,161	1,161	1,161	1,161	1,161	1,161
Enrollment	684	654	654	673	673	633	630	1,327	1,406	1,395
<u>High School</u>										
Hackensack High School										
Square Feet	158,243	158,243	158,243	158,243	158,243	158,243	158,243	158,243	267,349	267,349
Capacity (students)	2,064	2,064	2,064	2,064	2,064	2,064	2,064	2,064	2,064	2,064
Enrollment	1,812	1,748	1,783	1,712	1,712	1,715	1,729	1,803	1,775	1,816
<u>Other</u>										
Administration Building										
Square Feet	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	7,516	7,516
5/6 School										
Square Feet	29,977	29,977	29,977	29,977	29,977	29,977				
Capacity (students)	525	525	525	525	525	525				
Enrollment a	645	654	619	589	589	625				

Number of Schools at June 30, 2015

Elementary = 5

Middle School = 1

High School = 1

Other School = 2

Source: District records, ASSA

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

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

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

School Facilities	Project # (s)	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Hackensack High School	N/A	406,956	325,944	277,050	218,177	206,518	235,489	499,850	398,937	323,981	384,195
Middle School	N/A	216,047	173,039	158,843	130,216	347,638	323,929	242,878	430,508	468,897	80,812
Nellie K. Parker School	N/A	122,201	97,875	66,681	52,481	64,689	88,767	153,104	65,913	99,440	52,727
Fairmount School	N/A	92,854	74,369	66,083	35,413	70,851	97,089	136,496	66,577	138,421	68,837
Fanny M. Hillers School	N/A	121,775	97,534	145,988	109,118	89,141	173,251	208,755	51,664	60,088	62,998
Jackson Avenue School	N/A	92,549	74,125	113,845	57,598	75,812	45,469	95,343	26,608	61,580	297,344
ECDC	N/A	61,358	49,144								
Administration Building	N/A	11,441	9,163	3,966	63,035	37,797	54,389	44,683	39,258	47,454	44,596
Total School Facilities		1,125,181	901,193	832,456	666,038	892,446	1,018,383	1,381,109	1,079,465	1,199,861	991,509
Other Facilities											
Grand Total		\$ 1,125,181	\$ 901,193	\$ 832,456	\$ 666,038	\$ 892,446	\$ 1,018,383	\$ 1,381,109	\$ 1,079,465	\$ 1,199,861	\$ 991,509

**Hackensack Board of Education
Insurance Schedule
For the Fiscal Year Ended June 30, 2015
Unaudited**

<u>Company</u>	<u>Type of Coverage</u>	<u>Coverage</u>	<u>Deductible</u>
NJ School Board	School package policy -		
Association Insurance	Property - Blanket Building and Contents	\$ 166,128,820	\$ 5,000
Group/North Jersey	Comprehensive General Liability	31,000,000	5,000
Educational	Comprehensive Automobile Liability	31,000,000	5,000
Insurance Fund	Comprehensive Crime Coverage	500,000	1,000
	Computers and schedule equipment -		
	Data Processing Equipment	2,500,000	5,000
	Musical instruments	250,000	250
	Other	5,000,000	5,000
	Boiler and machinery -		
	Umbrella policy	5,900,000	10,000
	School Board legal liability -		
	Directors and officers policy	16,000,000	10,000
	Public Employees' Faithful Performance Blanket		
	Position Bond - Board Secretary	405,000	
	Pollution	1,000,000	15,000

Source: District Records

SINGLE AUDIT SECTION

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities and each major fund and the aggregate remaining fund information of the Board of Education of the City of Hackensack School District, in the County of Bergen, New Jersey, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 3, 2015.

Internal Control Over Financial Reporting

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

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



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

Compliance and Other Matters

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

We noted certain matters that were required to be reported to the Board of Education of the City of Hackensack School District in the separate Auditors' Management Report on Administrative Findings - Financial, Compliance and Performance dated November 3, 2015.

Purpose of this Report

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

Steven D. Wielkatz

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Licensed Public School Accountant
No. 816

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Certified Public Accountants
Pompton Lakes, New Jersey

November 3, 2015

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH
OMB CIRCULAR A-133 AND N.J. OMB CIRCULAR 04-04

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

Report on Compliance for Each Major Federal and State Program

We have audited the Board of Education of the City of Hackensack School District in the County of Bergen, New Jersey, compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplements* and the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the City of Hackensack Board of Education's major federal and state programs for the year ended June 30, 2015. The City of Hackensack Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Hackensack Board of Education's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards, OMB Circular A-133 and N.J. OMB Circular 04-04 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred

to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about the City of Hackensack Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal and State Program

In our opinion, the City of Hackensack Board of Education complied, in all material respects, with the Types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2015.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and New Jersey OMB Circular 04-04 and which are described in the accompanying schedule of findings and questioned costs as item 2015-001. Our opinion on each major federal and state program is not modified with respect to these matters.

The City of Hackensack Board of Education's responses to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The City of Hackesack Board of Education's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Report on Internal Control Over Compliance

Management of the City of Hackensack Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Hackensack Board of Education's internal control over compliance with the type of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and N.J. OMB Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of City of Hackensack Board of Education's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance as described in the accompanying schedule of findings and questions costs as item 2015-001 that we consider to be a significant deficiency.

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

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

We have audited the financial statements of the City of Hackensack Board of Education as of and for the year ended June 30, 2015, and have issued our report there dated November 3, 2015 which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by OMB Circular A-133 and N.J. OMB Circular 04-04 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain

additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal and state awards is fairly stated in all material respects in relation to the financial statements as a whole.

Steven D. Wielkatz

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Certified Public Accountants
Pompton Lakes, New Jersey

November 3, 2015

**HACKENSACK
BOARD OF EDUCATION**
Schedule of Expenditures of Federal Awards

Year ended June 30, 2015

Federal CFDA Number	Federal Grantor/Pass-through Grantor/ Program Title	Grant Period	Award Amount	Balance at June 30, 2014	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2015			
										(Accounts Receivable)	Deferred Revenue/ Interfund Payable	Due to Grantor	
U.S. Department of Agriculture													
Passed-through State Department of Education:													
Enterprise Fund:													
10.550	USDA Commodities	7/1/14-6/30/15	\$ 114,612			114,612	114,612						
10.555	National School Lunch Program	7/1/14-6/30/15	1,324,877			1,207,186	1,324,877					(117,691)	
10.555	National School Lunch Program	7/1/13-6/30/14	1,159,302	(81,615)		81,615							
10.553	National Breakfast Program	7/1/14-6/30/15	588,433			524,506	588,433					(63,927)	
10.553	National Breakfast Program	7/1/13-6/30/14	632,022	(55,401)		55,401							
	Total Enterprise Fund			(137,016)		1,983,320	2,027,922					(181,618)	
U.S. Department of Education													
General Fund:													
93.778	Medicaid Administrative Claiming (MAC)	7/1/14-6/30/15	25,775			25,775	25,775						
93.778	Medical Assistance Program (SEMI)	7/1/14-6/30/15	181,137			102,468	181,137					(78,669)	
93.778	Medical Assistance Program (SEMI)	7/1/13-6/30/14	191,228			191,228		(191,228)					
	Total General Fund					319,471	206,912	(191,228)				(78,669)	
U.S. Department of Education													
Passed-through State Department of Education:													
Special Revenue Fund:													
84.010	Title I Part A, Improving Basic Programs	7/1/14-6/30/15	1,191,524		(241,474)	1,059,965	980,957	3,912				(158,554)	
84.010	Title I Part A, Improving Basic Programs	7/1/13-6/30/14	1,018,027	(241,474)	241,474	1,059,965	980,957	3,912				(158,554)	
	I.D.E.A. Part B	7/1/14-6/30/15	1,384,273		(579,438)	1,823,582	1,327,061					(82,917)	
84.027	I.D.E.A. Part B	7/1/13-6/30/14	1,264,916	(579,438)	579,438								
84.173	I.D.E.A. Part B Preschool	7/1/14-6/30/15	47,814		7,475	19,274	82,355	123				(55,483)	
84.173	I.D.E.A. Part B Preschool	7/1/13-6/30/14	47,197	7,475	(7,475)	1,842,856	1,409,416	123				(138,400)	
	Title II Part A	7/1/14-6/30/15	188,428		(71,196)	194,300	188,893	24,618				(41,171)	
84.367A	Title II Part A	7/1/13-6/30/14	182,493	(71,196)	71,196	194,300	188,893	24,618				(41,171)	
	Title III	7/1/14-6/30/15	100,768		(72,826)	138,100	95,560	17,347				(12,939)	
84.365A	Title III	7/1/13-6/30/14	97,340	(72,826)	72,826	138,100	95,560	17,347				(12,939)	
84.365A	Title III, Immigrant	7/1/14-6/30/15	72,511		(12,512)	47,916	92,720					(57,316)	
84.365A	Title III, Immigrant	7/1/13-6/30/14	40,037	(12,512)	12,512	186,016	188,280	17,347				(70,255)	

**HACKENSACK
BOARD OF EDUCATION**
Schedule of Expenditures of Federal Awards

Year ended June 30, 2015

Federal Grantor/Pass-through Grantor/ Program Title	Federal CFDA Number	Grant Period	Award Amount	Balance at June 30, 2014	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2015		
										(Accounts Receivable)	Deferred Revenue/ Interfund Payable	Due to Grantor
(continue from prior page)												
Vocational Education - Perkins	84.048	7/1/14-6/30/15	51,530			33,517	43,912			(10,395)		
Vocational Education - Perkins	84.048	7/1/13-6/30/14	46,188	(45,730)		45,730						
				(45,730)		79,247	43,912			(10,395)		
Project ACES	17.259	7/1/14-6/30/15	107,475			48,400	106,679			(58,279)		
Project ACES	17.259	7/1/13-6/30/14	108,000	(61,600)		59,797				(1,803)		
Project ACES	17.259	7/1/12-6/30/13	57,600	(2,795)						(2,795)		
				(64,395)		108,197	106,679			(62,877)		
Total Special Revenue Fund				(1,080,096)		3,470,581	2,918,137	46,000		(481,652)		
Total Federal Financial Assistance				\$ (1,217,112)		5,773,372	5,152,971	(145,228)		(741,939)		

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

HACKENSACK
BOARD OF EDUCATION
Schedule of Expenditures of State Awards and Other Local Awards
Year ended June 30, 2015

State Grantor/Program Title	Grant or State Project Number	Grant Period	Balance at June 30, 2014				Balance at June 30, 2015				MEMO				
			Award Amount	Deferred Revenue (Assets 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
State Department of Education:															
General Fund:															
Equalization Aid	495-034-5120-078	7/01/4-6/30/15	9,445,263				8,665,481	9,445,263						(779,782)	9,445,263
Transportation Aid	495-034-5120-014	7/01/4-6/30/15	92,175				84,565	92,175						(7,610)	92,175
Special Education Aid	495-034-5120-089	7/01/4-6/30/15	2,812,756				2,580,540	2,812,756						(232,216)	2,812,756
Security Aid	495-034-5120-084	7/01/4-6/30/15	363,386				333,386	363,386						(30,000)	363,386
PARCC Readiness Aid	495-034-5120-098	7/01/4-6/30/15	51,290				47,056	51,290						(4,234)	51,290
Per Pupil Growth Aid	495-034-5120-097	7/01/4-6/30/15	51,290				47,056	51,290						(4,234)	51,290
Extraordinary Aid	100-034-5120-473	7/01/4-6/30/15	903,437	(977,897)			977,897	903,437		(903,437)					903,437
Extraordinary Aid	100-034-5120-473	7/01/4-6/30/14	977,897				977,897								977,897
Reimbursed TPAF Social Security	495-034-5094-003	7/01/4-6/30/15	3,421,730	(162,466)			3,257,632	3,421,730		(164,098)					3,421,730
Reimbursed TPAF Social Security	495-034-5094-003	7/01/3-6/30/14	3,246,321				162,466								3,246,321
				(1,140,363)			16,156,079	17,141,327		(1,067,535)				(1,058,076)	21,565,545
Special Revenue Fund:															
Preschool Education Aid	495-034-5120-086	7/01/4-6/30/15	439,952			12,307	395,957	444,723		(36,459)				(43,995)	44,723
Preschool Education Aid	495-034-5120-086	7/01/3-6/30/14	423,180	(30,011)			423,183						220		470,820
Nonpublic Text Chapter 194	100-034-5120-064	7/01/4-6/30/15	7,350		616		8,282	14,796	6,734						8,063
Nonpublic Text Chapter 194	100-034-5120-064	7/01/3-6/30/14	7,350							616					6,733
Chapter 192 - Compensatory Education	100-034-5120-067	7/01/4-6/30/15	87,788				87,788	16,696	1,199				72,291		16,696
Chapter 192 - Compensatory Education	100-034-5120-067	7/01/3-6/30/14	6,420		1,284		25,578	2,310	1,396				24,664		5,136
Chapter 192 - ESI	100-034-5120-067	7/01/4-6/30/15	25,578				25,578	2,310	1,396						2,310
Chapter 192 - ESI	100-034-5120-067	7/01/3-6/30/14	8,642		2,357		19,618	9,416	1,804				12,006		8,642
Chapter 193 - Supplemental Instruction	100-034-5120-066	7/01/4-6/30/15	15,403				25,219	17,569	3,342				10,992		15,403
Chapter 193 - Supplemental Instruction	100-034-5120-066	7/01/3-6/30/14	15,403		6,661		25,219	17,569	3,342						17,569
Chapter 193 - Examination and Classification	100-034-5120-066	7/01/4-6/30/15	25,219				17,670	9,446	1,406				9,630		9,401
Chapter 193 - Examination and Classification	100-034-5120-066	7/01/3-6/30/14	12,743		958		17,670	13,240					39		9,374
Chapter 193 - Corrective Speech	100-034-5120-066	7/01/4-6/30/15	9,374		2,578		13,279	4,372					76		4,372
Chapter 193 - Corrective Speech	100-034-5120-070	7/01/4-6/30/14	13,279				4,448	5,925							2,460
Nonpublic Nursing	100-034-5120-373	7/01/4-6/30/15	4,448				299,940	287,505	9,442				3,638		41,704
Non Public Technology Grant	100-034-5120-373	7/01/4-6/30/14	2,680		220		45,463	3,098					908		287,505
Friendly Family	FF07015	7/01/4-6/30/15	45,463	121			299,940	3,098							296,012
Friendly Family	FF07015	7/01/3-6/30/14	45,462												6,917
School Based Youth Service Program	13 AMBP	7/01/4-6/30/15	299,940	3,020			6,931								6,917
School Based Youth Service Program	13 AMBP	7/01/3-6/30/14	299,940												6,917
Anti-Bullying Bill of Rights		7/01/3-6/30/14	6,931												6,917
				(19,939)	14,674		985,560	869,505	26,309	(36,459)	14	158,870	(43,995)		1,319,434
Enterprise Fund:															
National School Lunch Program (State Share)	100-010-3350-023	7/01/4-6/30/15	28,553				25,318	28,553		(3,235)					28,553
National School Lunch Program (State Share)	100-010-3350-023	7/01/3-6/30/14	25,004	(1,751)			1,751								25,004
National School Snack Program (State Share)	100-010-3350-022	7/01/4-6/30/15	82,080				73,493	82,080		(8,587)					82,080
National School Snack Program (State Share)	100-010-3350-022	7/01/3-6/30/14	52,279	(2,972)			2,972								52,279
				(4,723)			103,534	110,633		(11,822)					187,916
				(1,165,025)	14,674		17,245,173	18,121,465	26,309	(1,115,816)	14	158,870	(1,102,071)		22,872,895
Total State Financial Assistance Subject to OMB 04-04															
(continue to next page) *															

Total State Financial Assistance Subject to OMB 04-04

(continue to next page)

**HACKENSACK
BOARD OF EDUCATION**

Schedule of Expenditures of State Awards and Other Local Awards

Year ended June 30, 2015

	Grant or State Project Number	State Grant/Program Title	Grant Period	Award Amount	Balance at June 30, 2014				Balance at June 30, 2015				MEMO			
					Deferred Revenue (Accts 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
		On Behalf TPAF Contributions Not Subject to OMB 04-04														
		On Behalf TPAF: Post Retirement Medical	7/1/14-6/30/15	3,685,419				3,685,419	3,685,419					*	*	3,685,419
		On Behalf TPAF Pension	7/1/14-6/30/15	2,165,710				2,165,710	2,165,710					*	*	2,165,710
		On Behalf TPAF NCGI Premium	7/1/14-6/30/15	155,813				155,813	155,813					*	*	155,813
		Total State Financial Assistance			(1,165,025)	14,674		23,252,115	24,128,407	26,309	14,674	(1,115,5816)	14	158,870	(1,102,071)	28,879,837
Local Sources:																
Special Revenue Fund:																
		Reading is Fundamental	7/1/10-6/30/11	5,221										*	*	5,211
		MSG Grant	7/1/12-6/30/13	2,000									10	*	*	
		Santo V. Sorce	7/1/11-6/30/12	500									2,000	*	*	
		Environmental Challenge Grant	7/1/12-6/30/13	7,000								(7,000)	500	*	*	4,764
														*	*	
					(4,490)							(7,000)	2,510	*	*	9,975
					(4,490)							(7,000)	2,510	*	*	19,975
				\$ (1,169,515)	14,674		23,252,115	24,128,407	26,309	14,674	(1,122,816)	2,524	158,870	(1,102,071)	28,899,812	
Total Local Sources																
Total State and Local Financial Assistance																

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 \$(41,591) for the general fund and \$31,984 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>Total</u>
General Fund	\$398,140	\$23,106,678	\$23,504,818
Special Revenue Fund	2,918,137	869,508	3,787,645
Food Service Fund	<u>2,027,922</u>	<u>110,633</u>	<u>2,138,555</u>
Total Financial Awards	<u>\$5,344,199</u>	<u>\$24,086,819</u>	<u>\$29,431,018</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, 2015. 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, 2015.

NOTE 6. ADJUSTMENTS

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

NOTE 7. ON-BEHALF PROGRAMS NOT SUBJECT TO STATE SINGLE AUDIT

On-behalf State Programs for TPAF Pension and Post-Retirement Medical Benefits Contributions are not subject to a State single audit and, therefore, the amount of \$6,006,942 of on-behalf payments is excluded from major program determination.

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

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: unmodified

Internal control over financial reporting:

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

Noncompliance material to basic financial statements noted? yes X no

Federal Awards

Internal Control over major programs:

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

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

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

Identification of major programs:

<u>CFDA Number(s)</u>		<u>Name of Federal Program or Cluster</u>
<u>84.010</u>	(A)	<u>Title I, Part A</u>
<u>10.553/10.555</u>	(A)	<u>National School Breakfast Program/National School Lunch Program</u>

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

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

Auditee qualified as low-risk auditee? X yes no

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

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

State Awards

Dollar threshold used to distinguish between type A and type B programs: \$ 543,644

Auditee qualified as low-risk auditee? X yes no

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

Internal Control over major programs:

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

2. Material weakness(es) identified? yes X no

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

Identification of major programs:

<u>GMIS Number(s)</u>		<u>Name of State Program</u>
<u>100-034-5120-473</u>	(A)	<u>Extraordinary Aid</u>
<u>495-034-5094-003</u>	(A)	<u>Reimbursed TPAF Social Security</u>
<u>495-034-5120-089/</u>		
<u>495-034-5120-078/</u>		
<u>495-034-5120-084/</u>		State Aid Public Cluster:
<u>495-034-5120-098</u>		Special Education Categorical Aid/
<u>495-034-5120-097</u>	(A)	Equalization Aid/Security Aid/PARCC
		<u>Readlines Aid/Per Pupil Growth Aid</u>

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

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

Section II - Schedule of Financial Statement Findings

NONE

**CITY OF HACKENSACK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

STATE AWARDS

Finding 2015-001

Information on the state program:

Equalization Aid, NJCFS number 495-034-5120-078 Grant Period 7/1/14-6/30/15.
Special Education Categorical Aid, NJCFS number 495-034-5120-089 Grant Period 7/1/14-6/30/15.
Security Aid, NJCFS number 495-034-5120-084 Grant Period 7/1/14-6/30/15.
PARCC Readiness Aid, NJCFS number 495-034-5120-098 Grant Period 7/1/14-6/30/15.
Per Pupil Growth Aid, NJCFS number 495-034-5120-097 Grant Period 7/1/14-6/30/15.

Criteria or specific requirement:

The Board Secretary must prepare and submit financial reports in accordance with N.J.S.A. 18A:17-9 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 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 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:

The report was submitted on August 5, in the future more care will be taken to ensure the timely submission of the report.

**CITY OF HACKENSACK SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Status of Prior Year Findings

There were no prior year audit findings.